



**Nicotine Replacement Therapy  
UK Market Review**

**Report commissioned for ASH**

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<b>BACKGROUND</b>	<b>3</b>
<b>1. UK MARKET DEFINITION AND SIZE</b>	<b>4</b>
<b>2. MARKET SEGMENTATION</b>	<b>8</b>
<b>3. KEY DRIVERS OF GROWTH</b>	<b>10</b>
<b>4. BARRIERS AND TRIGGERS</b>	<b>13</b>
<b>5. RANGE</b>	<b>14</b>
<b>6. AVAILABILITY</b>	<b>23</b>
<b>7. PRICE AND PROMOTION</b>	<b>30</b>
<b>8. NON MEDICINAL ALTERNATIVES</b>	<b>34</b>
<b>9. CONCLUSIONS</b>	<b>36</b>
<b>APPENDIX 1: PRICE SURVEY</b>	<b>38</b>
<b>APPENDIX 2: FIELD VISITS</b>	<b>41</b>



## Background

### Scope

This report aims to summarise the data available on the nicotine replacement therapy (NRT) market in the UK, and to review current status from a consumer and trade perspective.

### Methodology

Three main lines of enquiry were followed:

1. A review of market information and data from published sources:
  - Mintel report on Smoking Cessation Aids –UK- April 2004
  - Snapdata
  - Information Resources Inc. (IRI)
  - IMS ('global source for pharmaceutical market intelligence')
  - Taylor Nelson Sofres (TNS)
  - The Grocer Factfile: Stop Smoking supplement
2. Information and comment from industry sources
  - contacts (analyst and company spokespersons)
  - websites
  - trade publications
3. Original research: field survey
  - a cross-section of chemist and grocery stores, service stations
  - pricing and display of NRT products
  - comments from pharmacists, assistants and others
  - fieldwork was carried out in November 2004



### 1. UK Market Definition and Size

#### Pharmaceutical categories

People in the UK who seek help with giving up smoking (smoking cessation) can turn to a range of nicotine replacement therapies or products. These may be referred to as nicotine replacement therapies (NRT) or 'stop smoking products'.

NRT or stop smoking products are viewed as medicines, and can be obtained from two sources:

- on prescription
- over the counter (OTC)

Some medicines are obtainable only on prescription, known as POM (prescription-only medicines). Access to these types of drugs requires a prescription from a qualified doctor or trained nurse. The prescription can only be dispensed by a qualified, registered pharmacist operating on licensed premises. Zyban (Bupropion) is available on prescription only, for smokers who have tried other OTC products without success.

The over-the-counter (OTC) or self-medication market is comprised of pharmaceuticals that have become available without the requirement for a prescription. Originally these types of products were sold exclusively in small community pharmacies and High Street retail chemists, but some are now sold in a wide range of retail outlets.

There are two types of OTC pharmaceuticals:

- Pharmacy-only (P) products – can only be obtained from licensed premises, under the supervision of a registered pharmacist (although a prescription is not required). Inhalators, nasal sprays and microtabs are pharmacy-only.
- General Sales List (GSL) medicines – can be bought from a wide variety of retail outlets, including supermarkets and corner shops, although the pack sizes may be limited.

In 2001, many NRT products (patches, gum and lozenges) were reclassified from Pharmacy only (P) to General Sales List (GSL). In April of the same year, all NRT products became available on NHS prescription, leading to a virtual doubling of NRT prescriptions in 2002.

#### Pharmaceutical distribution

Pharmaceuticals are distributed either directly by the manufacturers or via specialist wholesalers. There are around 20 full-line wholesalers in the UK, but the main two are AAH Pharmaceuticals and Unichem. They deliver to their customers once or twice a day. Pharmacists call off the stock they require for any product, whether for dispensing or for sales over the counter, paying the same wholesale price in either case.



Take the example of a week's supply of NRT patches, bought at a wholesale price of £9.07. If dispensed on prescription the pharmacist would recoup £9.07 plus a dispense fee, but for the same product sold over the counter he would get the retail sales price (£15.99) less VAT. It is usual for pharmacists to make more margin on the same products sold OTC than dispensed on prescription.

### **UK NRT Market size: value and volume**

The total NRT market consists of products sold over the counter (OTC) plus prescription sales. The basis for valuing the two routes differs, and this needs to be taken into account when calculating the total market size.

