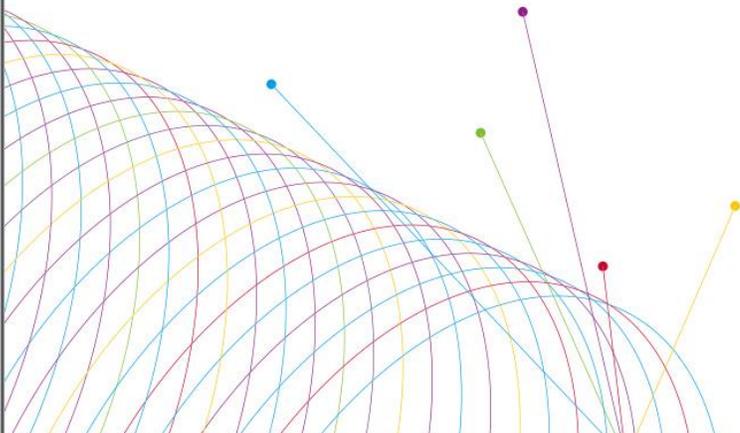


nielsen

AN UNCOMMON SENSE  
OF THE CONSUMER™

# THE BLUE OCEAN OF GASTROIN- TESTINAL OTC

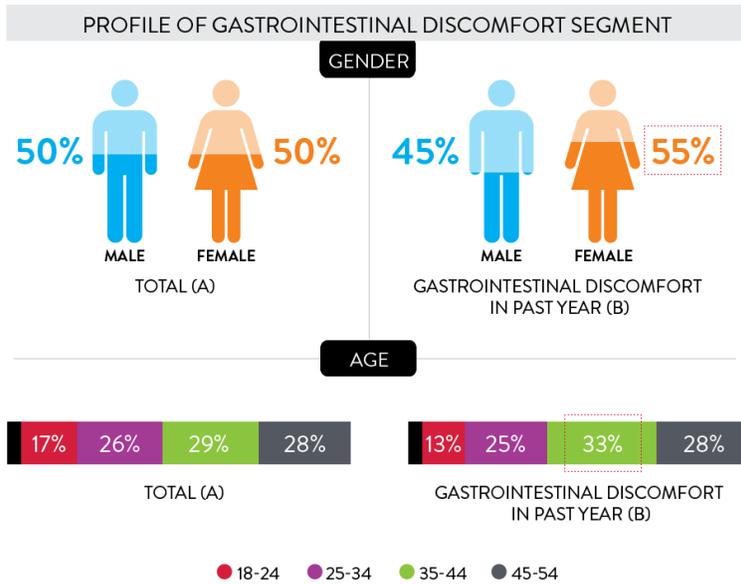
2016 NIELSEN OTC USAGE  
BEHAVIORS STUDY



Close to half (47%) of the respondents in Nielsen’s new Over the Counter (OTC) Usage Behaviors Report have had gastrointestinal issues in the past 12 months; the proportion of females (55%) is greater than that of males (45%) when speaking of those with the syndromes. The survey was conducted in May, 2016 and included 1,006 aged 18 to 54 respondents. Compared to other consumer segments, aged 35 to 44, employed consumers had a higher percentage of suffering from gastrointestinal issues in the past one year with thirty-three percent. This may be relevant to work stress and more socializing occasions.

The gastrointestinal OTC market indeed is full of potential. According to Nielsen Retail Measurement Services (RMS), consumers in Taiwan have spent 1.35 billion NTD totally on gastrointestinal OTC in the latest MAT till August 2016.

