

New stars of cold relief therapy

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Overview of the market of drugs for the treatment of respiratory diseases with immunomodulating and / or antiviral effect in the retail commercial sector of the pharmaceutical market in 2016

Based on the results of 2016, the volume of the retail commercial market for products used to prevent and treat respiratory diseases with immunomodulating and / or antiviral effects¹ reached 31.82 billion rubles² in money terms and 98.61 packages in physical terms, showing a confident increase in sales by 21 and 12% respectively (Figure 1).

Business on the rise

The average price for a conventional package of a medicinal product reached 323 rubles, an increase of 8% compared to 2015. The share of drugs worth less than 150 rubles increases year by year, despite its small size (3.2%), while the shares of the two following price segments are significantly reduced, giving way to the drugs of the price category from 450 to 600 rubles. The share of medicines in this price range has almost quadrupled in three years, reaching 24.3% in 2016. The share of the most expensive drugs (600 rubles and more) is relatively stable and amounted to 17.4% in 2016 (Fig. 2). Among the brands in the range of 150 rubles or less, the largest total value of sales belongs to *Remantadin*, *Rimantadine* and *Interferon*; *Kagocel*, *Viferon* and *Arbidol* have the largest total value of sales in the range from 150 to 300 rubles; *Arbidol*, *Derinat* and *Citovir-3* are leading in the range from 300 to 450 rubles; *Ingavirin*, *Amixin* and *Lavomax* are leading in the range from 450 to 600 rubles; *Amixin*, *Polyoxidonium* and *Tamiflu* are leading in the range of 600 rubles and more.





The stars are so close

By total value of sales in the segment of drugs for the treatment of respiratory diseases with immunomodulating and / or antiviral effect in the retail commercial sector of the pharmaceutical market, Kagocel (Niarmedic Plus) is leading among the brands with the sales share of 18.76%; Ingavirin (Valenta Pharmaceuticals) is second, with a share of 17.66%; Arbidol (Pharmstandard) is third, with a share of 10.6% (Table).

Polyoxidonium of NPO Petrovax Pharm has the maximum increase in sales (+ 53%) among the TOP10 brands by sales value in rubles, which is more than three times higher than in the previous period (Figure 3).

TOP10 brands of medicinal products for treating respiratory diseases with immunomodulating and/or antiviral effect in retail commercial sector of the pharmaceutical market, by total value of sales, in value (rubles), 2016, %

Rating	Brand	Corporation	Market share in value		Trends in sales
			2016	2015	
1	Kagocel	Niarmedic Plus	18.76	22.60	0
2	Ingavirin	Valenta Pharmaceutica	17.66	14.57	46
3	Arbidol	Pharmstandart	10.60	11.79	8
4	Viferon	Feron	8.15	8.83	11
5	Amixin	Pharmstandart	7.54	7.04	29
6	Cicloferon	NTFF Polisan	5.11	4.83	27
7	Grippferon	Firn M	4.95	4.33	38
8	Citovir-3	Citomed	4.67	5.06	11
9	Derinat	Technomedservis FP	4.25	4.44	15
10	Polyoxidonium	NPO Petrovax Pharm	3.11	2.46	53
TOP10			84.79	85.95	19

Source: Alpha RM – Monitoring of retail sales of medicinal products and dietary supplements in RF Table

By their sales growth in combination with their market share, all medicinal products can be divided into four groups of the BCG3 matrix, characterizing the success of drugs on the market:

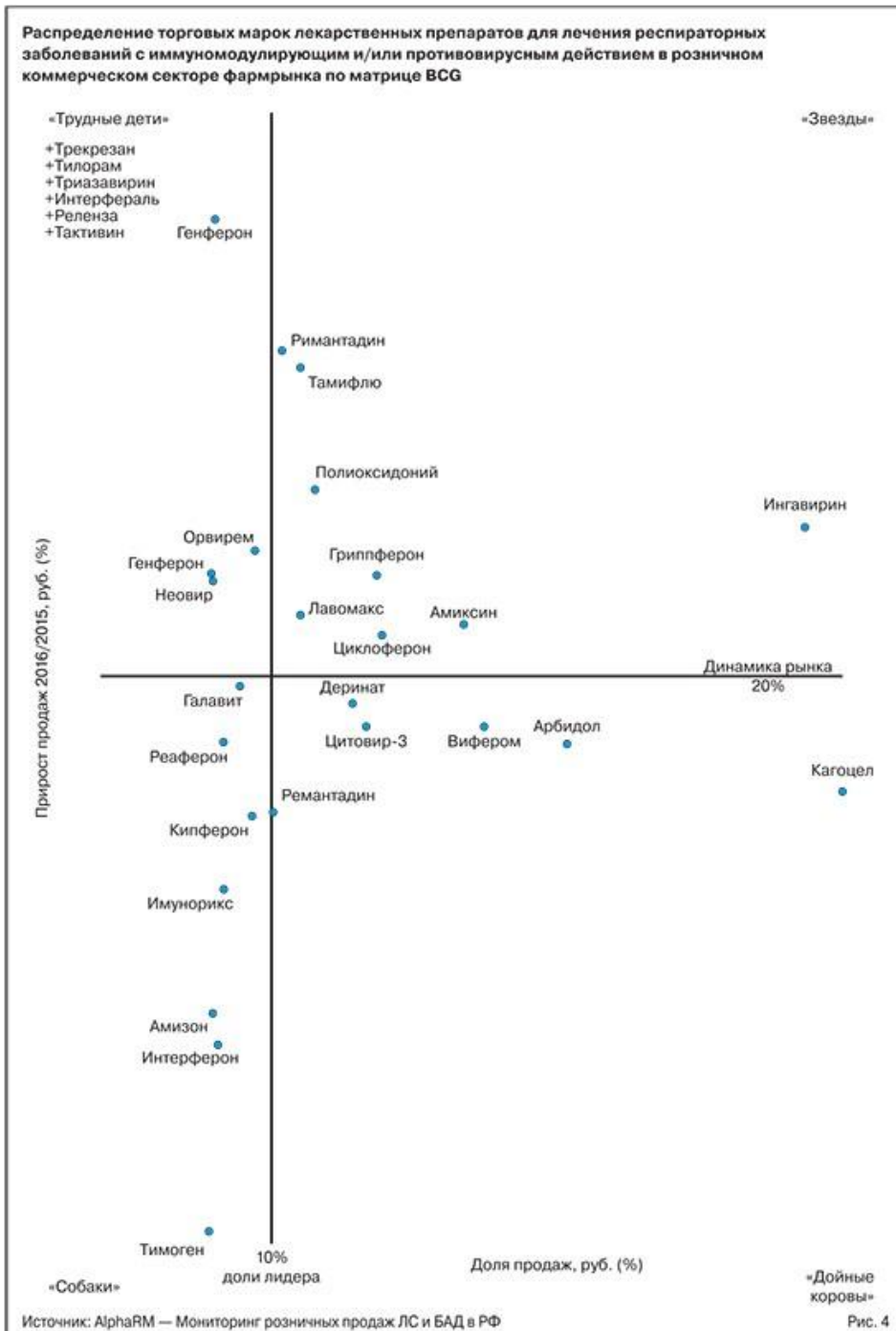
- *Stars* have a high growth in sales and a high market share, which need be maintained and increased. They bring a very large income. However, despite the attractiveness of the product, its net cash flow is quite low, because they require significant investments to ensure a high growth rate.