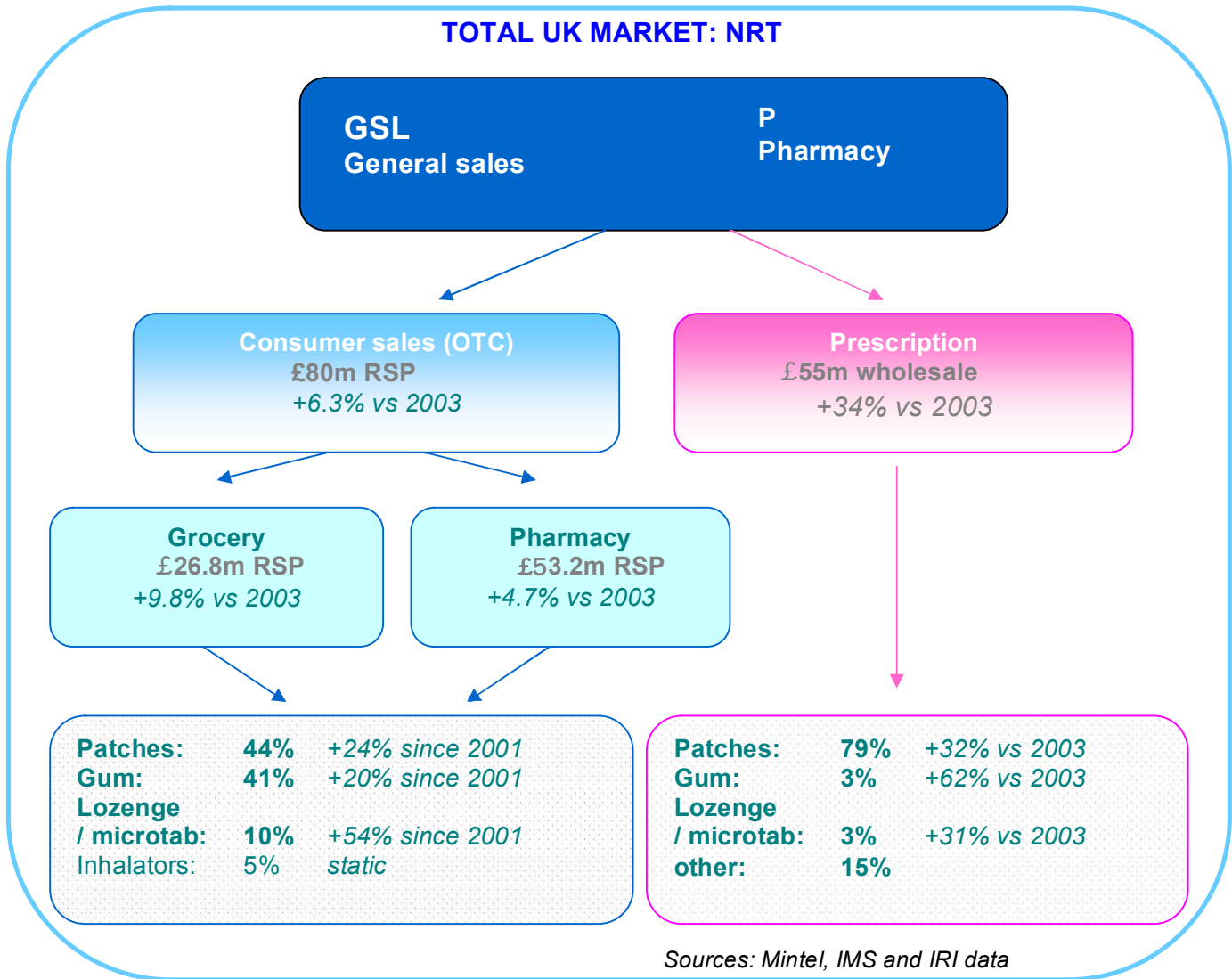
Mintel predicted at the beginning of 2004 that NRT sales over the counter at retail prices would reach £89m; IRI measured OTC sales at £80m at RSP for the 12 months to September 2004. On the prescription side, IMS recorded some £55m of sales for the 12 months to November 2004.

But OTC sales are recorded by IRI at retail sales value, while prescriptions are recorded by IMS at the wholesale price.

So while in value terms OTC is bigger than prescriptions for NRT, in volume terms (number of packs distributed) it is estimated that the split is about 50/50.

GlaxoSmithKline quote a figure of £160m for the total market.

The following chart uses a variety of data sources (Mintel, IMS, IRI) to estimate the overall market breakdown:





### Steady growth of OTC....

Snapdata and Mintel are useful sources for looking at OTC market development over time. They show that the OTC market for smoking cessation aids has grown steadily since 1999, and predicted sales value of over £89 million in 2004:

#### OTC Sales of smoking cessation products

	£m	% growth
1999	53.5	
2000	58.4	9.0
2001	64.5	10.5
2002	71.9	11.5
2003	80.5	12.0
2004E	89.4	11.1

Source: PAGB, company information, Snapdata research

- the compound annual growth rate for 1999-2003 was 10.7%
- the strongest growth was in 2003, with a sales increase of 12% in value

So despite the availability of NRT products free on prescription, there has been growth in sales over the counter. This is probably because not everyone who wants to give up smoking can get free product prescribed, and not everyone who wants to use NRT wants to give up smoking altogether.

