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Nonprescription Drugs USA 2006

For more than 40 years, the most authoritative and comprehensive annual source of information on the nonprescription drug industry, providing:

- Industry trends
- Market shares
- Market size
- Brand sales
- Company sales
- New product activity
- Retail distribution
- Advertising expenditures
- Five-year historical sales
- FutureView scenario forecasts



Published: June 2006

eKline
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Table of Contents

Nonprescription Drugs USA 2006 is an extensive industry resource used widely by marketing executives and other industry participants for competitive analysis, market investigation for new products, acquisition screening, and business planning.

1. INTRODUCTION

2. EXECUTIVE SUMMARY

An executive briefing covering developments in 2006, the impact of key trends and issues in the nonprescription drug business, and their future implications for industry participants.

3. INDUSTRY ANALYSIS

A summary of industry developments in 2006 and a five-year forecast.

- Market overview 2006
- Companies
- Selling and distribution
- Private-label activity
- Financials
- Promotion
- Outlook to 2011, including FutureView scenario forecasts

4. PRODUCTS

Pertinent information plus insightful analysis of 35 major categories, including category trends and developments; manufacturers' sales for 2005 and 2006; sales and market shares for leading brands; new product activity; sales by retail channel; private-label sales; promotional activity; and outlook to 2011. The product categories covered are shown in Table 1.

5. MAJOR COMPANIES

Profiles for 15 major companies, including company activities; sales by product category and major brands in 2005 and 2006, and related analysis; recent developments including acquisitions, divestitures, and new products; corporate overview; and outlook to 2011. The major companies covered are shown in Table 2.

6. MINOR COMPANIES

Brief profiles of 50 smaller marketers of nonprescription drugs, including corporate sales and profits; nonprescription drug sales; recent developments, including acquisitions divestitures and new product activity, product portfolios, and traceable media expenditures for 2006.

7. ADVERTISING

Traceable media expenditures with analysis for brands by product category and by major company.

8. MARKET WATCH BULLETIN

Information on new product introductions, acquisitions and divestitures, and company developments for the 2006 calendar year.



Nonprescription Drugs USA 2006



Table 1. PRODUCT CATEGORIES

ALLERGY, ASTHMA, AND SINUS PRODUCTS

- Allergy relief products
- Asthma medications
- Sinus medications

COUGH AND COLD PREPARATIONS

- Cold medications
- Cough drops and lozenges
- Cough syrups
- Nasal decongestants
- Sore throat remedies
- Topical vapor products

DIGESTIVE PRODUCTS

- Antacids and antigas products
- Antidiarrheal preparations
- Antinausea preparations
- Laxatives

FEMININE PRODUCTS

- Contraceptive products
- Feminine deodorants and itching remedies
- Feminine yeast infection remedies
- Personal lubricants

INTERNAL ANALGESICS

- Arthritis pain relievers
- General pain relievers
- Menstrual relief products

NUTRITIONAL PRODUCTS

- Herbal products
- Vitamins and minerals

TOPICAL PRODUCTS

- Anti-itch products
- Corn, callus, and wart removers
- Diaper rash products
- Eye care products
- First aid products
- Fungicidal preparations
- Hair regrowth treatments
- Hemorrhoidal preparations
- Oral care products
- Topical analgesics

OTHER PRODUCTS

- Home diagnostic test kits
- Sleeping aids
- Smoking cessation aids

Table 2. MAJOR COMPANIES



Nonprescription Drugs USA 2006



NPD Online

Nonprescription Drugs USA is available through Kline's Web-based delivery service. The online version includes unlimited online access to the report contents for members of the subscribing company, plus one hard copy. Additional hard copies will be made available for a nominal fee.

NPD Online includes both textual and tabular data and features searching and export capabilities, enabling users to search for specific companies and brands. Most importantly, subscribers to NPD Online will have access to multiple years of data (2001 through 2006).

Benefits of our Web-based product include ease of accessibility; unlimited user access; increased timeliness; the ability to search; and access to historical data.

For more details, please see the subscription agreement.

