Healthcare

In-Depth Report Series

Rx-to-OTC Switch Forecasts USA 2010

9th Edition

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Base Year: 2009

This comprehensive report provides subscribers with objective, independent forecasts of future Rx-to-OTC switches and their expected impacts on the OTC market. This analysis provides forecasts of future switches in existing OTC categories and projections for new OTC categories. The study provides an analysis of:

- Comparative analysis of prescription and over-the-counter markets
- Regulatory issues
- Safety/efficacy issues
- Potential OTC indications and claims
- Likelihood of switch and expected timing
- OTC market potential and sales forecasts
- Expected competitive response including branded and private-label strategies

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Report Scope

Over the past three years there have been significant OTC brands brought to market through Rx-to-OTC switches including Miralax (Schering-Plough) laxative, Zyrtec (Johnson & Johnson) allergy medication, Alli (GlaxoSmithKline) weight loss medication, and Plan B (Teva Pharmaceuticals) emergency contraceptive. Each of these new products has served to expand their respective categories and help offset impacts of economic recession.

Additional switches are expected over the next few years that are likely to have significant impacts on the industry. *Rx-to-OTC-Switch Forecasts USA 2010* presents a detailed analysis of future Rx-to-OTC switches in the United States. The report identifies the likelihood of future switches by profiling a total of 36 specific drugs in seven therapeutic classes and addressing switch issues in each therapeutic class and for each drug.

Key Benefits

For marketers of OTC drugs, *Rx-to-OTC Switch Forecasts USA 2010* examines key issues and implications that an Rx-to-OTC switch could have on the existing OTC business and identifies ways to successfully compete. For existing OTC brands, switches can erode sales and market positions. Accurately predicting Rx-to-OTC switches and assessing their impact is crucial for maximizing business opportunities, minimizing threats, and successfully constructing long-term strategic plans.

Specifically, the report provides subscribers with the following key deliverables:

- Up-to-date primary research on switches conducted with knowledgeable industry participants
- An objective perspective on future switches
- An understanding of the implications of future switches for existing OTC markets and brands
- Forecasts of major switches, including timing, brand sales, and both prescription and over-the-counter market sales

Forecasts in this report are generated with Kline's FutureView Scenario Forecasting Model. With the enhanced forecasts, subscribers can see how adjustments in the assumptions behind the forecasts can bring about different results.

Report Contents

1. **INTRODUCTION**

2. **EXECUTIVE SUMMARY**

3. **FUTURE SWITCH FORECASTS**

For each therapeutic class listed in Table 1, the study examines the following:

- Comparative analysis of Rx and OTC markets
- Demographics of target population
- Incidence and prevalence of the disease/condition
- Patent expirations in the class and generic threats
- Strategic considerations for Rx-to-OTC switch
- Regulatory considerations
- Safety issues/indications appropriate for OTC use
- Timing
- Pricing considerations
- Marketing issues
- Switch forecast
- Brand(s) that are likely to switch
- Implications for Rx and OTC markets
- Expected future OTC sales
- Forecasts of competitive responses including both branded and private-label OTCs

For each of the brands listed in Table 1, the study examines the following:

- Patent status
- Current Rx sales and market share
- Regulatory issues
- Rx-to-OTC-switch/OTC expertise of the marketer
- OTC formulation/dosage considerations
- Potential OTC indications and claims
- Safety/efficacy issues
- Brand name awareness
- Recent Rx direct-to-consumer advertising spending
- Likelihood of switch and expected timing
- OTC market potential and sales forecasts by brand
- Pricing strategy
- Managed care/Medicare influence

Table 1
Therapeutic Classes and Brands Examined

Class	Brand(s)
Allergy	Allegra, Astelin/Astepro, Clarinex, Flonase, Omnaris, Xyxal
Benign prostatic hyperplasia	Cardura, Flomax, Hytrin
Cholesterol	Crestor, Lescol, Lipitor, Mevacor, Pravachol, Pravigard PAC, Vytorin, Zetia, Zocor
Digestives	Prevacid 24HR, Zegerid, Protonix, Aciphex, Nexium, Carafate
Incontinence	Detrol, Ditropan, Enablex, Vesicare, Oxytrol
Migraine	Imitrex, Relpax, Treximet
Sleeping aids	Ambien, Lunesta, Restoril, Rozerem

4. **FUTUREVIEW FORECASTING MODEL**

Forecasts by therapeutic class and brand in this report are generated with Kline's FutureView Scenario Forecasting Model, which provides Kline's forecasts for future switches and allows users to change assumptions to see how various scenarios may impact future switch sales. Subscribers can see how adjustments in the assumptions behind the forecasts can bring about different outcomes.

Methodology

As the leading consultancy on Rx-to-OTC switches, Kline has developed a program based heavily on primary research (field and phone interviews) that has proven to be most effective and reliable in preparing switch forecasts. *Rx-to-OTC-Switch Forecasts USA 2010* leverages our contacts in the industry and employs the use of primary research to capture insights and information available from a wide range of industry experts and opinion leaders. The field and phone interviews were conducted by Kline's professional staff with executives from the following functional areas: brand management, business development, marketing, R&D, scientific affairs, strategic planning, healthcare industry associations, managed care organizations, third party payers, and retailers.

In addition to primary research, the study draws upon relevant secondary data, including regulatory information obtained from the FDA and patent searches. In forecasting Rx-to-OTC switches, a variety of factors are at play in each market that can affect the timing of switches. Competitive pressures, regulatory hurdles, and patent expirations each play significant roles in switch timing. Therefore, each brand is analyzed on a case-by-case basis, and the forecast time horizon may differ for each. Forecasts extend at least three years post-switch in each case.

Forecasts in this report are generated with Kline's FutureView Scenario Forecasting Model. With the enhanced forecasts, subscribers can see how adjustments in the assumptions behind the forecasts can bring about different outcomes.

Kline Credentials

Kline is a worldwide consulting and research firm dedicated to providing the kind of insight and knowledge that helps companies find a clear path to success. The firm has served the management consulting and market research needs of organizations in the chemicals, materials, energy, life sciences, and consumer products industries for 50 years.

Kline's research and consulting services extend across the entire healthcare industry value chain. Our solutions have helped clients develop better ways to create and profit from new business opportunities, respond to competitive and economic threats, improve productivity, achieve sustainable growth, and optimize performance. Kline provides clients with facts, forecasts, and recommendations based solidly on the realities of the market.

Our market research reports and services are designed to provide subscribers with a deeper understanding of their markets, an outlook for their business, and accurate information about their competitors. Our clients tell us they often use Kline's market research to validate their own internal analysis, and many clients rely on Kline reports as their most critical source of information.

Recently published or in-progress research for the Healthcare industry includes:

- Nonprescription Drugs USA
- OTC Innovations USA 1999-2009: Analysis of Factors for Success
- Impact of Recessions on the U.S. OTC Market
- Personal Care: U.S. Competitor Cost Structures
- U.S. Retailers' Perceptions of OTC Drug Marketers
- Rx-to-OTC Switch Strategies USA
- U.S. Consumers' Perceptions of OTC Drugs
- Nonprescription Drugs Canada
- OTC Drugs: U.S. Competitive Costs Structures 2010

For more information about this study or Kline's other services, e-mail us at sales@klinegroup.com, visit our website at www.KlineGroup.com, or contact us at any of our regional offices listed below.

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