### Prescription sales boom

Market growth via prescriptions seems to be increasing rapidly. IMS is a leading provider of research for the pharmaceutical and healthcare industries, and its Xponent Micromarketer survey of dispensed information, covering all regions of the UK, showed prescriptions up by 34% in value terms for 12 months to November 2004 versus the previous 12 months.

In order to obtain NRT products on prescription, individuals must first prove to their GP that they are genuinely motivated to give up smoking altogether. GPs do not generally prescribe the products themselves, but hand patients on to trained nurses who give them counselling, assess the appropriate pack format and strength, and give a prescription for a couple of weeks supply. Individuals have to attend 3-4 follow-up sessions during their smoking cessation programme. The prescription generally is generic, and the pharmacist gives the cheapest alternative available to fit the category.

So people wanting to cut down gradually rather than stop smoking abruptly, and reformed smokers who want to take precautions to prevent a relapse, are not eligible for NRT on prescription. Yet empirical evidence, supported by qualitative research, suggests that this is a very real group with needs.



**2. Market segmentation**

Within the total OTC pharmaceutical market, smoking cessation products represent a small proportion. For example in 2001, they were less than 4% of the market despite rapid growth:

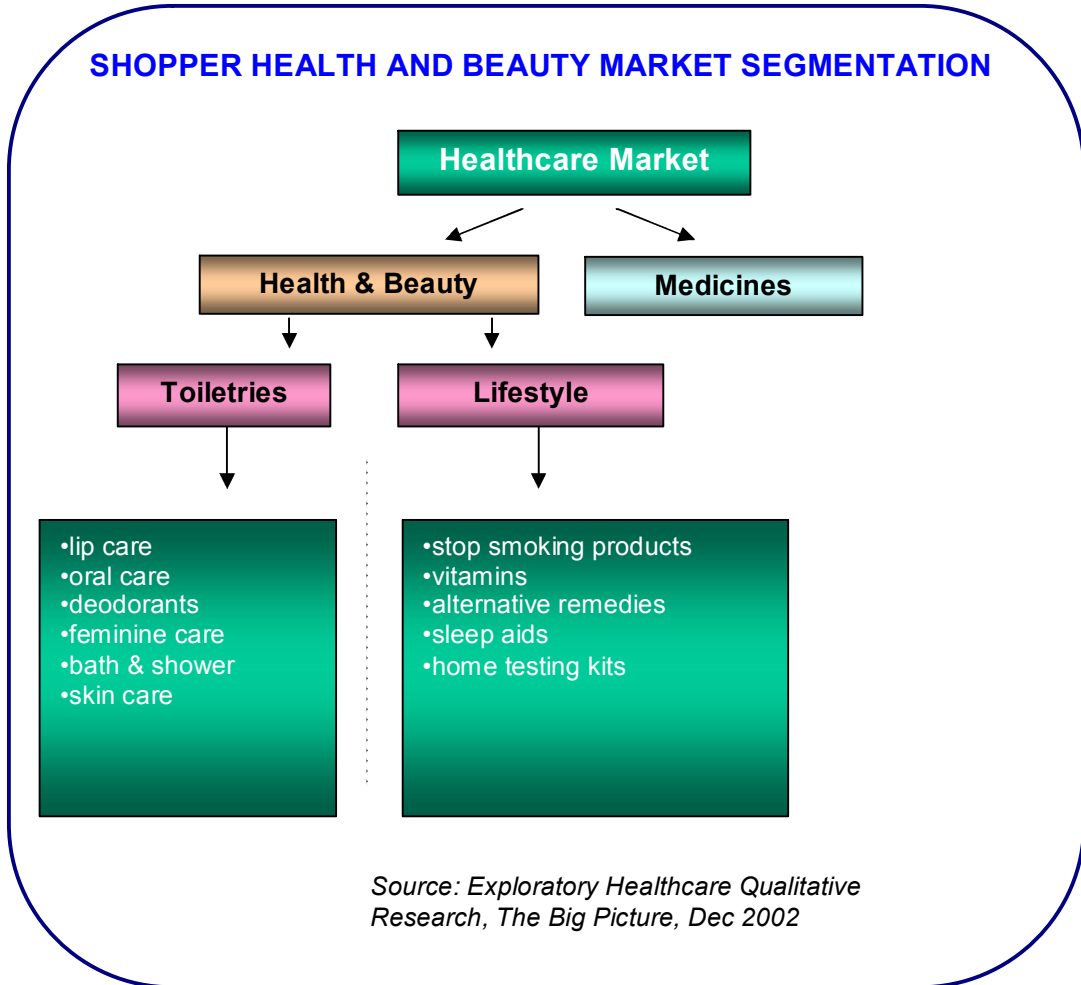
<b>OTC pharmaceuticals by product type</b>	<b>% share by value</b>
Analgesics and pain relief	24.1
Vitamins, minerals and supplements	18.8
Skin treatments	14.2
Gastro-intestinal and indigestion remedies	10.3
Cold and flu treatment	8.9
Sore throat treatment	5.6
Cough mixtures	5.0
Anti-allergy	3.7
Smoking cessation	3.3
Anti-fungals	2.7
Sleep aids and additives	0.8
Other	2.7
<b>Total</b>	<b>100</b>

*Source: Keynote from trade sources*

“Nicotine replacement therapy” and “smoking cessation products” is the language of manufacturers and healthcare professionals, not that of the consumer. Pfizer Consumer Healthcare marketing describe the category as “Stop Smoking Products”, and have conducted qualitative research into how consumers perceive them.

