

Meda Pumps Up Iron With Feosol Relaunch, Revamps Neglected OTCs

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Meda Consumer Healthcare Inc. is moving toward becoming a noteworthy U.S. consumer health care player via its resuscitation of marginalized brands, beginning with *Feosol* iron supplements.

A 2010 deal with **GlaxoSmithKline Consumer Healthcare** brought Meda three supplement brands, including *Feosol*, which gave the Marietta, Ga., firm an excess of iron supplements in its portfolio.

Meda elected to have the 70-year-old *Feosol* absorb its own *Bifera* brand introduced in 2009, and now is launching a re-branded *Feosol* line with an eye toward stepping up in the iron supplement category ("*New Products In Brief*" – "*The Tan Sheet*," Feb. 23, 2009).

The rollout of three *Feosol* products planned for May is "probably the biggest news in the category in a really long time, to have a venerable brand bring the range of choices that we have, and now rolling *Bifera* underneath it," said Jeff Cohen, VP and general manager of Meda Consumer Healthcare.

In addition to the original *Feosol* ferrous sulfate tablets, Meda is launching a "Natural Release" stock-keeping unit of carbonyl iron for gentler absorption, as well as a "Complete with *Bifera*" product that rebrands *Bifera*'s protein- and plant-based iron formula. Meda has revamped *Feosol*'s packaging and is developing a website to help consumers select the appropriate SKU.



Meda Consumer Healthcare
VP and GM Jeff Cohen

Photo courtesy of Meda Consumer Healthcare

Complementing Private Label

Meda's \$34.5 million deal with Glaxo in December 2010 included *Feosol*, *Geritol* multivitamins and *Palafer* iron supplements sold in Canada; the three brands were generating about \$15 million in combined annual sales at the time ("*Meda Tacks On U.S. Supplements As GSK Cleans Out Medicine Cabinet*" – "*The Tan Sheet*," Dec. 20, 2010).

Now, Cohen says he believes *Feosol* is poised to claim the clear No. 1 spot among U.S. iron supplement brands, a tightly contested category that also includes **Novartis Consumer Health Inc.**'s *Slow Fe* and **International Vitamin Corp.**'s *Ferro-Sequels*.

Private-label products lead the overall iron supplement category, which tallied sales of \$42.2 million in the 52 weeks ended Feb. 18, according to SPINS Inc. market research data, which exclude **Wal-Mart Stores Inc.** and **Whole Foods Mar-**

ket Inc. SPINS says the segment, focused mainly in the conventional food/drug/mass-merchandise channel, grew 5% year over year.

Despite the dominance of private label, Cohen says he views *Feosol* as complementary to store-brand iron supplements, in that the marketers behind both product types share the common goal of growing the category.

"There's a role for private label, there's a role for branded offerings," said Cohen. "Our goal is to bring the differentiated value of the product, attracting a consumer into the segment who may not have been in the segment, or could be sold a higher-value item with differentiated benefits."

With the gentler version of *Feosol*, Meda aims to attract the "lapsed iron supplement user" who may have struggled with side effects from ferrous sulfate - which can include constipation, diarrhea and nausea - but still needs to supplement with iron. Pregnant and menopausal women, as well as vegetarians and vegans, are prone to iron deficiency and may be encouraged by their doctors to take supplements.



Feosol Complete with Bifera

Photo courtesy of Meda Consumer Healthcare

Buying, Building Brands

Meda Consumer Healthcare's parent company, Swedish pharmaceutical firm **Meda AB**, prioritizes growing its OTC business through brand acquisitions and increased marketing resources.

Meda AB acquired **Alaven Pharmaceutical LLC** and **Alaven Consumer Healthcare** - which became Meda Consumer Healthcare - in August 2010, and bought Swedish OTC company **Antula Healthcare AB** for \$282 million in February 2011 ("*Antula Acquisition Expands Meda's OTC Portfolio, Marketing Expertise*" – "*The Tan Sheet*," Feb. 28, 2011). Meda also picked up a trio of Nordic OTC brands, including the painkiller *Treo*, from **Johnson & Johnson** in November 2011 ("*In Brief*" – "*The Tan Sheet*," Nov. 21, 2011).

The recent acquisitions, as well as underlying growth, helped Meda's worldwide OTC sales in 2011 climb 41% at fixed exchange rates to \$370.3 million, the firm reported in February.

In the U.S., Meda Consumer Healthcare is following the same strategy employed by **Prestige Brands Holdings Inc.** and **Insight Pharmaceuticals LLC** - collecting neglected legacy brands and building them back up using resources that the previous owner did not have or chose not to allocate.

To resurrect some brands, Meda uses grassroots marketing to raise awareness among target consumers. For example, the company has been showcasing *Vivarin* caffeine alertness aid caplets at car racing events and is researching how it might penetrate the slice of the market now using energy shots.

Meda also seeks to expand lines where opportunities exist. This year the company will introduce *Contact Cooling Relief* acetaminophen plus cough suppressant, the cold and flu brand's first liquid product. Cohen called the extension a logical fit for the brand and one that will amplify Contact's presence on retail shelves.

Contact and the other former Alaven and GSK brands were experiencing "significant negative" growth over a five-year period, Cohen said, but Meda has reversed that trend with every brand in its portfolio.

The company is on the lookout for additional bolt-ons. Cohen said in the wake of GSK's divestment of a swath of non-core OTCs to Prestige Brands and **Omega Pharma NV** in Europe, 2012 is shaping up to be a fruitful year for consumer health brand buyers ("*Omega Pharma Acquires Six Glaxo OTC Brands, But Alli Lingers*" – "The Tan Sheet," Mar. 19, 2012).

"The GSK deal needed to clear the market so people could see the latest valuations on a big portfolio of products," he said. "That's going to help the sellers figure out what their multiples are."

A Big Pharma Education

Cohen's history in consumer health products dates to his first job out of business school with J&J baby products in 1983, just as the company was in the midst of recovering and rebuilding its reputation after the infamous *Tylenol* cyanide tampering case and subsequent recall.

J&J provided a "classic marketing education, everything you

ever wanted to know about advertising and product development and even general management," he said.

Cohen spent seven years at J&J, and later returned to pharma in 2003 when he joined Novartis' **Ciba Vision Corp.** subsidiary. His experience on a global marketing campaign for color contact lenses gave him an appreciation for the nuances of marketing to different cultures, he said.

Now, at Meda Consumer Healthcare, which he joined in early 2010 when it was still Alaven, Cohen has the opportunity to apply the lessons learned from big pharma on a smaller, more entrepreneurial scale.

"It's a different type of approach," he said. "Same principles, same fundamentals, but managed on tighter budgets, and we're more creative and resourceful with the funds we have." ■

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