

Competing With Private Label

As anyone in the retail business knows, shoppers today are focused on convenience and low prices. Drugstore chains – which spent the early part of this decade trying to corner the market for prime real estate at busy suburban intersections – seem to have the convenience requirement covered. And now they're doing their best to meet consumer demands on the price-value front, thanks to an ever-expanding assortment of private label, or store-branded products.

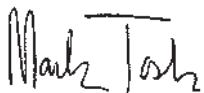
Private label items have always been in the product mix, but they seem to have taken on even a greater role today as retailers fight to protect profit margins. As you walk the aisles of the major drugstore chains, it's clear the merchants are pushing hard on the private label option and trying to carve out a huge chunk of shelf space for their own brands, particularly the big two, CVS and Walgreens. Just about every major OTC category has a private-label alternative at these stores.

This makes it tough for small and niche brands in the OTC / personal care arena to break into the product mix. The big brands, with the big advertising budgets, are still getting a sizable share of the shelf space, but it's becoming a daily battle to hold that space. The smaller and start-up brands – even the "orphan" brands that have lost support of their parent company – often are not as fortunate. This is where clever marketing and smart use of media can play into a brand's success.

In this issue of *OTC Perspectives*, we take a closer look at how some smaller brands are being repositioned with a new marketing message (A Marketer's Guide to Brand-Building, page 20). This re-thinking of a brand's positioning and closer scrutiny of the media plan are going to be critical elements in the success of some of the Nos. 2 and 3 brands in the drugstore aisle as retail and consumer pressures mount. This will make for more challenging responsibilities for marketers, and also will raise the bar for creating integrated and innovative marketing campaigns.

CONGRATULATIONS TO THE TOP MARKETERS

OTC Perspectives also features in this issue the first recipients of its OTC / Consumer Healthcare Marketers of the Year Awards. The awards were presented at a luncheon sponsored by Everyday Health at the inaugural OTC National Conference, held in June in Boston. We will honor a second group of Top Marketers at next year's OTC National – scheduled for May 18-19, in Philadelphia, and invite marketers, agency executives and others to participate in the selection process. Please e-mail your nominations for Top Marketers (including a brief description of the nominee's marketing accomplishments and contact information) to associate editors Amanda Ehrlich or Jennifer Haug, at Amanda@DTCPerspectives.com or Jennifer@DTCPerspectives.com, respectively.



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