This research was published in a promotional supplement to The Grocer trade magazine, under the heading “How OTC medicines can make your business healthier”.

The research found that consumers segment healthcare goods into two distinct categories, ‘medicinal’ products and ‘health and beauty’ products.



The research also explored the decision-making process that customers go through when choosing a product: this is apparently format choice first (gum/patch/other), then strength, and finally brand.



### 3. Key drivers of growth

#### i. The number of people who smoke

The most influential driver on the market for smoking cessation aids is the number of people smoking, as this in turn fuels the need to quit.

Growing health awareness has led to a decline in smoking in the UK.

1974: 45%

1982: 35%

1995: 27%

2003: 28%

However, the decline in recent years has been heavily concentrated in older age groups: i.e. almost as many young people are taking up smoking but more established smokers are quitting. Smoking is highest among those aged 20-34: 38% of men and women in this age group smoke.

(source: [www.nosmokingday.org.uk](http://www.nosmokingday.org.uk))

These younger smokers are an important group among potential quitters:

- according to the No Smoking Day charity, 70% of the UK's 12 million smokers would like to give up altogether
- 43% of smokers have tried to give up
- about 20% are trying to do so at any one time
- just over 50% of 15-24 year old smokers have tried to give up smoking

“Serial quitters” are a key target for NRT products. They are likely to need tailored support programmes and a range of products so that they can switch between formats and choose what suits them best before becoming successful quitters.

The market is split half and half between prescriptions and OTC (over the counter) sales. Sales of OTC products peak around New Year (to aid New Year resolutions), while those who obtain products via prescription are much more consistent throughout the year, although tending to peak around the National No Smoking Day in March.

The average person giving up smoking spends around £78 per year buying Stop Smoking products over the counter, according to IRI research quoted in The Grocer Factfile. Assuming an average cost per day on recommended NRT programmes of about £2.50 (see calculation in section 7 of this report, Price and Promotion), this equates to roughly 32 days, well short of the recommended 12 week programme. This implies that a lot of people quit quitting early, or dip in and out of the market.





Smokers tend to be the less affluent (C2DE) according to GB TGI data.

Smoking has become a habit that is largely confined to the lower social classes: some 42% of unskilled workers smoke, compared with 15% of professional males. Teenage mothers are the most likely to smoke during pregnancy. Reid is known to be sympathetic : only a few months ago he said bluntly that the odd fag was the only enjoyment that a 21-year-old mother living on a sink estate had...

The total smoking ban in establishments serving food will not much effect the new breed of posh middle-class ' gastropubs' which are pretty much smoke-free anyway.....In Britain clubs and pubs that do not sell food, those most likely to be frequented by unskilled workers, will be exempt'

*Sunday Times Review, 21/11/04*

**ii. Increasing awareness about health and the harmful effects of smoking and passive smoking, resulting from a variety of initiatives:**

Legislation	Support and encouragement
European ban on tobacco advertising	Smoking helpline
More visible warnings on cigarette packs	NHS Stop Smoking Services
Regulation of point-of-sale material	NRT on prescription
White paper: Ban on smoking in public places	No Smoking Day
	Advertising campaigns

From 1999-2003 there was an expansion in NHS stop smoking clinics providing both behavioural support and medication. However, even in 2002 only 2% of smokers were using these services.





## Forecast

The NRT market is expected to continue to grow in the next few years. Note that the forecast chart below pre-dates the proposal to ban smoking in public places and pubs where food is served.

<b>OTC sales</b>	<b>£m</b>	<b>% change</b>
2004	89.4	11.1
2005	99.2	10.9
2006	109.1	10.1
2007	120.2	10.2
2008	132.6	10.3

*Source: PAGB, company information, Snapdata research*



#### 4. Barriers and Triggers

For those who would like to kick the smoking habit, 3 main factors that may influence whether they turn to NRT as an alternative are:

*Range:* is there a product to suit their need? A diversity of delivery systems and flavours is important as different people have different needs, both in terms of physical craving and behavioural dependency

*Availability:* are NRT products easy to get hold of? Do they have to be a planned purchase or are they easily available as a day-to-day or even impulse purchase? Is the right information available at the point of sale?

*Price:* is the price affordable? NRT is clearly a good financial investment if the result is giving up smoking altogether in the long run. But NRT can also be perceived as expensive, non-essential products unless acquired on prescription.