**GASTROINTESTINAL DISCOMFORT DIFFERS BY GENDER AND AGE**



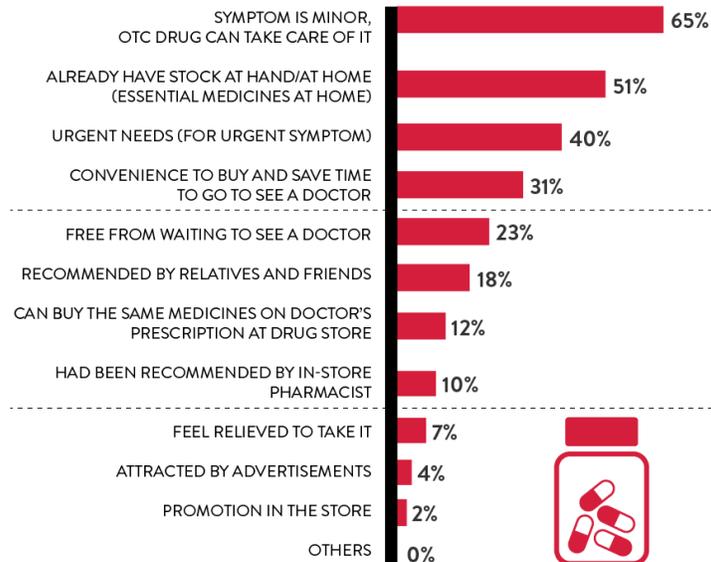
Source: Nielsen

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The Nielsen OTC Usage Behaviors Study reveals that close to half (49%) respondents would see doctor while one-third (33%) prefer to buy OTC. The reasons for choosing OTC were: mild symptoms (65%)”, followed by OTC medication already stored

in the household (51%) and because OTC medication saves a trip to the hospital or clinic (40%).

### REASONS FOR USING A GASTROINTESTINAL OTC DRUG: EFFECTIVE, CONVENIENT, TIMELY



Source: Nielsen

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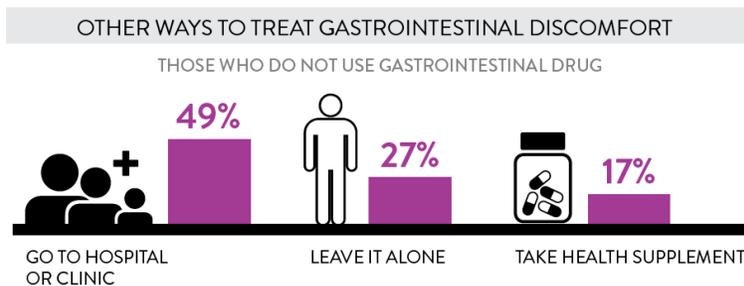
The gastrointestinal OTC market indeed is full of potential. According to Nielsen Retail Measurement Services (RMS), consumers in Taiwan have spent 1.35 billion NTD totally on gastrointestinal OTC in the latest MAT till August 2016. This means Taiwanese consumers have taken 185 tons of gastrointestinal medicine powder and swallowed 360 millions of gastrointestinal tablets in the past year. Nielsen Retail Measurement Services includes pharmacies, personal care stores and hypermarkets for gastrointestinal OTC category but exclude prescription drugs.

Wakamoto, Geofos and Shin-biofermin are the top 3 gastrointestinal OTC brands. However, the market is relatively competitive and fragmented with 50 brands representing eighty percent of market share, according to the latest Nielsen

Retail Measurement service MAT till August 2016 result. This is a very dynamic market—opportunity is right there for every player but there are no guarantees. Therefore, building the trust over the brand is the best method to fight the way out.

### WHEN UNDER GASTROINTESTINAL DISCOMFORT: 1/3 WOULD PURCHASE AN OTC DRUG

Other than purchasing an OTC drug, about half of Gastrointestinal discomfort segment would go to doctor for treatment

