

Therapeutic moisturisers: cosmetic competition limits growth of registered brands

■ Our latest report on therapeutic moisturisers shows that despite overall category growth, prospects for OTC-registered brands are often limited by cosmetic products with similar positionings. This is particularly the case in Italy and Spain, where registered brands account for only a fraction of overall sales. Nevertheless, growth is possible with the help of pharmacist recommendation, a well-established brand name and persistent A+P, though this puts smaller players at a disadvantage.

Big 5: OTC therapeutic moisturiser markets 2006

MSP	€mn	\$mn	growth
France	69	82	-4%
Germany	65	77	+1%
Italy	6	7	-2%
Spain	27	32	+12%
UK	48	56	+6%
Total	215	254	+2%

Source: *Nicholas Hall's Insight*, based on industry estimates, 12 months to July 2006.

France

The well-developed market here suffered slight decline during the reporting period. The majority of sales come from cosmetic brands positioned as emollients, with Pierre Fabre the No.1 marketer. Other major players present in the wider pharmacy moisturisers market include RoC, Vichy and Nuxe. Brand equity from extensive ranges means the lead marketers are well established, making this a difficult category for new brands to enter. Top players have, however, generally focused their large FMCG-style marketing campaigns on moisturisers indicated for sun care and anti-ageing (not included in our topline), rather than therapeutic skincare.

Pierre Fabre consolidated its position thanks to its Avène Hydrance Optimale extension, a bestseller in pharmacies where it grew by 9%. Available at around €17 (\$20) for 40ml, this hypoallergenic emollient contains SPF15 to further protect sensitive skin. Avène Hydrance Optimale

benefits from a high level of pharmacist recommendation. The Ducray division also takes significant sales with Ictyane and Aderma.

Second-placed La Roche-Posay also had a positive year, with combined sales of its two leading face cream brands, Hydranorme and more cosmetically-oriented Hydraphase, growing by around 5%. Hydranorme is indicated for dry skin in adults and children, while Hydraphase is marketed to women and contains UV protection. It is available in a variety of presentations, including lotion and hydrating mask. A further key product is Lipikar for moderate to severe dry skin in both children and adults.

Stiefel is an important player with its Physiogel and Oilatum ranges. Physiogel is available in a variety of paraben-free and unperfumed presentations, including anti-irritant Physiogel AI, for moderate to severe dry skin and dermatitis. Oilatum, a mineral-based emollient, is also indicated for relief of dermatitis and eczema, and comes in cream, gel and bath-additive presentations.

Reckitt Benckiser is also present with the Lutsine range, acquired with BHI, including Xeromance for very dry skin. The only new launch of note in the past year was from La Roche-Posay, which introduced Nutritic, a moisturiser available in two presentations for dry and very dry skin.



Germany

In pharmacies, sales of therapeutic moisturisers, including unregistered emollients and skin protection brands, only witnessed minimal growth over the reporting period, and are now worth €65mn (\$77mn). However, the two leading brands were both able to increase their sales. Together they account for around half of overall turnover.

The undisputed leader was Eucerin Trockene Haut, worth €19mn (\$22mn) following another successful year. Advertised as "*Eucerin: Das medizinische Hautpflegeprogramm*" (Eucerin: The medicinal skin care programme), Beiersdorf fields a number of urea presentations in different strengths (3%, 5% and 10%) and delivery formats including body lotion, face and foot cream. Most of these were advertised in women's magazines and health publications aimed at specific patient groups prone to skin problems, such as diabetics. In October 2005, former prescription-only Eucerin 10% Urea Salbe was relaunched as an OTC in response to the dereimbursement of urea creams at the beginning of 2004. However, in August 2006 the Cologne SocialCourt ruled that the GBA should reconsider putting them back on the OTC exceptions list, although the final decision on their re-reimbursement is still pending.

With 24% growth, second-placed Linola increased its lead over No.3 Bepanthol. Presentations include Linola Fett Creme (formulated with unsaturated fatty acids), Linola Ölbad and Linola Urea. The brand was supported with seasonal ads in pharmacy customer magazines during the winter months, promoting Linola Fett Creme for the prevention and treatment of dry skin conditions associated with cold weather.

