Interview: Geraldine Freeman – Commercial Director, Johnson & Johnson Consumer Business, Ireland



While the recent economic crisis has impacted the Irish economy and overall consumer spend overall, the OTC market has actually been rather insulated, seeing steady performance in the past few years

17.10.2016

Tags: Ireland, Johnson & Johnson, Self-care, Consumer Healthcare, Healthcare,

Geraldine Freeman, Commercial Director at Johnson & Johnson Consumer Business in Ireland, discusses the increasing trend towards self-care in Ireland and the importance of the self-care agenda within the context of rising healthcare expenditures; the strong legacy of Johnson & Johnson in Ireland with leadership positions across most market segments; and her thoughts on the convergence between the pharma, consumer care and technology industries.

Can you please provide an overview of the Irish healthcare market beyond the pharmaceutical industry?

The broader consumer healthcare market in Ireland is considerable, with IMS estimates in the retail pharmacy channel alone placing it at between EUR 400-500 million. Interestingly, the largest part of this is the over-the-counter (OTC) market, which represents half of that total at approximately EUR 250 million. While the recent economic crisis has impacted the Irish economy and overall consumer spend overall, the OTC market has actually been rather insulated, seeing steady performance in the past few years. Over the past five years, the annual compound growth rate (CAGR) has been around 4 percent, which is very positive and demonstrates the importance of the OTC sector.

Ireland does have a strong self-care market and culture, but there is still more progress to be made. The Irish self-care market is estimated to be about 12 percent of the size of the pharma

market. In comparison, the self-care market is around 14 to 15 percent in Germany and northern European countries like Denmark, and higher still at 18 to 19 percent in the UK and France. While we have made a lot of progress there is still much to do with the self-care agenda here.

What are the factors driving this increased activity in the self-care space in Ireland?

The Irish healthcare landscape has shifted significantly in recent times. We are seeing an unfortunate increase in the rise of acute diseases like diabetes, hypertension and stroke, partly attributable to aging populations and partly due to unhealthy lifestyles and increases in obesity rates. The incidences of Chronic Obstructive Pulmonary Disease (COPD) are forecasted to grow by 20 percent by 2020, for example. The management and treatment of such acute diseases inevitably requires significant resources from an already constrained healthcare budget.

This is why the self-care agenda is so important: by developing the self-care landscape further and investing in positive health and wellness programs, such as stop smoking initiatives, we can free up more funds to allocate to the treatment of acute diseases.

[Featured_in]

Dave Barrett, Chairperson of the IPHA Consumer Healthcare Division said that building consumer confidence is a priority. How does the Irish population view the concept of self-care at the moment?

The Irish consumer is looking to take more responsibility for their own health, and a lot of that is driven by increased education and exposure to technology. We have growing trends like “Dr. Google” and in particular, the increased use of wearable health trackers. Consumers are definitely looking to manage their self-care and well-being more proactively.

The government has developed many initiatives to support the self-care agenda as well, with the most notable being the Healthy Ireland framework, which is a national strategy that promotes various health and wellness programs. A very important national initiative is Tobacco-Free Ireland, which has a core objective to reduce the prevalence of smoking from its current 20 percent to 5 percent in 2025. This is of particular interest to Johnson & Johnson because we operate in the nicotine replacement space with Nicorette®. Smoking has its obvious health risks and it is unfortunately more prevalent today in poorer communities, so we are very supportive of this initiative.

Moving on to Johnson & Johnson Consumer Care in Ireland, globally it is the sixth largest consumer care company in the world. How is it positioned in Ireland?

We are doing very well and I am very proud of our brands and their performance in the categories in which we operate. Looking at the OTC market, we are very privileged to be the top provider across all sectors. In other segments like baby care and oral care, we are also happy to occupy either the first or second market share positions in most of the categories. This success comes not only from having a strong legacy and iconic brands in Ireland but very strong links and partnerships with retailers, developed through our efforts to not only develop our own brands but the overall categories themselves.

While the Irish affiliate is a commercial organization and we do not conduct R&D here, we take innovations from the global organization and we make them relevant for the Irish context. Our main strengths are in turnaround and execution. We have great people and we are able to execute ideas very quickly because we have established these relationships of trust and support with our partners here. As a result, we have one of the highest market shares across the entire global Johnson & Johnson Consumer Care organization, with an aggregated average market share of over 40 percent compared to the global average of 23 percent.

Given Ireland’s fairly small domestic market and the fact that volume is the name of the game for fast-moving consumer goods (FMCG), how do you drive growth here?

We have a three-pronged strategy. Firstly, we bring new innovations and brands to market based on an understanding of consumer needs, both current and unmet. This is fundamental to our business. A great example is Nicorette QuickMist, which we introduced in Ireland a few years ago. Nicotine is a very addictive substance and smoking is very difficult to quit, so relying on willpower alone may not be enough. This product provides fast relief to consumers who are hit with cravings while out and about. It is a spray that works within 60 seconds, so it resolves the cravings almost instantly. Another example is our new product range: Aveeno Baby, which caters specifically to the sensitive skin of infants and children with its oatmeal formulation.

[related_story]

Secondly, our products are all backed by robust scientific research. The last and associated pillar is that our products are also endorsed by professionals. These are the three factors that drive growth for not just Johnson & Johnson but also the broader product categories themselves.

In terms of specific growth drivers, Skincare is an important category for us. We have recently acquired a couple of new brands like NeoStrata and OGX Haircare. Aveeno is a leading performer within our skincare portfolio and we anticipate continued strong growth with that range. We also want to expand our leadership in oral care, where we are currently positioned as the number one

mouthwash provider with over 50 percent market share, with the launch of the innovative Listerine® Advanced White product. Finally, we will continue to broaden our leadership in OTC with a focus on pediatric analgesics, along with Nicorette® and other cough and cold brands.

Barry Heavy from IDA Ireland has highlighted the increasing convergence between industries like healthcare and technology. In Ireland, the three divisions of Johnson & Johnson – pharma, medical devices and consumer care – are relocating to be in the same location, what opportunities do you see in terms of the synergies that can be leveraged between them?

I firmly believe that we can learn a lot from each other! From a consumer healthcare perspective, one of our key pillars of growth is professional endorsement, as mentioned, so this is clearly an area where we can learn from our pharma and medical device colleagues. They have a lot of insights and experience to offer on this front.

On the other hand, we have a fantastic understanding of consumer behavior. A key element of this understanding and engagement is digital: social media and digital health in particular, and this is something we are exploring very enthusiastically. We want to offer consumers products that can improve their daily lives. For instance, Johnson & Johnson has developed several free apps designed to help consumers in different ways. Calpol® Ireland is a wonderful app for parents and caregivers to assist them in childcare. Its assortment of functions can help manage their children's immunization schedules, keep track of dosages, check symptoms and even locate their nearest pharmacy or hospital! We also have the Nicorette® Stop Smoking app, which helps consumers with their Quit Journey by sending reminders and positive affirmations at specific intervals.

Another great example is a smile detector app that was introduced with the launch of Listerine® Advanced White under the Listerine Feel Your Smile campaign. The app vibrates your phone when it detects a smile and is designed to help those with a visual impairment feel the beauty and power of a smile.

These initiatives represent the sort of positive and productive customer engagement we aspire to: practical steps that can help consumers live healthier and happier lives.

What is your five-year vision?

I would love to see us continue to make a difference in consumers' lives. We will continue to bring incredible products to the market and to see fantastic advances in the area of digital health. Fundamentally, my ambition is to position Johnson & Johnson as the most in-demand and trusted partner for healthcare providers.

See more interviews