*This report looks at each of these factors in more detail. Information has been obtained from a variety of sources, including a field survey conducted during November 2004 to observe the current status of the NRT market.*



## 5. Range

### (a) Delivery systems

The relative advantages of the main delivery systems depend both on the user's behavioural reliance on smoking and physical reliance on nicotine.

#### *Nicotine chewing gum*

- Available in a range of strengths, for both heavy and light smokers
- Suitable for those who have a relatively high level of behavioural dependence because it replaces the ritual of smoking with chewing.
- Nicotine is absorbed through the lining of the mouth and the pattern of nicotine delivery is similar to that of cigarettes, with peaks and troughs relating to the chewing of the gum.
- Tends to appeal to younger users who are more likely to use normal confectionery chewing gum. But the technique for chewing is different: the "chew-park-chew" technique (see right) is recommended.
- A very accessible format, allowing users to control their own nicotine levels: often a first point of entry to the market
- Gum can also help to control the weight gain that many smokers experience when giving up
- Main drawback of gum is the taste of nicotine: some studies suggest that 50% of gum users switch to patches within weeks due to the unpleasant taste of nicotine. New flavours like liquorice and freshmint are better at masking this



Nicorette launched a liquorice-flavoured coated gum in 2003: said to be 50 times sweeter than sugar, liquorice is one of the few flavours able to mask the taste of nicotine.

A US press release promises: 'Smokers familiar with the flavor of the original Nicorette gum will be truly surprised by the taste and texture of new Nicorette Fresh Mint. Like many of today's popular chewing gums, Nicorette Fresh Mint has a hard outer coating that bursts with mint flavor. The new formulation meets the needs of consumers who felt the original gum was not soft enough and expected a flavor more like standard chewing gum'.



### *Nicotine tablets*

- 'Microtabs' and lozenges, which work in the same way as nicotine gum, but are not chewed.
- Microtabs are pharmacy only products, while lozenges are available on GSL.
- Microtabs are placed under the tongue until they dissolve, lozenges are sucked like sweets
- Microtabs are positioned for those smokers who prefer a discreet product that does not draw attention to their battle to give up smoking.
- Lozenges were introduced in 2002

The Nicorette Microtab is the first sublingual (dissolves under the tongue) NRT tablet, which doubles your chances of quitting smoking successfully over will power alone. When you use the Nicorette Microtab, nicotine is released and absorbed into your body through the lining of your mouth. This nicotine can effectively relieve the withdrawal symptoms some people experience when they give up smoking.

The Microtab is placed under the tongue and allowed to dissolve, which generally takes 20-30 minutes. Each tablet contains 2mg of nicotine, however only 1mg of nicotine is absorbed. The Microtab should not be swallowed, sucked or chewed. You can easily talk while using the Microtab. You can also eat and drink while using the Microtab, however this does increase the possibility of swallowing the Microtab, which will make the tablet ineffective.

### *Nicotine patches*

- Give a continuous dose of nicotine absorbed through the skin, considered suitable for those with a high dependence on nicotine but relatively low dependence on the behavioural aspects
- Patches offer a sophisticated step-by-step approach to quitting
- Product innovation such as discreet clear patches

Nicorette 16-hour patches are growing steadily. 'The patch is effective for 16 hours, mirroring a smoker's pattern of daytime nicotine absorption, so that nicotine is delivered only during the day, just as it would be if you were smoking', say Pfizer.

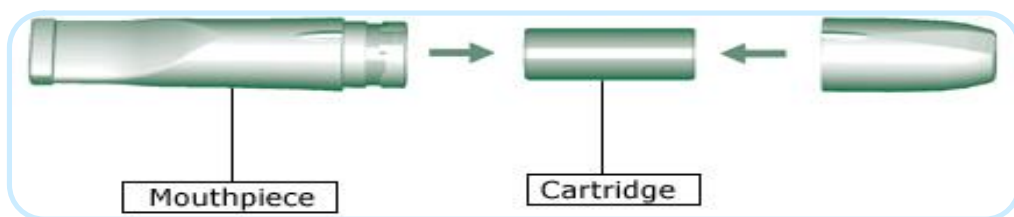
### *Nicotine inhalator*

- A "cigarette substitute" in that it is a hand-held stick similar in shape and size to a cigarette, through which the user draws nicotine from replaceable cartridges.
- Designed to fully address both the physical and behavioural aspects of smoking, for those people who miss the habit of holding a cigarette.



- Said to have the greatest success among women, who find it harder than men to break the hand-to-mouth habit
- Nicotine is absorbed through the lining of the mouth and the upper respiratory tract
- Designated Pharmacy only

'The Nicorette® Inhalator is made up of a mouthpiece and a replaceable nicotine cartridge. When you draw on the mouthpiece the cartridge releases nicotine to help relieve your cravings. And, because it is held like a cigarette, your hands are kept busy too'.



