Interview: Enrico Allievi – Director, Assosalute, Italy

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Enrico Allievi, President of the Italian OTC (Over The Counter) association, Assosalute, talks about the state of the OTC market in Italy, as well as the association's role in creating value for its members and his outlook for the next five years.

Enrico, to start off, could you explain Assosalute's role in the OTC sector and how it creates value for its members?

Assosalute's main role is to create awareness among the general public around OTC pharmaceuticals. We are a representative for the pharmaceutical companies operating in self-medication (OTC) sector in Italy. –

We create value by trying to bring the acceptance and use of OTC medication up to the levels seen in other European countries. To do this we need to involve the pharmaceutical companies' consumer health sectors and the health authorities in changing the way drugs are classified with regards to the switch from Rx (Prescription) to OTC, and this can present challenges and opportunities for all. New active ingredients, new indications, new therapeutic areas, Assosalute is strongly engaged in promoting self-medication medicines to all stakeholders as a modern and useful sector able to concretely contribute to the development of our healthcare system.

We are also working on a better way to communicate the value of OTCs. All these medicines should be able to communicate their specific characteristics in line with the European regulation.

On the other hand, we would also like to open a discussion with the Italian Ministry of Health on the correct use of new media in communicating self-medication medicines. We have proposals to bring people correct information with clear points of reference they can trust. We are working on it and we hope to start a discussion soon.

How would you say your market is performing? Are you seeing any changes in the market share of OTC drugs in Italy?

In Italy, the non-prescription medicines market represents fourteen percent of the overall pharmaceutical sales, amounting to two-and-a-half billion euros, and roughly sixteen percent of the national pharmaceutical market in terms of units. As a result of the last influenza season, the market registered an increase both in sales and above all, in volumes, with a positive sign for the first time since 2007. It should be noted that trends in the non-prescription medicines market are strictly determined by exogenous factors (seasonality of minor aliments).

The regulatory changes that occurred in the sector from 2006 with the liberalization of channels and prices, have not strongly affected the market dynamics that remains stable without a direct effect on sales, the pharmacies still have a market share greater than ninety percent while sales have fallen between 2007 and 2014.

Even if the companies continue to invest in terms of innovation regarding packaging, routes of administration and formulations, the market is affected in the long term by an increase in active ingredients available as non-prescription medicines in other EU Counties, as well as new therapeutic categories that could be well managed by individuals with the support and counsel of a GP and pharmacist.

More generally, at national level, the sector suffers from competition of wellness products that are not drugs, such as food supplements, and it is affected by a cultural and political approach which does not facilitate the perception of OTCs as the more economic and appropriate therapeutic solution for the safe treatment of well-known health issues.

This is the main reason why the Italian market is under the European average, around fifteen percent when considering volume, a little less when measured by value. So there is room for improvement and we are trying to narrow the gap with other European countries.

What have some of the milestones of the association been since 2009?

In 2009-2010 we did a public information campaign together with the Ministry of Health in order to inform the public on real-life situations in which OTC drugs could help. The campaign had three

main messages: how to recognize the symptoms, how to recognize the relevant drugs, and how to use them safely. In Italy we have a very easy way to recognize the certified OTC medication by the logo of a little red smile on the packaging indicating it is a medicine which can be purchased without medical prescription. We tried to propose at the European level to make this logo a wider standard. For us it was important that our products be recognizable because we only cover OTC medications, not food supplements or prescription drugs and so on, and it is an easy way for the public to be quickly informed on what they are buying. In that way they also know that drugs with a red smile on the package have been authorized for public sale, that they are safe for use, and effective in treating their targets. Also of course it is important to read the leaflet.

This was communicated in the campaign, and it was successful in its objectives. Where previously we had fifteen percent spontaneous recognition of the logo by a random sample of the population that moved up to more than thirty percent by the campaign's end, doubling the recognition. This was an important milestone as first of all it was a success, and also as it was done in collaboration with the Ministry of Health.

Besides this we have also been working with consumer associations, which have been very engaged with activities around patient health and good life practices. One such campaign centered around raising awareness among teenagers. A big focus here was on the online purchase of drugs, which can be very dangerous if the drugs are not correctly certified, and more in general on a good awareness on medicines and their correct use. These collaborations lasted for five years.

Raising awareness for OTC drugs is certainly important, especially now at a time of budget constraints where many are looking to a wider use of those drugs to provide savings. Could you give us an idea of the amount of savings you think OTC could generate?

A study we conducted in 2010 demonstrates that if self-medication market in Italy were in line with the other EU Countries it would lead to savings of almost eight hundred million euros per year which could be used for reducing public expenditure and for funding more serious pathologies. Moreover, last year we conducted a study to understand the reasons for differences in consumption between the North and the South of Italy. We are waiting for its international publication and we are going to use it to reinforce the relationship with the health institutions on a regional level. Currently we are also conducting a new study to evaluate the overall potential savings considering not only the cost of drugs but also other indirect costs incurred, such as GPs time and labor productivity losses due to minor ailments. In this scenario it is crucial to develop a positive and concrete collaboration between all stakeholders: Authorities, Industry, Pharmacists

and Medical doctors.

Would you say that today, in Italy, the public would rather visit a general practitioner than a pharmacy, even for smaller ailments? How is the association working to change that?

In Italy there are strong cultural, and economic differences between the North and the South and this is reflected in our sales of OTC medication. In the North we are seeing a rise in self-medication versus prescription drugs and in the South the opposite is true. So here as well the Association is working with medical doctors, local- and national health authorities as well as the country's pharmacists to narrow this gap between the two sides of the country. In this scenario our first objective as an association is really to promote awareness of the potential and the correct use of OTC medication to patients, in particular their efficacy, also in relation to other alternatives.

Trust in the efficacy and safety of the drugs patients are taking is essential here. How brand conscious are Italian patients in this regard?

For OTC-medication they are certainly brand conscious, and the image and reputation of the company producing the drug is important to them. Medicines are products we use to treat our illnesses – they should be safe and effective by definition – and we need to know exactly what we are taking. The brand embodies that. It is the face of a medicine, clear and easily recognizable, in comparison with a lot of products we do not know where they are really coming from and what they may contain, and sometime whether or not they are medicines. Assosalute is strongly involved in defending a correct brand policy for OTCs as a fundamental help to citizens' health.

What are your expectations for the market, and the association, over the next five years?

In general, we are working to create a positive and useful environment for the patient, with a focus on their general health and wellbeing. To this end we have created a website informing the public about both the general health as well as our products, so we would like this become the site of reference for patients in Italy. We created this website in collaboration with physicians last year, and we are seeing some success here already, so we are very hopeful about its future.

For the market I am quite optimistic. Italian health culture and attitude is absolutely changing for the better. Italian people are continually becoming better informed on health. We have all the ingredients required for the OTC sector to grow. This means a natural process of growth of OTCs even for mid/long-term treatments, with positives effects for all: people will have better and more

innovative products, industries will invest in a growing sector and institutions will benefit from a cost-saving sector.

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