Consultation

Subscribers needing more specific or related industry information not covered in the report may consult with our staff through telephone and e-mail contact or facsimile requests. One day of consultation time is provided at specified times during the publication of the study. Individual consultations are allocated in a minimum of one-hour increments. Consults pertaining to a specific section will only be addressed upon publication of that section.

Methodology

The most important source of information for the study is more than 200 in-depth personal interviews conducted with nonprescription drug manufacturers, retailers, suppliers, and industry associations. This was supported through a rigorous search of secondary information plus a full-time, dedicated effort to the quality and delivery of this report. The consensus of information from these sources is the basis of our study.

Forecasts in this report were generated with Kline's FutureView Analytical Forecasting tool. For each product class, Kline provides three forecasts—best-case, likely-case, and worst-case scenarios—based on a combination of qualitative and quantitative factors over a period of five years.



Nonprescription Drugs USA 2006



Table 3. PUBLICATION SCHEDULE - 2006

1st Quarter: Market Watch Bulletin; Preliminary Brand sales data; Minor Companies

2nd Quarter: The Products; Preliminary Major Companies sales data; Major Companies; Web Conference

3rd Quarter: Advertising; Industry Analysis; Executive Summary

Table 4. KLINE & COMPANY'S HEALTHCARE PRACTICE EXPERTISE

Industries

- OTC drugs
- Agribusiness
- Biotechnology
- Diagnostics
- Health and beauty aids
- Managed care
- Medical devices
- Rx pharmaceuticals
- Dietary supplements and herbal products

Functional Expertise

- Rx-to-OTC-switch research and forecasts
- Competitive intelligence
- Acquisitions and divestitures
- Industry/category/brand analysis
- Manufacturing economics
- Perceptual research
- Profitability/financial analyses
- R&D benchmarking
- Strategic planning and business development
- Technology assessment
- Customer satisfaction assessments



Credentials

Kline & Company is an international business consulting offering a broad range of services to the life sciences, chemicals, and consumer products industries.

Established in 1959 as a specialist in the chemicals field, Kline has evolved over the past four decades to provide consulting services and syndicated market research reports across the entire value chain. We help management solve practical problems in marketing strategies, acquisition and divestiture programs, and the appraisal of new technology. Kline provides clients with facts, forecasts, and recommended solutions to business problems, based solidly on the realities of the market as well as modern strategic principles.

Through our Healthcare Practice, Kline has attained a leadership position in providing consulting services to the pharmaceuticals industry. Our firm has developed in-depth expertise in this area by tracking and analyzing U.S. and Canadian markets for nonprescription drugs for more than 40 years.

A synopsis of the strategic and marketing expertise of the Healthcare Practice is shown in Table 4.

In addition to our resources in the finished goods sector, Kline has a thorough understanding of the markets for specialty raw materials for pharmaceutical applications through our Specialty Chemicals practice.

Over the past 40 years, Kline has established itself as an authoritative source for market research for the healthcare sector. A list of representative reports Kline has published recently and those currently under consideration is provided below:

- Nonprescription Drugs USA annual service
- Nonprescription Drugs Canada 1990, 1992, 1994, 1997, 2000, 2002, 2004, 2006
- OTCs in Managed Care 2004: Taking the Pulse of MCOs and PBMs
- Retailer Perceptions of OTC Drug Marketers 2004
- International Rx-to-OTC-Switch Forecasts, 2004-2008
- Rx-to-OTC Switch: The Next Wave
- Competitor Cost Structures of the Nonprescription Drugs Industry
- History and Impact of the Rx-to-OTC Switch
- OTCs in Managed Care: Issues and Opportunities
- Functional Foods: A Competitive Landscape
- U.S. Cholesterol-Lowering Drugs 2005: Rx Market Analysis and Switch Forecasts
- OTC Competitor Cost Structures USA 2006
- Rx-to-OTC-Switch Strategies USA 2008
- U.S. Consumers' Perceptions of OTC Drugs 2007
- U.S. Healthcare Professionals' Perceptions of Nonprescription Drugs 2008