#### *Nasal spray*

- More appropriate for heavily dependent smokers and those who suffer with cravings first thing in the morning
- A nicotine solution sprayed into the nostril by an air pump plunger and nozzle.
- Offers the most rapid delivery of nicotine, absorbed through the nasal mucosa.
- Designated Pharmacy only

The five key delivery systems outlined above are for smoking **cessation** products, designed for short-term use only while giving up smoking.

Growing health awareness, combined with restrictions on smoking in an increasing number of countries worldwide, has increased the market potential for smokeless tobacco products that offer an **alternative to smoking** with a significantly lower health risk. These products are discussed in section 8 of this report, under "Non-medicinal alternatives".



## UK sales (OTC) by product type

	1999		2001		2003		change
	£m	%	£m	%	£m	%	1999-2003
Patches	22.5	45	28.5	44	35.2	44	+56.4%
Gum	22.0	44	27.3	42	32.8	41	+49.1%
Tablets/lozenges	1.7	3	5.2	8	8.0	10	+370.6%
Inhalators	4.0	8	4.0	6	4.0	5	-
Total	50.2	100	65	100	80	100	+59.4%

Source: Mintel

In the OTC market, around Christmas and New Year and through until No Smoking Day in March, sales of patches rise considerably, but gum sales remain relatively steady throughout the year. According to market research agency TNS Sofres, gum accounts for the largest proportion of sales in grocery.

### (b) Product restrictions

Products currently designated Pharmacy-only are microtabs, nasal spray and inhalators. (Bupropion is available on prescription only, under the brand Zyban). The decision to apply for a general sales licence rests with the manufacturer. According to a Pfizer source, the reason for Nicorette microtabs and inhalator being 'pharmacy only' are historical, relating to regulatory reasons. They have 'not got round to' considering applying for a general sales licence due to time and priorities, not for any business reasons

Gums, lozenges and patches are available for general sales, but carry a variety of warnings and indications such as

- age restrictions. Products are generally not recommended for use by those under 17/18 years of age. Some patches (Niquitin CQ) state: do not use under the age of 12, consult your doctor if between 12-17.
- advice to consult your doctor if pregnant, breast feeding, or suffering from cardiovascular problems etc.
- not to be used by non-smokers (Nicotinell gum)
- do not use unless you have given up smoking completely

The indications vary slightly by brand and product.

**Field Survey**

Pharmacists and assistants questioned in the field survey conducted for this review were generally unable to explain why some products are 'P' and some 'GSL', and had to check individual packs to see whether they were 'P' or not.

**Over the counter or on open shelves?**

Pharmacy-only products must be displayed behind the pharmacy counter and sold under supervision. Other products may be positioned behind the pharmacy counter or on the general sales shelves.

One pharmacist thought that this was to do with the dosage levels and quantity: for example he first suggested that larger packs of gum were 'P', until he checked.....

Pharmacists are responsible for controlling the sales of medicines. In some cases pharmacies will not sell medicines unless there is a pharmacist on the premises who can give advice and ensure that the products are not being bought inappropriately. Most NRT packs carry age restrictions for use, so in theory pharmacists should keep an eye on who is purchasing them. In practice, particularly in supermarkets where products are available on open shelves, it seems unlikely that anyone on the checkout would impose any such controls.

**(c) Brands and marketing support**

The following comments put some perspective on the role of branding and marketing support in the development of the NRT market

From the introduction to Mintel's "Smoking Cessation Aids – UK- April 2004"

"Potential quitters form the core target audience for smoking cessation aids, and the market must meet their needs with constant product innovation and tailored support programmes as they switch between formats before successfully quitting. Targeted marketing campaigns recruiting aspiring quitters to branded cessation programmes will help to fuel growth. Thus this report tests the hypothesis that "Product innovation and broader marketing messages are keys to further growth in the smoking cessation market""



From an article in Brand Strategy, June 2004

Consumer healthcare companies... are upping their game when branding medicines, especially as competition heightens in retail. Healthcare companies are venturing into the consumers' world, tailoring their advertising, products and delivery, rather than waiting for consumers to enter their domain when they need medicine.

"We are focused on personalities for our brands and treating them as FMCG products, using a wide range of marketing techniques", says Peter Wilson, group marketing manager, upper respiratory tract (Benadryl, Benylin and Sudafed), Pfizer Consumer Healthcare.

Helen Williams, group product manager at Schering Healthcare who works on OTC emergency contraception brand Levonelle agrees: "More healthcare products are using FMCG and consumer marketing principles".

#### (d) NRT Brands

The top 3 brands account for 90% of the NRT market:

Brand	Manufacturer	2002		2004 (est)		change 2002-2004
		£m	%	£m	%	
Nicorette	Pfizer	30.9	43	38.3	43	+23.9%
Niquitin CQ	GSK	19.4	27	23.1	26	+19.1%
Nicotinell	Novartis	14.4	20	18.7	21	+29.9%
Own Label	Boots	6.5	9	8.0	9	+23.1%
Nicobrevin	Cedar Health	0.8	1	0.9	1	+12.5%
<b>Total</b>		<b>72.0</b>		<b>89.0</b>		<b>+23.6%</b>

The only "own label" or retailer brand is Boots with NicAssist. This retails at a discount of 13% to brand leader Nicorette for patches, and 16% for gum. NicAssist is supplied by Pfizer, who won a competitive pitch with the other main suppliers for the business.



