

## Building Stronger Brands

In tough economic times, private label products tend to gain momentum as consumers become more price-sensitive. That has certainly been the story of the past two or three years, and retailers have been quickly adapting to this shift in the consumer mindset by seeking to diversify and expand their store-brand assortments.

With the economy recovering at a slower pace than many had hoped or expected, it also seems the private label phenomenon will hang on for awhile longer – which is not the news marketers of branded OTC and personal-care products are happy to hear. But, alas, there are plenty of strategies OTC manufacturers can deploy to boost the brands they represent.

In this issue of OTC Perspectives, we have two reports that tackle different areas of interest for marketers mired in the competitive landscape that the private label boomlet of 2008-2010 has created. First, in an excerpt from his book on the topic (page 12), Jan-Benedict E.M. Steenkamp explains the reasons that nimble retailers will always have a place for branded products on their shelves and that they often will rely heavily on the partnerships they have established with these major brands to improve their standing with consumers. (Steenkamp, a professor of marketing at the Kenan-Flagler Business School at the University of North Carolina is scheduled to address the topic of private label at the upcoming OTC National Conference, May 18-19, in Philadelphia.)

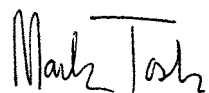
As Steenkamp notes, "There are two areas where.... retailers can benefit from effective partnering with brand manufacturers: retailers need to differentiate themselves from other retailers, and hard discounters need manufacturer brands in their assortment." These are areas that OTC marketers can certainly exploit, regardless of the economic climate.

In another article in this issue (page 18), Laura Mahecha, manager of the Healthcare Practice at Kline Market Research, looks at how different product categories, and different marketing / advertising strategies, are impacted by store-brand's increasing market share. She notes, "Despite the gains made by private labels during recessions, branded OTC companies that continue to invest in new product development, Rx-to-OTC switches, and advertising and promotions for their brands during these times are those that will be well-positioned for future growth. During tough economic times, it is understandable for companies to be conservative with ad spending levels and new product development costs; however, it is precisely those firms that continue to invest in those areas that were able to offset the impacts of past recessions."

As many marketers have discovered, the cautious, go-easy approach to marketing is not always the best way to navigate through recessionary periods. Often, it's the company or brand that invests wisely, and thoroughly, when times are tough that comes out on top in the market-share battle once the economy turns.

### CONGRATULATIONS TO THE TOP MARKETERS

For the second year, OTC Perspectives magazine announces its honorees as Top OTC / Consumer Healthcare Marketers of the Year. (See page 22 for a list of the 2010 Top Marketer selections.) Congratulations to all of the honorees, who will be officially bestowed their awards at a May 19 luncheon at the OTC National Conference sponsored by Everyday Health.



Mark Tosh



Robert Ehrlich  
Chairman and CEO  
DTC Perspectives, Inc.

Mark Tosh  
Editor-in-Chief/VP of Analytics

Christine Franklin  
Director of Marketing

Jennifer Haug  
Associate Editor / Research

Amanda Ehrlich  
Associate Editor / Content

Brooke Kobren  
Marketing and Production  
Associate

Stacey Hagenbush  
Sales and Marketing Associate

Scott Ehrlich  
Director, Business Development

Todd Lawhorne  
Public Relations Manager

Debra Rennert  
Creative Director

Debra Sander  
Office Coordinator

James Ticchio  
Art Director  
Direct Media Advertising

OTC Perspectives is Published Quarterly By:  
DTC Perspectives, Inc.  
30 Columbia Turnpike Suite 205  
Florham Park, NJ 07932  
Phone # 1-973-377-2106  
Postmaster: Please send address changes to the above.

Free to Qualified Industry Subscribers in the U.S.  
Apply online at [www.otcperspectives.com](http://www.otcperspectives.com).

Rates for International and Non-Industry  
Subscribers:

\$72 Per (1 Year) in the U.S.  
\$96 (1 Year) Outside of U.S.  
Back Issues \$10 in U.S.  
\$30 in All Other Countries

©2010 DTC Perspectives, Inc. All rights reserved. No part of this publication may be reproduced in any form unless given permission by the publisher.