Nonprescription Drugs USA

Key Issues/Trends in 2006

- Market increases are driven by gains for cold medications, topical and feminine products, and home diagnostic test kits
- New products are focused on line extensions of existing brands
- Consolidation and mergers persist
- Private-label products continue to grow at slow, steady rates
- Advertising and promotional support increases
- Distribution shifts towards mass merchandisers and other outlets
- Rx-to-OTC-switch activity increases in 2006 and 2007

The Market

- Overall the market grows 2.6% to \$17.0 billion
- Diaper rash products, eye care products, internal analgesics, and digestive products are flat
- Feminine products post gains as a result of line extensions and advertising support and Rx-to-OTC-switch brand Plan B
- Home diagnostic test kits also grow, driven by gains in the blood glucose segment
- Prilosec OTC boosts the antacids category significantly in 2006

Companies

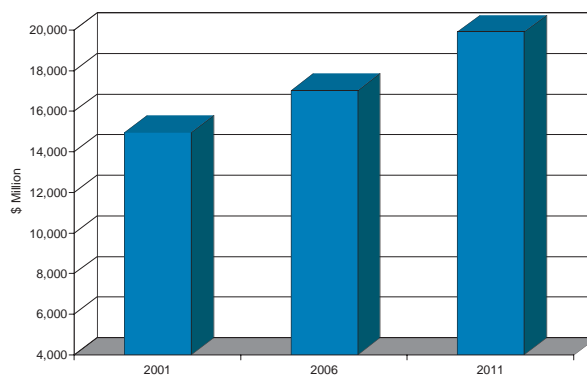
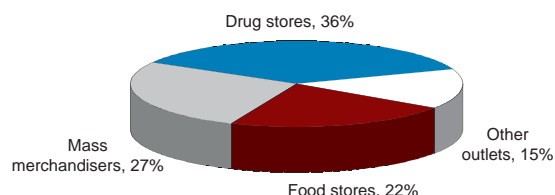
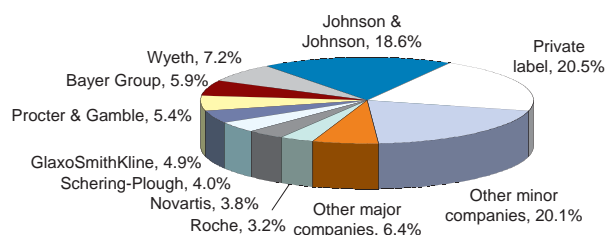
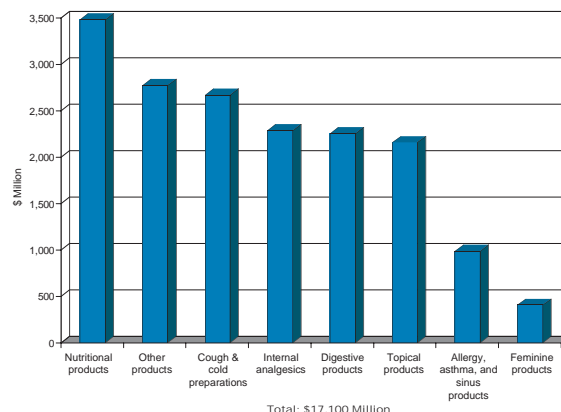
- The industry continues to consolidate
- J&J acquires the OTC unit of Pfizer, essentially eliminating the third ranked competitor and increasing its sales to over \$3 billion
- The top 10 manufacturers account for more than 59% of total sales in 2005
- In 2005, Johnson & Johnson, Wyeth, Bayer, and Procter & Gamble remain the leading companies

Retail Channels

- Drug stores continue to be the primary outlet where OTC drugs are sold, but they lose share to growing mass merchandisers
- Mass merchandisers increase share in 2006
- Alternate outlets, including online retailers, infomercials, warehouse clubs, and dollar stores continue to gain in prominence

Future Outlook

- The most likely forecast for sales of the nonprescription drugs industry will average 3.2% growth per year to reach \$19.9 billion in 2012
- Future Rx-to-OTC switches, new product introductions, the aging of the population, high levels of advertising support, and a focus on core brands by large companies will drive growth
- Private-label competition, value pricing at mass merchandisers, and competition from related Rx drugs will hamper growth somewhat



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