### (e) Observations on branding

Branding is a hot issue and powerful dynamic in the pharmaceutical industry. Developing a strong brand is key to fighting off competition from generic drugs and own label/ retailer brands once a patent expires, or products switch from prescription-only to pharmacy and general sales.

It is interesting to note that Boots is currently the only retailer competing with its own brand (NicAssist) in the UK market for smoking cessation products. It is possible, and likely, that other retailers such as Tesco are interested in this area. But the high cost of entry and relatively small market size has to date made investment look unattractive. In order to satisfy medicinal regulatory standards, it is important to be able to demonstrate that a consistent dose of nicotine can be delivered, and technically this can be difficult.

However, as consumer demand grows, the situation may change. For potential newcomers, at what stage of the market development will it become worth while to create new brands and products rather than source from the big drug companies as Boots do now?

Moreover, products that are not presented as medicines do not have to satisfy stringent regulatory tests....see section 8 for Swedish Match's new tobacco chewing gum.

In the US, companies such as GlaxoSmithKline have seen their sales of NRT products slashed when retailer brands entered the market. It would be interesting to explore the current situation in the US, and to compare retail prices in an outlet such as Walmart, which has a strong relationship with the UK through Asda.....





## (f) Advertising and sponsorship (above the line)

Main monitored advertising expenditure on smoking cessation aids peaked in 1999 at £14.2 million, equivalent to 28.3% of retail value sales. This was mainly due to the 1998 launch and subsequent heavy promotion of GSK's NiQuitin CQ. Despite a slowdown in 2000 and 2001, advertising spend gradually increased to £13.3 million in 2003, representing 16.6% of sales.

£K	2001	2002	2003	2003 share of voice
Pharmacia/Pfizer	5,108	6,573	8,990	68%
GSK	3,149	3,540	2,688	20%
Novartis	937	785	1,280	10%
Boots	88	122	210	2%
Others	56	67	107	1%
Total	9,338	11,087	13,275	100%
% change	-8%	19%	20%	

Source: Nielsen media research/Mintel

Activity to promote NRT products focuses on peak quitting times at New Year and national No Smoking Day in March.

Nicorette is the highest-spending brand using a range of media including TV, posters and press. Since 2002, the largest spend has been in support of patches. Advertisements feature 'the cigarette man' with the strapline 'Beat the cigarettes one at a time'. Nicorette was the first to use an interactive TV campaign to recruit would-be quitters to its Fresh Start cessation programme.

NRT brands have been quick to exploit the ban on cigarette advertising imposed in 2003. Nicorette CQ has sponsored the BMW Williams Formula One motor racing team; Nicorette and NiQuitin CQ have taken over billboard sites previously used for tobacco advertising. A Nicorette campaign satirised the famous Marlboro cigarette adverts showing three cowboys riding across a mountain range chasing the Nicorette 'cigarette man' with the slogan 'Welcome to Nicorette country'.

Nicotinell expenditure in 2003 focused on the new patch, using TV and press, and point of sale displays featuring the 'devil' character and the brand's strapline 'It needn't be hell with Nicotinell'. Nicotinell sponsors the Quitter of the Year awards in association with the charity Quit.

Other advertising spend comes from government sponsored charity campaigns: Cancer research UK and the British Heart Foundation.





### **2004/2005 update**

Nicorette Freshmint was launched in 2004, and supported by over £6.5m invested in new TV and poster campaigns, in-store promotions and new point-of-sale materials. 750,000 'placebo' samples were handed out to consumers for trial.

Report from marketing industry news source [www.mad.co.uk](http://www.mad.co.uk), January 10<sup>th</sup> 2005:

"GlaxoSmithKline (GSK) is rolling out a £3.5 million Italian marketing campaign for anti-smoking products as it looks to take on the smoking strongholds of southern Europe following huge success in Ireland.

The fresh assault on the southern European market follows a 36 per cent increase in sales of GSK's products in Ireland since that country introduced a ban on smoking in public places at the end of March.

The activity focuses on driving sales of GSK's Niquitin nicotine replacement gums and patches and comes at a time when new local laws restricting smoking in the workplace go into effect today.

Jack Ziegler, head of GSK's consumer healthcare division, said: "Smoking is the greatest source of mortality in the developed countries. We are reacting in these countries just as they are showing changes in attitude towards smoking".

GSK dominates the UK market for nicotine replacement therapies, with sales of £160m a year, while its share of the European market is set to increase with plans to branch out with similar campaigns into Spain and Portugal."



