



Non-pharmacy market of OTC products in Poland: up by 4% in 2011-2013

According to the latest report published by the research and consulting company PMR, entitled "Non-pharmacy OTC market in Poland 2011. Development forecasts for 2011-2013", the value of the non-pharmacy market of OTC medicines and dietary supplements in Poland stood at approx. PLN 1bn (€250m) in 2010 and increased very little from the 2009 level. The market is poised to grow 4-5% in 2011-2013.

Weaker year for non-pharmacy market

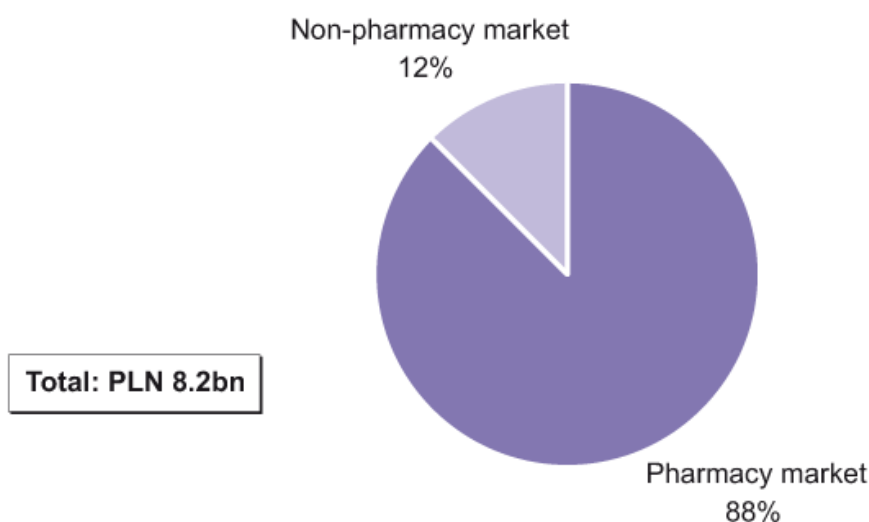
According to PMR estimates, in 2009 the non-pharmacy market of OTC products in Poland (comprising medicines and dietary supplements) rose by around 11% year on year and exceeded PLN 1bn (€250m) for the first time on record. The year 2010 was a period of poorer growth for the pharmaceutical market as a whole, as reflected by developments in the non-pharmacy market which expanded by approx. 1%. Some of the reasons behind the poorer growth included a high base of comparison from the previous year and the entry into force of a new list of products admitted to trading in general stores in October 2009. The list did not bring in any revolutionary changes as the modifications mostly concerned the inclusion in the list of new package sizes and dosages of popular medicines. However, these changes only added to the diversification of brands available in non-pharmacy channels, but they did not boost the market's value.

PMR expects that 2011 will be a better year in terms of sales of OTC products when compared to 2010. "According to our forecasts, the non-pharmacy market of OTC products will grow by around 5% in 2011. Growth rate in 2012 and 2013 is expected to be approx. 4% annually" says Agnieszka Skonieczna, PMR Senior Pharmaceutical Market Analyst and the report co-author.

Share of non-pharmacy sales declines

According to PMR estimates, in 2010 non-pharmacy sales accounted for around 12% of the OTC market in Poland. As a result of legal changes restricting the number of products admitted to non-pharmacy trading (the October 2009 list, the Act on Food and Nutrition Safety), the share of non-pharmacy sales dropped as compared to the previous years. In 2008, it stood at 14%.

Share of non-pharmacy market in total OTC sales in Poland, 2010



Source: report „Non-pharmacy OTC market in Poland 2011. Development forecasts for 2011-2013”, PMR, 2011


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In-store display as the key aspect boosting non-pharmacy sales

Rules for in-store display of OTC products are similar to those applied for other products sold in hypermarkets. The display of products on free-standing shelving units is crucial; the most attractive shelves are those at waist to eye level (more or less from 120 cm to 160 cm). *"If sales attributed to products at the eye-level are defined as 100%, then above the head, they fall to 60%, and between waist and eye level to 50%, and at the level of leaning down – i.e. the first shelf – as low as 20% of the sales from the eye-level shelves"* says Monika Stefańczyk, PMR Head Pharmaceutical Market Analyst and the report co-author. In addition, shoppers are more inclined to reach for products situated on their right.

According to the store check carried out by PMR for the purposes of the report, OTC products are usually displayed in three spots in hypermarket-type stores:

- on "a healthcare shelf", i.e. a separate shelf dedicated to the display of healthcare products
- on shelves with teas (herbal and functional teas)
- in the checkout area.

Besides, the researched products are infrequently displayed on separate stands or promotional shelves to the side of a shelving unit.

On average, a typical hypermarket in Poland sells 109 products with the status of a medicine, dietary supplement or herb.

Authors of the report:

Monika Stefańczyk, Head Pharmaceutical Market Analyst

Agnieszka Stawarska, Senior Pharmaceutical Market Analyst

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PMR

ul. Dekerta 24, 30-703 Kraków, Polska

tel. /48/ 12 618 90 00, fax /48/ 12 618 90 08

www.pmrporate.com