Another important player in the therapeutic moisturisers segment is Bepanthol, sister brand of popular wound healer Bepanthen. Formulated with dexpanthenol, the former consists of a broad portfolio including three body lotions, face and hand cream. The brand was supported by PR and POS promotions. Although overall sales declined by 1%, Bepanthol Ultra Schutz Körperlotion (Ultra Protection Bodylotion) outperformed the rest of the presentations and grew by 6%. It benefited from TV ads

showing two women in evening gowns with the slogan "*Regeneriert trockene Haut und hält so den ganzen Tag*" (Regenerates dry skin and thus stays effective all day long). The lotion uses patented "nanosorb" technology to improve absorption of the actives.



Eubos Urea delivered the best performance in the category more than doubling sales. The brand consists of creams and lotions for all parts of the body including face and foot presentations, and also offers a shampoo and liquid soap. Its success is partly owing to the popularity of cosmetically-positioned sister brand Eubos Sensitiv, which was advertised extensively in pharmacy instore magazines.

Elsewhere, Sebapharm launched a new dry skin range under the Sebamed brand name, with A+P mainly targeting women with the slogan "*Die Entscheidung für gesunde Haut*" (The decision for healthy skin). The company also introduced Sebamed Hand Repair Balsam, which won an "*Innovation Award of the German Economy*" for its patented new formula to protect hands against swelling caused by wearing latex or rubber gloves.

The more cosmetically-positioned Frei Öl range (Walter Bouhon), like many others, is a pharmacy-exclusive brand, which means it is only available in pharmacies although it is not a registered medicine. Despite offering mostly presentations positioned for cosmetic benefits such as

GERMANY: Leading pharmacy therapeutic moisturiser sales 2006

		€mn	\$mn	% share
Eucerin T. H.	Beiersdorf	19	23	29
Linola	Dr. Wolff	13	15	20
Bepanthol	Bayer	8	9	12
Physiogel	Stiefel	5	6	8
Eubos Urea	Hobein	4	5	7

Source: Nicholas Hall's Insight, based on data supplied by Insight Health, Germany, 12 months to July 2006 (MSP)

anti-ageing and wrinkle reduction, TV ads aimed at young and middle-aged women emphasised the brand has been "clinically tested". It thus implies that Frei Öl is more reliable and effective than other cosmetic products.

Italy

OTC-registered therapeutic moisturisers remain a marginal category in Italy, with further decline over the reporting period. Major players in the mass market continue to focus on cosmetically-oriented products with sun care and anti-ageing indications. Three OTC-registered brands of note compete here, Vitef (Teofarma), Rikospray (3M) and Euvitol (Bracco).

Teofarma's Vitef is an emollient enriched with vitamins E and F, and based on active ingredient polyenacid which creates a protective barrier on the skin, trapping moisture inside. 3M's hydrating spray, Rikospray, works in a similar fashion by forming a protective moisturising barrier over dry and chapped skin. It is part of 3M's extensive range of wound care products. Euvitol, meanwhile, contains retinol palmitate, a form of vitamin A, to revitalise skin.

Cosmetic competition is led by Pierre Fabre with Ducray Ictyane, a mineral-based emollient, along with products from the extensive Avène and A-Derma lines. Eucerin (Beiersdorf) also competes. The latter includes various presentations and indications for different parts of the body, including foot care and anti-wrinkle face cream.

Spain

This category remains somewhat fragmented in Spain, with around 200 brands competing. With OTC-registered entries remaining marginal, sales of cosmetic products through pharmacy and mass market channels accounted for most of segment turnover. Pharmacy is the main channel, taking over two-thirds of sales, and pharmacist recommendation remains an important factor.

Ureadin (Isdin) is the best-selling brand in pharmacies. The urea-based line contains body creams and lotions, a foot spray and presentations for children. Along with standard therapeutic moisturisers, the brand also features more



cosmetic lines, including anti-ageing creams and hydrating face and body washes. Its most popular presentation is Ureadin Crema Hidrante.

Main competitors to Ureadin in the pharmacy are Pierre Fabre's Avène, with Avène Hydrance Enriqecida heading an extensive line, and Stiefel's Physiogel. The latter is available as Physiogel Crema facial moisturiser, Physiogel Leche Corporal body milk, and the ethical Physiogel AI, launched in 2005, which is indicated to relieve dry skin related to eczema and atopic dermatitis. The brand is backed by the website www.physiogel.com.

Dexpanthenol-based Bepanthol (Bayer) is also significant, and is available as a cream and intensive lotion. It is indicated for dry and sensitive skin, after-sun care and for hydration of skin affected by acne. Another brand of note in pharmacies is Lutsine Xeramance (Reckitt Benckiser), which is available in an unperfumed presentation and as Xeramance Plus, for re-hydration of skin affected by acne and eczema.

