# Digital Marketing & e-Commerce

## Tapping the Potential of Online Sales and Digital Promotion in Consumer Healthcare

**Key features of the report**

This all-new report from Nicholas Hall dives into the world of e-Commerce and Digital Marketing, profiling key players and brands, assessing strategies, developments and regulations, and looking to the future.

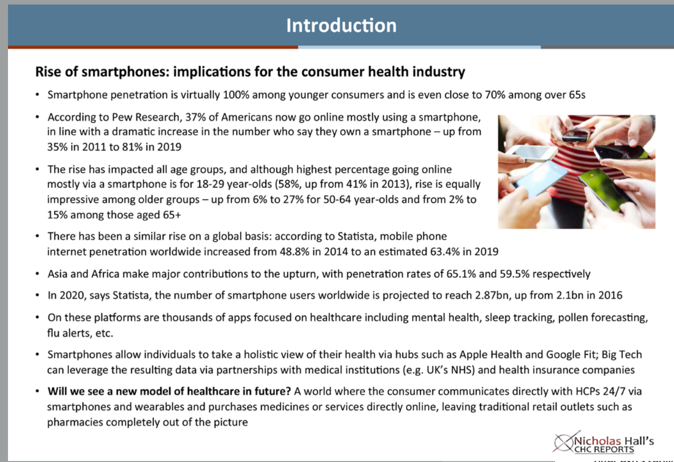
Nicholas Hall's
CHC REPORTS

# Digital Marketing & e-Commerce

## Tapping the Potential of Online Sales and Digital Promotion in Consumer Healthcare

**Digital Marketing** is now considered by many Consumer Healthcare players to be the most important way to engage with consumers and healthcare professionals. As a means of influencing brand choice, digital marketing is rapidly usurping more traditional media such as TV and print, with a rise in the use of social media platforms, blogging, online video content, etc. The importance of social media in influencing consumer purchases and the wealth of knowledge available to consumers online to make increasingly informed choices (including ease of price comparison) are evolving the way consumers purchase and interact with brands.

**e-Commerce** is currently the most dynamic channel in the CHC industry, accounting for 9% of all CHC sales globally, a share expected to rise to 16% in the next ten years. Already hugely important in the major markets of China, USA, Japan and Germany, online healthcare sales are expanding rapidly in all markets where permitted. Rapid e-Commerce expansion is fuelled by online discounting, the emergence of high-speed mobile data, and increasingly secure and speedy payment methods, all of which are leading consumers to embrace the convenience of purchasing healthcare products online.



### Introduction

**Rise of smartphones: implications for the consumer health industry**

- Smartphone penetration is virtually 100% among younger consumers and is even close to 70% among over 65s
- According to Pew Research, 37% of Americans now go online mostly using a smartphone, in line with a dramatic increase in the number who say they own a smartphone – up from 35% in 2011 to 81% in 2019
- The rise has impacted all age groups, and although highest percentage going online mostly via a smartphone is for 18-29 year-olds (58%, up from 41% in 2013), rise is equally impressive among older groups – up from 6% to 27% for 50-64 year-olds and from 2% to 15% among those aged 65+
- There has been a similar rise on a global basis: according to Statista, mobile phone internet penetration worldwide increased from 48.8% in 2014 to an estimated 63.4% in 2019
- Asia and Africa make major contributions to the upturn, with penetration rates of 65.1% and 59.5% respectively
- In 2020, says Statista, the number of smartphone users worldwide is projected to reach 2.87bn, up from 2.1bn in 2016
- On these platforms are thousands of apps focused on healthcare including mental health, sleep tracking, pollen forecasting, flu alerts, etc.
- Smartphones allow individuals to take a holistic view of their health via hubs such as Apple Health and Google Fit; Big Tech can leverage the resulting data via partnerships with medical institutions (e.g. UK's NHS) and health insurance companies
- **Will we see a new model of healthcare in future?** A world where the consumer communicates directly with HCPs 24/7 via smartphones and wearables and purchases medicines or services directly online, leaving traditional retail outlets such as pharmacies completely out of the picture

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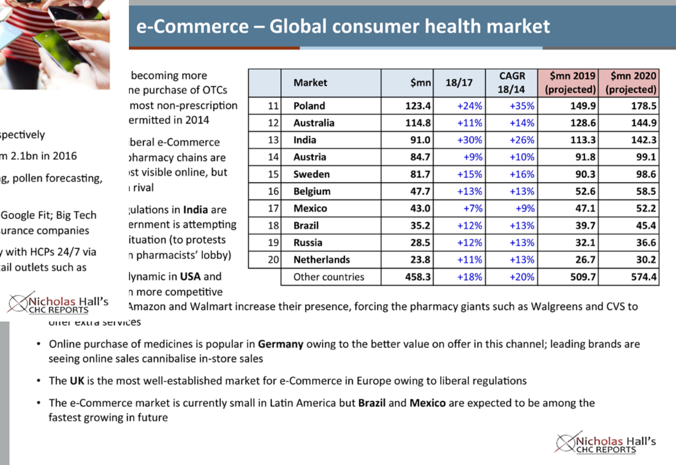