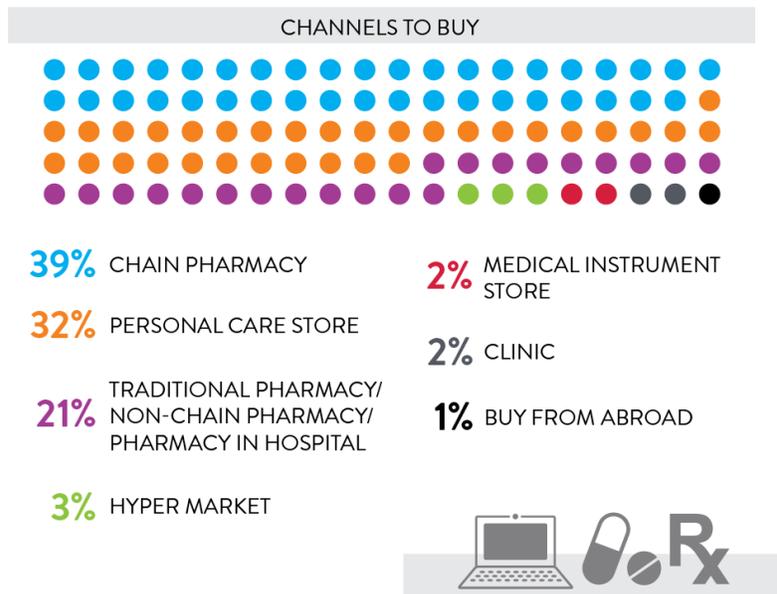


So what are the key driving factors for consumers while purchasing gastrointestinal OTC medication? Nielsen OTC Usage Behaviors Study reveals that when choosing a brand, consumers in Taiwan value “safety with minor/few side effects”, (39%), followed by “trusted brands”(32%). , “Effectiveness (24%), “recommendations from family and friends” (24%) and “complying with national health and safety regulations” (21%) are also critical aspects for consumers. In contrast, “reasonable prices” (21%) comes at the 6th place, and only 4% of the respondents said they would purchase OTC medications if they were promoted attractively. Price is not the prime consideration for consumers in Taiwan when purchasing gastrointestinal OTC. Manufacturers should focus on communicating the products’ efficacy to consumers, as well as building their reputation as a safe and reliable product.

There is still another touch point on the consumer’s path to purchase: in-store recommendations. According to the Nielsen OTC Usage Behaviors Study, nearly two-fifths (37%) of the respondents claimed they would choose the brand of gastrointestinal OTC recommended by pharmacists in-store

mainly because they believe in the proficiency of pharmacists (78%). Moreover, 39% of the respondents would choose chain pharmacies, 32% would choose personal care stores and 21% would choose traditional drug stores. Retailers and manufacturers should make full use of in-store displays and it's very possible to influence the consumer's purchase decision on the last mile of their shopping excursion.

### CHAIN PHARMACY AND PCS ARE THE MAIN CHANNELS TO BUY GASTROINTESTINAL OTC DRUGS



Source: Nielsen

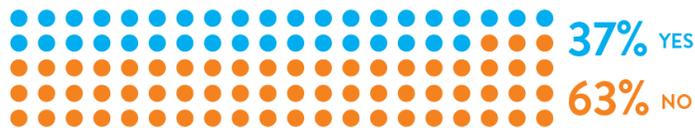
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The gastrointestinal OTC market scale has declined 2.2% slightly during the past 12 months, according to Nielsen Retail Measurement Services. However, relevant gastrointestinal supplements have grown against the tide. The total health supplement market constantly grows with a rate of 13.7% and products related to probiotics have risen to the third ranking category with a three-digit growth of 255%. Taiwanese consumers are not only concerned about soothing

gastrointestinal issues immediately, but also aware of gastrointestinal health.

LAST MILE IN THE STORE: ALMOST 40% SHOPPERS WILL BUY THE BRAND/SKUS RECOMMENDED BY PHARMACIST

WILL YOU BUY THE BRAND/SKU RECOMMENDED BY PHARMACIST



WHICH DESCRIPTION FITS MOST WHEN YOU GO TO STORE TO BUY GASTROINTESTINAL OTC DRUGS? (SINGLE)



Source: Nielsen

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## ABOUT NIELSEN OTC USAGE BEHAVIORS STUDY

Six types of prescription drugs are included in Nielsen OTC Usage Behaviors Study: the cold medicine, painkillers, pain relievers, gastrointestinal drugs, eye drops, and medicines for mold. This research was conducted via online interviews held since May 19th till May 30th, 2016, with respondents composed of people aged 18 to 54, living in Taiwan (excluding the eastern areas and surrounding islands); they were also required to have had conditions including cold/ pain/ sore/ stomachache/ eye discomfort/ athlete's foot/ onychomycosis during the past 12 months, and have purchased correspondent medications during the past 6 months. The number of valid

samples retrieved was 1,006 in total, and the sampling error was  $\pm 3.15\%$ .

### ABOUT NIELSEN RETAIL MEASUREMENT SERVICES

Nielsen Retail Measurement Services, launched in 1987, is the only method in the country used for tracking FMCG sales to help customers measure their sales performances on a continuous basis, as well as grasping circulation dynamics and promotional prices of relevant industries and products of relevant categories, so that to further develop strategies for sales performance growth via exchanging POS sales data obtained all major FMCG retailing channels, including CVS (convenience stores), hypermarkets, supermarkets, personal care stores, and chain pharmacies. Currently, more than 160 food and commodity categories are monitored via the Nielsen's Retail Measurement Service, including prescription drugs.

To learn more about NIELSEN OTC USAGE BEHAVIORS STUDY, please contact

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## ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers Watch and Buy. The Company's Watch segment provides media and advertising clients with Nielsen Total Audience measurement services across all devices where content—video, audio and text—is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen provides its clients with both world-class measurement as well as analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries that cover more than 90% of the world's population. For more information, visit [www.nielsen.com](http://www.nielsen.com).