

Market Research

German pharmacy values generic partners

German generics firms Hexal and Ratiopharm are perceived by German pharmacists to be far better partners than mainstream OTC and prescription players such as Bayer and Johnson & Johnson, according to a study of pharmacy co-operatives in Germany conducted by management consultants Sempora Consulting.

Having collected surveys completed online by 376 pharmacists between November 2013 and January 2014, Sempora invited participants to respond to the statement: “The best industry partner for my co-operative is the company...”

“In the eyes of the pharmacists questioned, Hexal and Ratiopharm are by a distance the best industry partners,” the management consultancy observed.

Novartis’ Hexal generics label ranked first, named by 33% of respondents, ahead of Teva’s Ratiopharm in second with 30%. But while the two generics players – both of which have considerable OTC portfolios – easily retained their top-two placings, their shares slipped from 39% and 32% respectively from the prior year’s survey.

The proportion of pharmacists who named third-placed Bayer also declined slightly from 8% to 7% this year. But Johnson & Johnson shot up from a negligible share to take 5% of votes, putting the US firm equal with another major generics supplier, Stada.

Novartis – apart from Hexal’s performance – doubled its share to 4%.

Nearly nine-tenths – 88% – of the 376 pharmacists who took part in the ‘Coop-Study 2014’ were a member of at least one co-operative.

This, Sempora acknowledged, was slightly higher than the industry average of around 78%

of all German pharmacies being enrolled in such a scheme. However, the consultancy pointed out, the percentages of participants in the major co-operatives was largely similar to figures for the total market.

When given a choice of naming any of the co-operatives with which they collaborated, 24.0% of pharmacists identified Gehe’s Gesund Leben Apotheken programme. Just over three-quarters of the respondents were members of more than one pharmacy co-operative, and pharmacists could name more than one co-operative.

This Celesio-backed scheme was followed closely by the pharmacists’ marketing alliance, Marketing Verein Deutscher Apotheker (MVDA), on 23.7%, and the MVDA’s Linda umbrella brand with 22.4%.

Some way distant in fourth came Alliance Healthcare’s Vivesco concept with 14.1%, followed by Pharma Privat’s A-Plus/E-Plus co-operative on 11.2%. Wholesaler Noweda’s scheme ranked fifth with 10.9%, ahead of Elac’s Guten Tag Apotheken and Phoenix’ Midas programme.

But when Sempora asked the participating pharmacists to identify the main co-operative with which they worked most closely, the MVDA’s Linda came top with 17.5% of votes cast, slightly ahead of Gehe’s Gesund Leben (see Figure 1).

Alliance Healthcare’s Vivesco was the main co-operative for just over a tenth of respondents, followed by Elac’s Guten Tag with 7.6% and MVDA with 6.0%.

Parmapharm’s Gesund ist bunt concept ranked sixth with 5.6% of votes, just ahead of wholesaler Sanacorp’s Meine Apotheke.

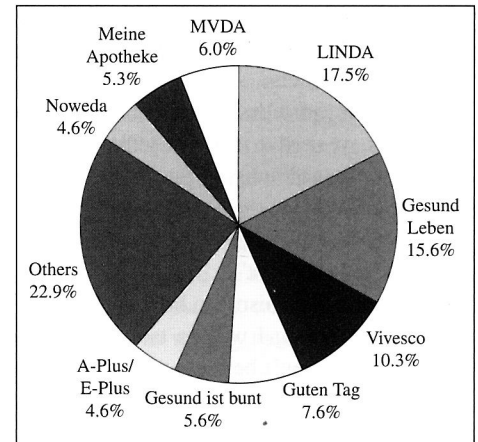


Figure 1: The names of the main pharmacy co-operatives with which a panel of 376 German pharmacists works most closely currently (Source – Sempora Consulting)

Pharma Privat’s A-Plus/E-Plus programme came ninth as the main co-operative for 4.6% of the participating pharmacists, the same proportion that identified Noweda as their main partner. The remaining 22.9% named a different pharmacy co-operative.

Pharmacists’ motivations for signing up to co-operatives were largely financial.

When asked to name the main reason for joining a co-operative, 54% cited advantageous purchasing terms and rebates. The next most popular response was marketing and advertising support, identified by 28% of participants.

More than four-fifths said the co-operative helped their pharmacy to generate greater profits, with just 8% disagreeing (see Figure 2).

The vast majority of pharmacists – 93% – were either ‘very satisfied’ or ‘satisfied’ with their principal co-operative (see Figure 3). This was an increase of six percentage points compared to 2013. And the proportion of ‘very satisfied’ participants had increased by 14 points, Sempora pointed out.

In general, at least nine out of 10 co-operative members would rejoin willingly, although Alliance Healthcare’s Vivesco and Phoenix’ Midas slipped slightly below the 90% endorsement mark.

When questioned about the wider implications of belonging to a co-operative, 55% of pharmacists believed consumers noticed that they were part of a co-operative, with 22% believing they did not. Another 23% were unsure of customers’ perceptions.

“One can, however, assume that pharmacists view too positively the effects on their customers of their participation in co-operatives,” Sempora commented.

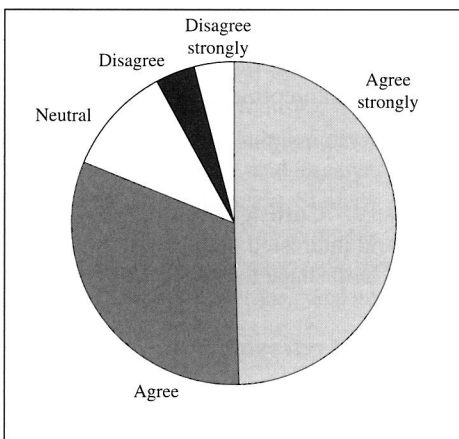


Figure 2: Responses of a panel of 376 German pharmacists to the statement ‘A co-operative helps my pharmacy to achieve a greater profit’ (Source – Sempora Consulting)

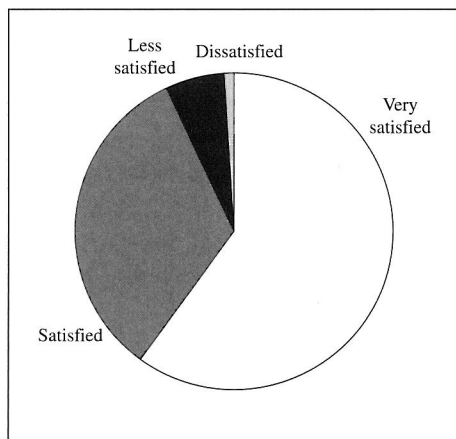


Figure 3: The degree of satisfaction with their principal pharmacy co-operative expressed by a panel of 376 German pharmacists (Source – Sempora Consulting)