Product Relaunches

Brand heritage is key to a relaunch

A strong brand heritage, a more attractive product and smarter marketing is driving the success of the Similasan eye-care brand following its recent relaunch into the Netherlands, according to Harm-Jan Schuurman, head of the Swiss homoeopathic firm's Dutch subsidiary.

Speaking exclusively to **OTC *bulletin***, Schuurman pointed out that the firm had combined these three elements to establish itself as a top-five player in the eye-care category with a 10% share, following the return of its Similasan Oogdruppels Nr.1 and Nr.2 eye drops to the Dutch market in 2014 after a two-year absence.

Similasan's exit from the Netherlands in 2012 came after the Dutch Ministry of Health placed restrictions on homoeopathic products which meant they were no longer permitted to include any medicinal product indications or claims without supporting evidence.

At that time, the firm had been a leader in the €5.0 million eye-care market, Schuurman noted, with a 30% share through sales of its eponymous Nr.1 and Nr.2 products for ailments such as tired, irritated and itchy eyes.

"All claims had to be removed from the packs and the then current products had to be taken from the market," Schuurman pointed out. "So we decided to take a step back, and then see what we could do to bring them back."

For this plan to return to the Dutch market, Schuurman, a marketing and business development expert, worked with his team alongside Gian Trepp of GBT Pharma, a healthcare firm specialising in developing international markets for healthcare brands.

With the brand performing well in other markets such as Canada, Switzerland and the US, Similasan opened its Dutch subsidiary – led by Schuurman – in January 2014 to relaunch the Nr.1 and Nr.2 eye drops, but this time as medical devices with altered formulations, yet with similar claims to the original.

"We wanted to offer the loyal consumers many of the elements of the Similasan products they used before," he noted.

Once over the regulatory hurdles, the firm then had to tackle the challenges of re-establishing its distribution channels and reclaiming its consumer base from competitors.

To do this, Schuurman – who was initially hired by Similasan as a consultant – said he had leveraged his network in the Netherlands of independent druggists and buyers, which he had built up over 20 years in the consumer healthcare industry.

"The first thing I did was speak to them, to find out their ideas and views," he explained, "and the impression was that they were happy that the products would be back."

"We then decided on what the strategy would be – the marketing strategy, the support package – and offered this total package to retailers and wholesalers," he added.

Despite Similasan's previous market position, it still faced some "resistance" from retailers, Schuurman admitted, partly as a result of competitors moving in to fill the gap left by the brand.

While other firms such as Schwabe had also withdrawn products as a result of the regulatory changes, Schuurman noted, rival brands – in particular A. Vogel – had flourished.

"Vogel showed enormous growth the moment that Similasan was taken from the market," he maintained. "They have a market share of roughly 30%, so they took over our position."

To earn its place back on retailers' shelves, Similasan had to bring a "more attractive product" to the table, Schuurman noted.

"There are lots of brands offered [to the retailers]," he pointed out. "They told us: 'We've got people like you every day asking us to launch products,' so you really have to be different."

This new proposition included an emphasis on Similasan's history as a market leader and a more "premium" positioning – including refreshed silver packaging and a broader product range – as well as "smarter marketing" and a promise to "shake up" the eye-care category.

"If you've been a market leader, you need to show how the brand has evolved," Schuurman pointed out. "And it did help us get into trade, because we could promise category growth. We said, if you take our products back onto the market, we are sure we can help you grow the category by 20%."

Similasan reintroduced its Nr.1 and Nr.2 eye drops to the Dutch market last year as medical devices in light of new regulations regarding homoeopathic products

Continued communication also key

Continued communication with retailers was also imperative to ensuring the firm secured shelf space, Schuurman added.

"We had to be committed to making it a success, because the trade was not waiting for us," he maintained. "We kept trying to reach them day by day, and we were very persistent. We did that for some weeks, and I think that is something that helped us to be taken seriously by retailers."

This tenacity paid off, he noted, as the company secured "100% distribution" through key retailers, independents and drugstores during the first year.

However, Schuurman noted, the company had had to take a "big risk" to ensure it had enough stock to satisfy demand from retailers before it even knew whether they would decide to list Similasan again.

"In the Netherlands, once the trade tells you 'yes, we would like to bring your product back on the market', you have to be very quick," Schuurman pointed out. "As soon as, for example, Watsons decides to have your product back on their shelves, you cannot then start producing, because it will be too late."

With distribution secured, the firm then turned its attention to making consumers aware of the brand's return.

In line with the brand's younger, fresher feel, Similasan had decided to focus on a much younger age group – starting from 25 years of age – than its original target audience of those aged 50 and above, Schuurman noted.

While the brand had a new website to reflect its new positioning – and a presence on social media – the platforms through which to communicate Similasan's availability remained more traditional.

"We tried a bit of social media," Schuurman noted. "We thought, of course, we have to be there, we have to make use of modern media tools, but to reach the masses, we decided to focus on radio and use email marketing."

Furthermore, as the Nr.1 and Nr.2 drops

were "seasonal" products, Schuurman noted, the firm had to be "flexible" with its marketing.

