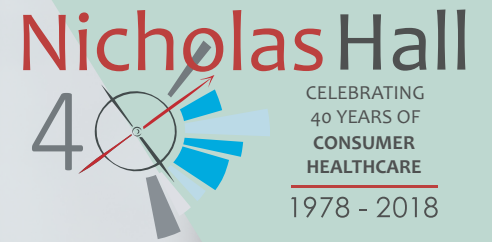


# Sleep

## Exploring Opportunities for Growth in Sleep Aids & Sedatives



# Sleep

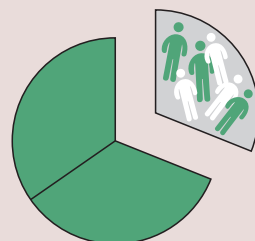
## Exploring Opportunities for Growth in Sleep Aids & Sedatives

**Sleep** is a sizeable well-established consumer health category worth over \$2bn. While the market for sedatives & sleep aids has slowed down (**from +7% growth in 14/13 to just +1% in 17/16**), it is attracting plenty of interest from consumers and marketers alike.

Adjacencies such as medical devices positioned to enhance sleep quality are bringing much-needed innovation, while macro factors like raised levels of **stress, anxiety and sleeplessness** in the population will ensure rising demand. In addition, a sizeable segment within analgesics (most notably in USA) comprising diphenhydramine-containing "PM" brands expanded rapidly before flattening out.



Opportunities to exploit pockets of dynamism exist within areas including herbals & naturals (non-medicated), anti-snoring devices, soluble powders, sprays and gummies.



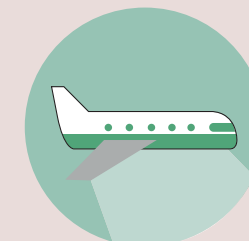
Approximately one-third of adults suffer some difficulty falling asleep or staying asleep through the night



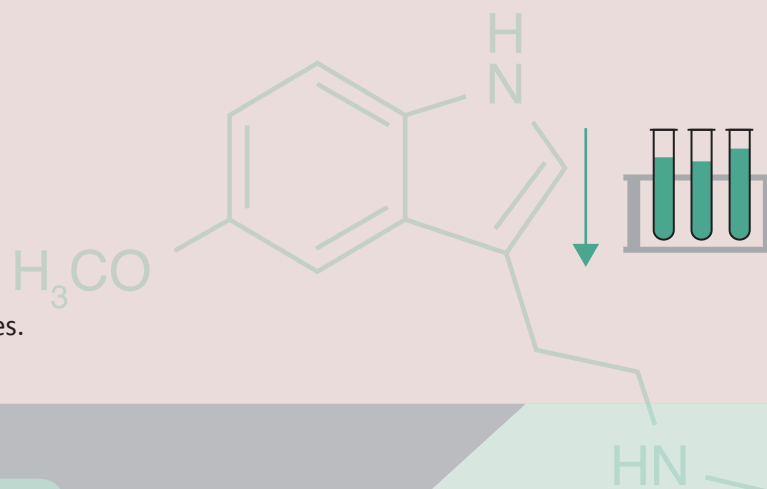
Around the globe incidences of sleep disorder are on the rise



Most cases are intermittent or mild sleep disorders – well suited to self-medication



Rise in sleeplessness is driven by lifestyle factors such as work-related anxiety and effects of long-distance air travel



Insomnia treatments may seem obvious switch candidates: offering a solution to a widespread problem. Yet there has been next to no ingredient innovation for 40 years, and challenges such as side-effects and potential addiction are difficult to overcome. This report investigates the switch potential of leading Rx sleep aids.

### CHAPTERS

#### Executive Summary

**North America** Canada, USA

**Europe** France, Germany, Italy, Poland, Russia, Spain, UK

**Asia-Pacific** China, Japan

**Latin America** Brazil

#### Brand Case Studies & Innovations

**Connected Health** Apps, Sleep trackers & Devices

**Opportunities & Forecasts**

Strong regional trends in ingredient popularity exist, with Western European consumers generally favouring homeopathic and natural remedies, while those in C&E Europe have access to certain allopathic ingredients (like phenobarbital in Russia and Ukraine) restricted almost everywhere else. **Melatonin is a key ingredient** (alone and in combination), most notably in North America and selected European markets, but regulations vary widely from market to market.

USA saw diphenhydramine's popularity boom in the wake of ZzzQuil's success, but such brands are well established elsewhere. The opportunities and prospects for individual markets vary dramatically, with forecasts ranging from virtually flat to dynamic growth over coming years.



## Key features of the report

- Analysis of key trends and developments in this essential Lifestyle category
- Detailed sales data from our **DB6** database to year-end 2017 includes category sizes and historical growth rates, with individual brand sales and marketer performances in all countries covered in this report, plus global totals
- Charts segment the market by ingredient, show the proportion of sales generated by herbals & naturals, and compare growth rates
- Successful and innovative brands are cherry-picked for individual case studies that highlight developments, sales and success strategies
- A section dedicated to Connected Health investigates the growing market for apps, sleep trackers and devices, and how marketers utilise these to engage consumers
- Looking to the future, the report features forecast sales and exploration of the potential for sleep aids in each market

This report investigates the competitive landscape in 12 key markets, establishing trends & developments, barriers to growth and emerging niches. It explores growth factors across all markets, such as how sleep-focused launches outside core sleep aids (including analgesics, multivitamins, even antacids) have impacted sales in the large US market.

The report probes what form innovation is taking in individual markets and which strategies have proved most successful. Opportunities are assessed country by country, setting out likely routes to growth and forecasting how the market will look in 5 & 10 years.

