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## **FMCGe News Article**

### **Gauging potential of NPD for OTC**

**Wed 8<sup>th</sup> April 2009**

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Gauging the potential of new product development for the OTC sector is becoming increasingly complex.

At The Oxford Research Agency, we have developed a range of approaches which enables clients to launch new products with confidence, knowing the impact that the product will make on sales.

Here is our guide to getting NPD right for the OTC sector:

### **1) Should this be different from other FMCG sectors?**

Getting NPD right in the OTC sector can reap big rewards. Consumers stay loyal to brands that deliver, and longevity of product on shelf can be higher than products in other FMCG sectors. Equally getting it wrong can be a big disappointment, as lead times to develop and launch product are typically longer and more costly than other FMCG sectors.

Therefore it's critical to get a confident measure on how well products are potentially going to perform in market.

### **2) So what are the differences?**

Getting a confident measure on market performance is more complex than other FMCG sectors.

-Firstly, OTC products are becoming increasingly available in a number of different outlets, such as convenience stores, supermarkets and pharmacists.

-Secondly, OTC products can both be available in general sale or behind the counter.

-Thirdly, consumers' decision making process can potentially be influenced by pharmacists or healthcare professionals - or even friends and family. It can also be influenced by the severity of illness and whether they have had a particular illness before. If the product is behind the counter, its sales potential will be highly influenced by pharmacist recommendation.

-Finally, you cannot always test products containing actives on consumers and you cannot ask the same questions as in normal NPD studies. If you do conduct studies with product containing actives, strict adherence to legislative policies are required.

### **3) What about launching in different countries?**

Each country has a different legislative environment in which products with actives can be sold. This can apply both to what products are actually sold, the outlets they can be sold in and the price of the product to the consumer. Therefore products intended for multi-country launches need volumetric potential calculations for each key country. If the demographic and legislative environment is similar between two countries, volumetric calculations could potentially be extrapolated from one country to another.

#### **4) How best do I maintain share?**

Consumers stay loyal to well known brands over time even though this is a low frequency purchase category. The key is therefore to keep consumers aware of the brand, either through media campaigns or continually refreshed packaging designs. Launching of new product forms also maintains interest levels in heritage brands.

Here at The Oxford Research Agency we specialise in OTC market research. We have considerable experience in undertaking studies that impact on NPD such as packaging, pricing, concept and product testing, market potential and strategy, as well as optimal route to market. For additional information please contact Tim Douglas at [tim.douglas@tora.co.uk](mailto:tim.douglas@tora.co.uk) or call 01865 728 272.