Turning to mass market cosmetic brands, Eucerin (Beiersdorf) is the leader. Like most major brands here, A+P support takes an ethical slant, with Beiersdorf emphasising that the formula is recommended by dermatologists. The main moisturiser within the range is Eucerin Urea, available as a body lotion and facial cream, though other products such as Eucerin Piel Sensible (for sensitive skin) and new launch Eucerin Hydro-Balance Fresh cream are also available. Hydro-Balance Fresh is an oil-free gel indicated specifically for the re-hydration of dry facial skin, and lasts for up to 24 hours. Beiersdorf's Eucerin website, www.eucerin.es, has extensive product information for consumers.

UK

The category for OTC therapeutic moisturisers is worth £33mn (€48mn / \$56mn). However, growth slowed to 6% over the reporting period, reminding marketers of the need for A+P support in the struggle to ward off competition from an ever-increasing range of cosmetic brands. Rx sales declined quite considerably to around £28mn (€41mn / \$48mn), bringing the total category value to £61mn (€89mn / \$105mn). The most prescribed brands mirrored the Top 3 OTCs, with E45 leading in front of Oilatum and Eucerin.

E45 remained the No.1 overall, thanks to its extensive portfolio and sustained A+P support. Its biggest target group is women, which was reflected in the choice of medium for consumer ads, for example print ads in *You* magazine promoting E45 body cream with the slogan "Quench your skin's thirst". The brand also benefited from a campaign on Virgin Radio and Magic 105.4FM in August 2005, again aimed at women. In addition, trade publication *Chemist & Druggist* featured a Skin Expert Training Module sponsored by E45. It aimed to raise awareness of symptoms and treatment options for eczema and other dry skin conditions among pharmacists, detailing the E45 range and providing information on which presentations are best suited to each condition. This shows that the brand also faces competition from other products positioned for itching associated with eczema, like Novartis' Eurax cream (see *Derma 1 Market Report*, June 2006) or GSK's Eumovate Eczema & Dermatitis cream (clobetasone butyrate).

Second-placed Oilatum was recently extended with two cream pump dispenser SKUs for the original presentation and Oilatum Junior. They contain 1,050ml each and are positioned for frequent users. Stiefel also targeted women by promoting the brand as "Natural skin repair" in magazine ads at the beginning of 2006.

Eucerin Dry Skin was once again the best performer, posting impressive growth of nearly 40%. Worth around £3mn (€4mn / \$5mn), it benefited from ads in pharmacy magazines and distribution of educational materials and samples in hospitals. In addition, it supported the National



Eucerin Dry Skin range (Beiersdorf)

Eczema Society and the Skin Care Campaign. There are two core ranges, Eucerin Dry Skin Relief with 5% urea, and Eucerin Extremely Dry Skin Relief with 10% urea (comprising a Treatment Lotion and Cream). The latter has just been renamed as Eucerin Intensive 10% w/w Urea Treatment Lotion and Cream. The new name clearly indicates the active ingredient, urea, which is a popular treatment for dry skin conditions. Eucerin is the only therapeutic moisturiser range to offer a spray presentation. Eucerin Dry Skin Relief Soothing Spray is formulated with polidocanol to soothe the skin and menthol to cool.

Therapeutic moisturisers face a lot of competition from cosmetic brands like Vaseline Intensive Care (Unilever UK), which was recently relaunched with a new design. There is also a growing market for intensive moisturisers specifically for feet. One of the biggest players here is Scholl Cracked Heel Cream (SSL International), which was advertised on TV and in trade press ads as "clinically proven to restore cracked heels in just 7 days". There were a number of new launches here, including Vichy Podexine Cracked Heel Repairer (Cosmetique Active/Vichy) and a new skin care range with Rough Skin Remover and Hard Skin Softening Lotion from private label Galpharm. ☒

UK: Leading OTC therapeutic moisturiser shares 2006*

Brand	Marketer	% share
E45	Reckitt Benckiser	47
Oilatum	Stiefel	17
Eucerin	Beiersdorf	9
Diprobase	Schering-Plough	4
Balneum	Reckitt Benckiser	4
Others		19

* Based on total OTC sales of £33mn (€48mn / \$56mn) MSP

Source: *Nicholas Hall's Insight*, based on industry estimates, 12 months to July 2006.