

OVER THE COUNTER ANTACID SHAKE-UP

PRINT AND DIGITAL PROMOTION INTEGRATED MEDIA

The introduction of Nexium 24HR OTC (over-the-counter) triggered a chain reaction directly altering the promotional strategy of top Antacid brands from their typical historical behavior.

Drawing from data gathered by Kantar Media Marx's ProMotion PLUS Service, it is clear that Pfizer put a concerted effort towards the rollout of Nexium OTC in both traditional Free Standing Insert (FSI) coupons as well as digital coupons – often in synchronicity. As a result, category brand leaders Prevacid (Novartis), Prilosec (P&G) and Zantac (Boehringer Ingelheim) had no choice but to keep pace and adapt.

Nexium OTC was first introduced to FSI consumers on May 18, 2014, and ran a 48.7mm non-coupon ad featuring the text “Nexium 24HR is almost here, available the week of 5/27.” It had a coordinating national Walmart-supported FSI ad with an offer of “\$10.00 off Nexium if you spend \$5.00 now,” promising future savings with a present purchase. Nexium would continue to partner with Walmart (and later Walgreens) in FSI promotions for the remainder of their campaign, ensuring that every week in which they ran a purchase-incentive coupon they also ran a non-coupon FSI event supported by a retailer.



competitor
reaction →

While two FSI promotions in the same week was impressive, Pfizer's competition was well prepared. On the same May 18th date, Novartis' Prevacid OTC ran a national event featuring a \$10 face value coupon valid immediately, superseding the promised future savings by Nexium. Even more impressive was that two weeks prior, Boehringer's Zantac brand ran a 41.7mm FSI event featuring both a \$4.00 coupon *and* a mail-in rebate for FREE Zantac.

Though their May rollout was muted by competitive FSI activity, Pfizer took control of the FSI channel for the remainder of the summer through September. They dropped six more FSI coupon events than the other top three brands, ending a five month period with a total of 18 events. Pfizer spent more in the May-June FSI time period than P&G's Prilosec and Zantac combined, even with Zantac increasing their spending 65% over the same period a year ago.

Products	Metric	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14
Pfizer	# Events									2	6	4	3	3
Nexium	WAFV (\$)									\$0.00	\$1.67	\$3.00	\$2.00	\$3.00
Novartis	# Events		2		2	2	1	1	1	1	1	4		
Prevacid	WAFV (\$)		\$5.67		\$6.00	\$5.00	\$0.00	\$10.00	\$4.00	\$10.00	\$4.30	\$4.00		
P&G	# Events	7	1		4	4	1	3	1	1	3	6	1	1
Prilosec	WAFV (\$)	\$1.00	\$1.00		\$1.00	\$1.00	\$0.00	\$6.04	\$8.00	\$0.00	\$1.00	\$3.50	\$1.00	\$1.00
Boehringer	# Events	2		2		2		2		2		2		2
Zantac	WAFV (\$)	\$5.00		\$5.00		\$4.00		\$4.00		\$4.00		\$4.00		\$4.00

Value increased or remained flat vs previous year
Value decreased vs previous year



Perhaps most interesting was the behavior of Prilosec, which was 2013's category leader in number of FSI events and overall page circulation. For the May-September 2014 period Prilosec actually decreased their FSI spending by three percent, the only one of the four major antacid brands to do so. Meanwhile, Prevacid used a different tactic, running fewer events but **increasing their average coupon face value by 48%** to approximately \$3.66, surpassing Nexium's average coupon face value by \$1.73.

Pfizer attempted similar tactics in the digital coupon space. They dropped ten digital coupons in the last week of May to coincide with and "boost" their upcoming FSI coupons one week later; ensuring they always had a digital coupon valid and available online for the next five months. However, it was Prilosec, relatively quiet in the FSI space, who dominated this period. They dropped 41 digital coupon events between May and September – **a dramatic increase of 720% over same period a year ago**. Additionally, their average digital coupon face value jumped to \$2.41 after staying at a flat \$1 the previous two years during the same period.

2014																								
May					June					July					August					September				
4	11	18	25		1	8	15	22	29	6	13	20	27		3	10	17	24	31	7	14	21	28	
		FSI				FSI						FSI				FSI	FSI						FSI	
			Dig	Dig	Dig	Dig						Dig	Dig						Dig					



looking forward →

Looking forward, it will be intriguing to see how these brands close out the calendar year. Prevacid and Zantac have tended to run two FSI events each from October-December over the past few years, while Prilosec has averaged one FSI event per month for the same period. Regardless, Nexium's entrance into the OTC antacid segment was well executed and well-funded by Pfizer, ensuring a large share of voice across the mediums of FSI and digital coupons. However, the top competitive OTC antacid brands were prepared to adjust their strategies to offset this campaign in various ways and ensure that they will not get left behind in the new competitive environment.

Get more from Marx – we provide key metrics to help you measure and respond to competitive threats in your categories, from FSI coupons, to digital coupons and retailer advertising. Let us help you quantify your next campaign and keep you ahead of the competition with our first to market data and insights.

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