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Germany's OTC Pharmacy Market Grows Double Digits In 2022, Future Rocky But Positive

by [David Ridley](#)

A strong cough and cold season helped Germany's OTC market through pharmacy achieve double-digit growth in 2022, according to data from IQVIA. Looking ahead, Sempora Consulting sees this positive momentum continuing, with consumers motivated to prevent illness through self-care. However, inflation and generic competition are putting pressure on brand owners to show value for their more expensive products, especially in non-critical health categories. Sempora offers its advice to German companies for 2023.

Germany's self-medication market grew by 12% by sales volume to 980m packs in 2022, according to the latest data from IQVIA Commercial GmbH.

By sales value, the market through community and mail order pharmacy advanced by 7% to €6.3bn (\$6.7bn) in the 12 months, the market researcher reports.

This post-pandemic recovery was driven by strong growth in the cough and cold category in 2022, particularly through the online pharmacy channel, where volume sales jumped by 30%.

Other fast-growing OTC categories by volume were digestion (16%), analgesics (15%) and sleep (11%), IQVIA notes.

Price Pressures Ahead

Looking to the year ahead, Sempora Consulting sees online pharmacy being further boosted by a growing price sensitivity among consumers, driven by inflation.

In its recently published OTC Outlook 2023, Sempora points out that, as their purchasing powers erodes, increasingly price-sensitive consumers will react in a number of ways.

As well as shopping more online – where consumers can find their favorite OTC brands at reduced prices – they will also turn in some cases to generic alternatives or not purchase at all in “non-critical” therapeutic categories, Sempora predicts.

Wellness categories that require prolonged treatment and therefore a high share-of-consumer wallet likely to be under pressure as consumers tend to seek opportunities to save, the consultancy explains.

On the other hand, as shown already by IQVIA’s market data, categories associated with treatment of acute conditions, for example cold and cough and pain, will continue to attract consumers, Sempora continues.

Apply Smart Pricing

To keep consumers coming back for their trusted OTC products, and to tap into trends for wellness and prevention, Sempora advises companies to “foreground functional and emotional brand benefits.”

At the same time, “smart pricing” needs to be applied to all elements of production, including commercial, marketing, sales and innovation, it says.

With regards to marketing, for example, which commands approximately 20-40% of a brand's net revenue, a “thorough analysis and re-evaluation of current promotional budgets and their allocation to channels, touchpoints, target groups and instruments will be crucial,” it continues.

“Smart and efficient marketing and sales measures require clear insights into the brand mechanism and purchase drivers in the light of changing market conditions,” Sempora adds.