Cold, Flu, Cough and Throat Remedies - UK - July 2010

Report Price: £1500 / $2295 / €1688

What is this report about?

Despite the threat of swine flu in 2009 market conditions have been slow, with little growth in consumer spending. Even so, the major brands have continued to create new product variations, which include multi-symptom products, expanding ranges into new formats and building high-strength products. Major brands such as Lemsip, Vicks and Beechams have strong loyalty and have built their brands through format development and extensions to their product lines. However, they are coming under more pressure from retailers' own-label, which challenge the market leaders on price.
The report considers the key factors influencing demand and asks what manufacturers will do next to generate even higher sales.

What have we found out?

- Consumer spend on OTC winter remdies has been sluggish in the last two years, not even benefiting from the threat of swine flu in 2009. After a steep rise in demand in 2007, the market continued to grow in 2008 but then fell back slightly over the next two years.
- So is recession to blame for this sluggish performance? There is some evidence that consumers are opting for own-label alternatives, as they can get similar products at a cheaper price.
- Own-label shows potential for more growth. 42% of those who use cold and flu remedies are happy with stores' own brands while brands matter to a quarter of users.
- On the positive side, cold and flu remedies are an essential store cupboard item for many adults - 57% always have a supply at home. And they are widely used - half of all adults would treat flu with a slight temperature without consulting the doctor. However, a further 28% do nothing and simply wait for their symptoms to run their course.
- Innovation is led by the market leaders who are building their ranges and brand presence by developing added-value products, supported by high profile advertising campaigns and commanding premium prices. They are differentiating by making their formulations more powerful, and either all-in-one combinations or more symptom specific products.
- The outlook for cold and flu products is for renewed growth. The 25-34 age band is set to grow by 11.4% over 2010-15 to 9.1 million adults. These are higher than average sufferers of colds and flu so this will help to boost demand. For similar reasons, growth in the number of ABs in the population will also boost demand. There will be 18.8% more ABs in 2015 than in 2010.