### USA – Overview

- Sleep aids & sedatives category comprises: registered OTCs (mainly diphenhydramine-based), dietary supplements (mainly melatonin-based) and medical devices (nasal devices such as strips)
- Melatonin most dynamic segment in recent years, although declined 2017 along with rest of category
- Private labels have strong presence, increasing share of sales from 20.5% in 2013 to 22.1% in 2017
- High level of launch activity, although little innovation in terms of ingredients (mainly melatonin, alone or in combination with other herbals & naturals)
- Large market for sleep-focused products in adjacent categories as diverse as analgesics

### Executive Summary – Other products for sleep

**Systemic analgesics**

- Diphenhydramine-containing PM systemic analgesics primarily a feature of US market, worth at least \$180mn there in 2017 (such brands also available in Canada, Poland, Spain, UK, among others)
- In USA most major systemic analgesics extended with PM version, latest addition being Bayer's Aleve PM (naproxen, diphenhydramine) in 2014, which had huge impact on segment, growing to \$42mn presentation in first two years (see USA profile for more details)

**Menopause**

- In China menopause supplements commonly claim to alleviate insomnia, while in Italy several menopause brands extended with nighttime options to help reduce impact of menopause symptoms on sleep quality; addition of sleep-promoting natural ingredients like melatonin or passiflora common
- In USA i-Health / DSM's Estroven Nighttime renamed Estroven Sleep Cool to highlight brand's effect on night sweats

**Cannabinoids for sleep – high potential for future development?**

- Increasing numbers of cannabidiol (CBD) supplements and oils, often in combination with other natural ingredients, hitting markets (where permissible), positioned for anxiety, pain and also to combat insomnia / aid sleep; usually restricted to consumers aged 18+ (as in USA), but country-specific regulations pivotal to expansion of category
- Launches in USA since 2017 include Go Green Hemp capsules (melatonin + CBD) and Apni Elixir 250 (hemp extract + pure emu oil), both positioned to support restful sleep; other food supplements containing CBD include Hemp Fusion's Sleep Hemp Extract liquid capsules (added GABA) and CBD Sleepy Z's gummies (added melatonin)

Rank	Marketer	\$mn	17/16
1	Procter & Gamble	90.2	+0
2	The Nature's Bounty Co	86.9	-2
3	Aurobindo	73.4	-1
4	GlaxoSmithKline	60.3	-9
5	Sunovion	41.5	+0
6	Otsuka	16.1	-7
7	Mylan	8.5	-8
8	Standard Homeopathic	7.1	+2
9	National Product Exploitation	7.1	-13
10	Zarbee's	6.2	+66
	Others	283.4	-7

*Herbal & natural brands in green, non-H&NB*

## Markets Covered



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All global licence purchases grant complimentary access to a webinar in which the Nicholas Hall team runs through the key findings from the report.

# SLEEP

## Brazil – Sedatives & sleep aids

- **Ritmoneuran** (passiflora) potentially benefits from its variety of versions, available in tablet, solution and monodose liquid vial formats
- **Maracugina PI** relaunched April 2018 after absence starting 2016, attributed by marketer to "commercial reasons"



### Brazil sedatives & sleep aids sales by ingredient segment 2017, (MSP, \$mn)

Homeopathic 9% (+20%; CAGR +62%)

Non-medicated 5% (-4%; CAGR -18%)



- Brand renamed PI to reflect its passiflora-only formula (previously additional hawthorn and mulungu)
- Brand now formulated similarly to Seakalm (passiflora 260mg, 9.1mg of total flavonoids as vitexin), backed by updated brand website and new ad campaign
- Ad (see right) depicted woman with angry emoji icon for head, getting stressed by annoyances throughout the day before she takes Maracugina PI and is able to play with her children happily, despite the mess on living room floor
- **Respire Melhor** continued to decline, lacking promotion
- Nasal strips claim to open the air passages and improve I primarily positioned to treat congestion caused by allergy also claiming to reduce snoring

## USA – Sedatives & sleep aids

- **Breathe Right** leads nasal devices segment, but sales in decline owing to low levels of innovation, with line extensions including stronger, lavender-scented and clear strips
- New TV ad campaign 2018 showed woman suffering nasal congestion while trying to sleep helped by Breathe Right nasal strips; tagline "Breathe Better. Sleep Better"



TV ads showed walls closing in on woman struggling to sleep, before using Breathe Right to help her float off to sleep; ad explains "When nighttime nasal congestion closes in, Breathe Right strips are designed to simply open your nose right back up"

- Although brand was once virtually unchallenged in device space, it is now facing strong competition (including from other types of devices – see breakout box next page), encouraged by high consumer adoption of healthcare devices as viable alternative to systemic treatments
- **Theravent** (Foundation; \$1.9mn) is claimed to be only FDA-cleared device to use EPAP technology to reduce or eliminate snoring; strips cover nasal passages to create gentle pressure that helps keep soft tissue in airways from vibrating
- TV ads launched September 2017 promote loving relationships, getting right to heart of how snoring can make a bedmate suffer



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Please contact [melissa.lee@NicholasHall.com](mailto:melissa.lee@NicholasHall.com) for more information about this report or visit our website ([nicholashall.com/report/sleep](http://nicholashall.com/report/sleep)) where you can view or download the full Table of Contents and sample pages.

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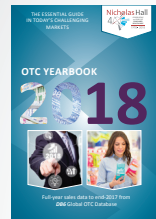
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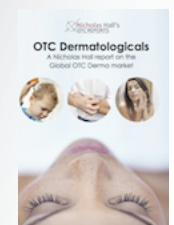
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