"We were on the radio as soon as the weather forecast told us that it was sunny, dry or windy," he explained. "We bought media a day before we wanted to be on the radio when the weather changed, which I think was an important part of the campaign's success."

This was supported further by public-relations activity and sampling, Schuurman added.

"Sampling is an important part of our programme," Schuurman pointed out. "Once we had the distribution in place and supported the brand lots with radio, we later tried to convince users to use the product through trialling it."

The firm was also looking to differentiate itself from competitors with a "full focus on eye care", Schuurman noted, highlighting the recent launch of its 'Optimoist' drops and a spray for dry eyes, aimed primarily at contact-lens wearers.

Although rivals such as Schwabe, Vogel and Weleda offered natural eye-care products, he pointed out, these were part of huge overall product ranges for various conditions.

"We believe in specific products for specific indications for specific target groups," he insisted. "Similasan wants to be the category leader – it wants to be the specialist in eye care."

Claiming that the only brand to market a range consisting solely of eye-care products was Reckitt Benckiser's (RB's) Optrex, Schuurman said that Optrex offered a different proposition to the "natural background" provided by Similasan.

This was where Similasan differed from rivals, Schuurman noted, and this was another way in which the company could be "smarter" with its marketing.

"What we focused on was a natural background, a long and strong heritage and a broad range," he maintained.

Although the firm was not permitted to make "natural claims", Schuurman noted, it alluded to the brand's natural background through the green leaf on the product packaging, and the tagline: "Similasan surrounds your eyes with care."

Meanwhile, the firm had underlined its premium positioning – based on heritage, functionality and product design – with a price increase, Schuurman pointed out, which reflected the overall price changes in the market.

"What I've learnt is that if consumers buy a self-care product, they don't buy it every week; they buy it when they have a specific need," Schuurman pointed out. "Sometimes it's once a year, so the price level of their previous purchase will not be top of mind."

"As long as you are comparable with other offerings in the market and consumers are getting a great product that works for them, people's attitudes tend to be understanding."

Similasan's Harm-Jan Schuurman, head of the Swiss homoeopathic company's Dutch subsidiary, said the relaunch strategy for the brand focused on the its natural background and former market-leading position

Noting that the Dutch market was "well-known as a private-label market" – with 50-60% of the private-label category controlled by Watsons – Schuurman added that Similasan's premium positioning meant that such products were not as much of a threat.

"As soon as there are cheaper products on the market, then you have to show that you are better – that you are looking better, or that you have a better offering," he maintained, "and that is what I think we are doing, with a new pack, a broader range, different indications and different solutions."

"I believe there are only private labels if there are good brands, and private labels are followers," he continued. "As brands, we have to take the initiative to differentiate and build the category. As long as you are doing that, then it's okay to co-operate with big retailers."

Asked about future ambitions for the brand, Schuurman said "all opportunities" were "open to consideration".

"First, we will start with cementing further our place in the eye-care category," Schuurman pointed out. "Then we will see if there are other categories we can fill."

"This year, with a few new products and a price higher than the average in the category, we are working towards the 20% growth we promised," he added.

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IN BRIEF

■ **ARISTO PHARMA IBERIA** – the Spanish subsidiary of India's Aristo – has launched a **Tucalma eye-drop** product based on chamomile extract. Suitable for contact-lens users, the drops are said naturally to relieve "minor eye irritation" caused by "environmental conditions" such as pollution and dust, as well as to relieve eye strain.

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Product Launches

Elder outlines Shelcal plans

Elder Pharmaceuticals' Shelcal calcium-supplement brand will make its European OTC debut in Bulgaria as part of plans to export the line to 25 markets worldwide, according to Alok Saxena, the Indian firm's chairman and managing director.

Speaking to **OTC *bulletin***, Saxena pointed out that Elder was working with a Bulgarian company to register the brand in the country. Once this was complete, Elder would look at launching Shelcal into other European markets, he noted.

Elder retained the international rights to Shelcal – a prescription brand in India – after it struck an INR20.0 billion (€284 million) deal last year which saw it sell off its domestic formulations business to Torrent Pharma (**OTC *bulletin***, 17 January 2014, page 3).

Freed up production capabilities

The agreement had freed up the firm's production capabilities, Saxena explained, to allow it to pursue its plans to extend the brand's reach into other markets.

These included OTC launches in Mauritius and South Africa, as well as across Europe.

However, in "practically all" other countries Elder was targeting – including Tanzania and Zambia – access to Shelcal would only be through healthcare professionals, Saxena said.

Three products would be rolled out across all markets, Saxena explained. These were the original Shelcal variant – providing calcium carbonate from oyster shells, as well as vitamin D3 – along with the CT tablet and OS capsule line extensions, with calcitriol and alfacidol, respectively.

Rather than marketing Shelcal as a typical calcium-supplement range, Saxena pointed out, the company would position it for use during pregnancy, lactation, the menopause, and by those with osteoporosis.

The marketing activity would include educational campaigns featuring key opinion leaders and experts, he added, to highlight the importance of calcium.

Shelcal was predicted to generate around US$20-25 million (€18-23 million) in the first year, Saxena noted, and become the company's "number-one export product" within the next two years.

Elder planned to reinvest 10-15% of Shelcal's revenues in its marketing, he added.

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