### e-Commerce – Global consumer health market

becoming more
ne purchase of OTCs
most non-prescription
ermitted in 2014

iberal e-Commerce
pharmacy chains are
st visible online, but
rival

ulations in **India** are
ernment is attempting
ituation (to protests
n pharmacists' lobby)

lynamic in **USA** and
n more competitive
Amazon and Walmart increase their presence, forcing the pharmacy giants such as Walgreens and CVS to offer extra services

| | Market | $mn | 18/17 | CAGR 18/14 | $mn 2019 (projected) | $mn 2020 (projected) |
|---|---|---|---|---|---|---|
| 11 | **Poland** | **123.4** | +24% | +35% | **149.9** | **178.5** |
| 12 | **Australia** | **114.8** | +11% | +14% | **128.6** | **144.9** |
| 13 | **India** | **91.0** | +30% | +26% | **113.3** | **142.3** |
| 14 | **Austria** | **84.7** | +9% | +10% | **91.8** | **99.1** |
| 15 | **Sweden** | **81.7** | +15% | +16% | **90.3** | **98.6** |
| 16 | **Belgium** | **47.7** | +13% | +13% | **52.6** | **58.5** |
| 17 | **Mexico** | **43.0** | +7% | +9% | **47.1** | **52.2** |
| 18 | **Brazil** | **35.2** | +12% | +13% | **39.7** | **45.4** |
| 19 | **Russia** | **28.5** | +12% | +13% | **32.1** | **36.6** |
| 20 | **Netherlands** | **23.8** | +11% | +13% | **26.7** | **30.2** |
| | Other countries | **458.3** | +18% | +20% | **509.7** | **574.4** |

- Online purchase of medicines is popular in **Germany** owing to the better value on offer in this channel; leading brands are seeing online sales cannibalise in-store sales
- The **UK** is the most well-established market for e-Commerce in Europe owing to liberal regulations
- The e-Commerce market is currently small in Latin America but **Brazil** and **Mexico** are expected to be among the fastest growing in future

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## Key questions answered

- How large is the current online market for consumer health brands, how fast is it growing and which markets and brands are driving growth? How big can it become in the next decade?
- Which CH brands are employing effective digital marketing strategies, and what can be learned from the best examples?
- Are the leading CHC marketers investing in e-Commerce? Do they have online platforms for their brands?
- How are the major online retailers like Amazon, Tmall and Flipkart affecting the healthcare market?
- How important is social media? What role do consumer influencers play?
- What is the regulatory framework and how does it differ from market to market? What can be sold and who can sell online?
- How does e-Pharmacy fit into the picture and what are the opportunities & challenges?

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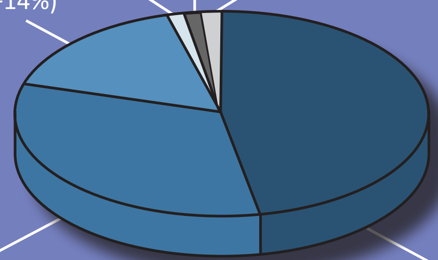
### e-Commerce posting strong growth globally

*Share of internet & mail order sales 2018*

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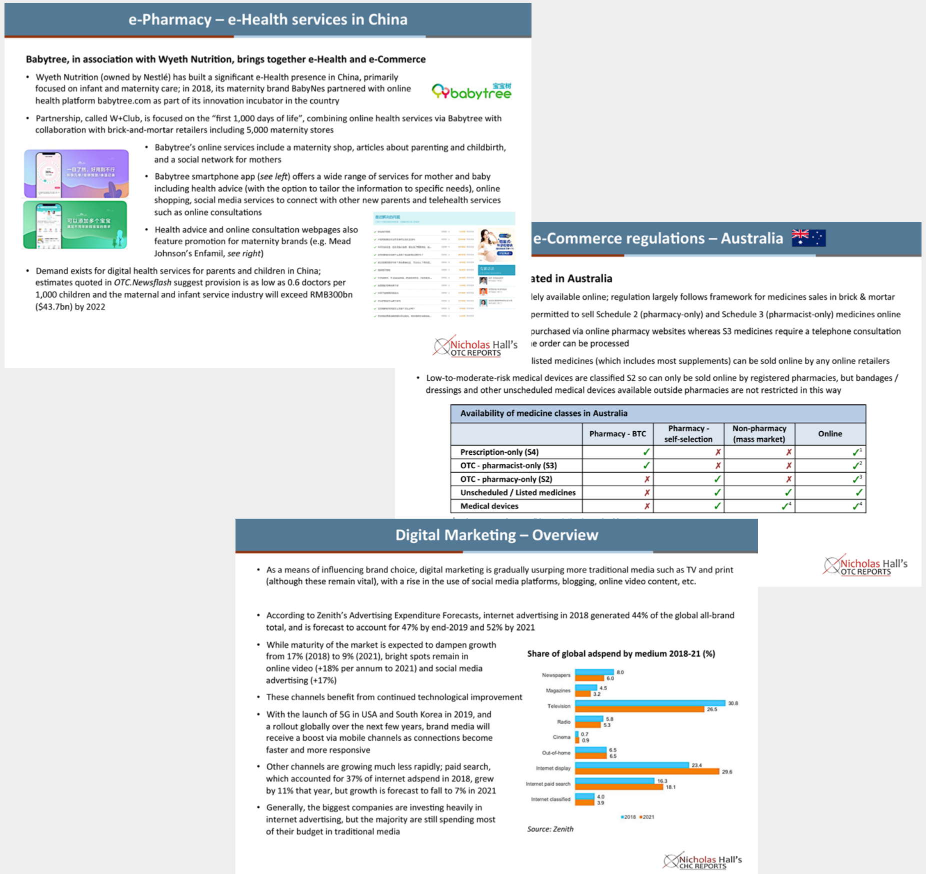


- Assessing strategies, developments and regulations in the world of e-Commerce and Digital Marketing
- Profiling key players and brands
- Plus a look to what the future holds

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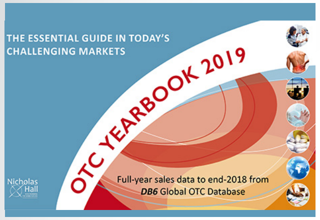


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