- *Cash Cows (Money bags, Cream)* have a high market share with a low growth rate of sales. Cash cows should be protected and monitored as much as possible. The funds from their sales can be directed towards the development of *Wild children* and the support of *Stars*.

- *Problem Children (Wild cats, Dark horses, Question marks, Problems, Calves)* have a low market share with high growth rates. They need to be studied. In the future, they can become both *Stars* and *Dogs*. If it is possible to turn them into *Stars*, they need investments; otherwise it is best to get rid of them.

- *Dogs (Losers, Lame Ducks, Dead Cargo)* have low growth rates and low market share; such products generally have low profitability and require a lot of attention from the manufacturers. It is advisable to get rid of the *Dogs*.

A significant increase in sales allowed Polyoxidonium to get into the category of *Stars* of the BCG matrix, with a high sales growth and a high market share (Figure 4). As a rule, a drug can get in this category, thanks to the manufacturer actively supporting the increase in sales at a high level, investing in the promotion of goods, and conducting successful advertising campaigns. In 2016, Polyoxidonium changed its positioning, which resulted in a new slogan, logo and packaging. In addition, the first advertising TV campaign in the history of the brand was launched. The manufacturer decided to attract a new audience of consumers who used antiviral / immunomodulating agents in the treatment of ARVI and influenza. The new positioning was based on the drug's threefold orientation, which inspired the slogan for the advertising campaign: Polyeffect against cold and flu. Polyoxidonium can be used to prevent ARVI. It is supplied as over-the-counter suppositories for children from 6 years of age, and tablets for adults and children from 12 years of age. It is known that a multicenter clinical study of tablets in the treatment of ARI in children aged 3 years or more is already completed, and Petrovax Pharm submitted the application to the Ministry of Health of the Russian Federation, to amend the Instruction reducing the minimal age of use in children to 3 years of age. The adjudication of the Ministry of Health is scheduled for May 2017.



In 2016 the drug Polyoxidonium® was recognized as the best treatment of ARVI in children in independent voting. “For all of us, this is not just an award,” said the president of Petrovax Pharm, Elena Arkhangelskaya. “It shows the recognition by the medical and pharmaceutical community and it is a public proof confirming that our product Polyoxidonium® is the best in its field. It is gratifying that today, when much is said about the development of domestic pharmaceuticals, Russia already has original drugs that have been tested by time, and enjoy high demand not only in the domestic market, but also internationally.”

1) The overview includes medicinal products with immunomodulating and / or antiviral effect for treatment of respiratory diseases (by EphMRA classification): A13A general restoratives, J5B4 antiviral drugs for the treatment of influenza, J5B9 other antiviral drugs, L3A9 other drugs with immunostimulating effect excluding interferons, L3B1 - interferon-alpha (excluding homeopathic, herbal and bacterial medicinal products), which feature an indication for use in the prevention or treatment of respiratory diseases in the instructions presented on the

website of State Register of Medicinal Products (experts selection). The TM *Reaferon* includes only capsules and the lyophilisate for suspension; *Genferon* is a spray; *Galavit* is presented as suppositories and tablets; *Cycloferon* is presented as tablets; *Derinat* is a solution for topical application; *Timogen* is a spray.

2) From this point onward, the pharmacies' retail sales are presented in final consumer's prices (sell-out).

3) The BCG Matrix is a tool for strategic analysis and planning in marketing, created by the founder of Boston Consulting Group Bruce D. Hendersen to analyze the popularity of the products based on their position on the market relative to the growth of the demand for a product and its market share. The matrix does not include drugs that were not sold in 2015.