## 6. Availability

### (a) Channel distribution

Pharmacies still dominate the market, and have the advantage of being able to offer advice on products. Some also run smoking cessation clinics. According to Mintel/the trade, more than a third of all over-the-counter NRT purchases are made following advice from a pharmacist or counter assistant.

#### **Field Survey**

It was noted during the survey that pharmacists and their assistants expect to advise people on how to give up smoking altogether, and they offer useful guidance on what level of nicotine is required to ensure the patient manages his/her craving. When asked about using nicotine products to help *reduce* smoking, or for a committed smoker on occasions where smoking was forbidden or anti-social, they were very unclear. The general response was that giving up completely is the **ONLY** option. Nor could they say if different NRT products could be used in conjunction with each other.

When the dangers of passive smoking were raised as a reason to encourage committed smokers to find a nicotine substitute for some occasions, one pharmacist explained that his responsibility was to the individual in front of him. So his advice never took into account the issue of passive smoking. For this reason he would never consider suggesting NRT products to someone who had no intention of giving up smoking altogether.

The reclassification of NRT products as GSL in 2001 allowed the major grocery multiples to display the products on open shelves. As a result, grocers have increased their share of the market. According to Mintel, their share was 20% of the OTC market in 2002:

	2002		2004 (est)		% change 2002-2004
	£m	%	£m	%	
Pharmacies	57.6	80	69.4	78	+20.5
Grocers	14.4	20	19.6	22	+36.1
<b>Total</b>	<b>72.0</b>	<b>100</b>	<b>89.0</b>	<b>100</b>	<b>+23.6</b>

Source: Mintel

IRI research shows grocery share exceeding 30% of the market in 2004, with the total OTC Stop Smoking market growing by 6.3% year on year (moving annual total for value



sales, Sep 03 versus Sep 04) and the grocery category growing by 9.8% to £26.8m. Pharmacy sales grew by 4.7% over this period. (Note: Mintel data is an annual estimate made in early 2004, IRI data is based on 12 months actual sales to September 2004).

With today's hectic lifestyle, grocery outlets are fast becoming a prime location for people to obtain Stop Smoking products.

While NRT products are now widely available in major grocers such as Asda, Tesco and J.Sainsbury as well as Boots, Superdrug and local pharmacies, they have little presence in the convenience sector of the market. This means that NRT tends to be a planned purchase rather than an impulse purchase, as appropriate for a controlled programme of smoking cessation. A smoker wanting to buy nicotine gum as an alternative to a cigarette, for example in the car, at work, or as part of a smoking reduction plan, can rarely make a small purchase on the spur of the moment.

#### ***Field Survey***

Only one petrol station visited stocked nicotine gum, and a request for nicotine gum at the till, where cigarettes and chewing gum are the norm, was generally met with surprise. BP, Esso and Total garages do not stock nicotine products other than cigarettes. The only Shell station stocking nicotine gum was in a motorway service area run by Welcome Break. And yet normal chewing gum is nearly always displayed prominently next to cigarettes, and treated as the alternative to smoking in the car.

A motorist stopping at motorway services may not be able to purchase nicotine gum either in the shop or the petrol station. No NRT products were found at service stations visited on the M25 (Total) or M27 (Esso). However, at Birchanger Service station on the M11, Nicotinell gum in a 12-pack was available both in the Welcome Break shop and the Shell petrol station. The shop inside the motorway services sells snacks, confectionery etc and has a tobacco kiosk. Regular chewing gum is displayed on the front of the tobacco kiosk, but Nicotinell was placed on a small Health & Beauty stand near the door, between shoe polish and condoms. At the petrol forecourt, Nicotinell was available on a shelf behind the tills. Tobacco takes up most of the space, but a narrow vertical strip is dedicated to medicines and personal products. Nicotinell was found between sanitary towels and aqueous cream.



The reason for not stocking nicotine gum in this type of outlet is probably commercial rather than consumer-driven:

*Average Forecourt Product Mix*

By value	2001
Tobacco	37%
Confectionery and snacks	18%
Soft drinks	8%
Groceries	7%
Chilled and frozen food	6%
Newspapers and magazines	6%
Fresh food	4%
Other (non-food e.g. car-care products, lottery tickets)	14%
	100%

Source: Keynote, *The Food Retailing Industry*

One problem is the way in which profitability is often calculated in cigarette 'kiosks'. Cigarettes have a high rate of sale, but 80% of the price is tax. NRT is a high value item with high purchase price, but low rate of sale. If a business' KPI (key performance indicator) objectives are based on volume rather than value, NRT products do not look nearly as interesting as cigarettes.

But this sector is evolving fast. Who would have expected to be able to buy milk and a newspaper at a petrol forecourt 10 years ago?

However the fact remains that NRT product is not readily available for occasional users such as people looking to reduce rather than quit, and reformed smokers looking for occasional relief to avoid a relapse. And if a ban on smoking in pubs serving food were to come into force, even more smokers would be likely to look for temporary relief. Currently they have to plan in advance, getting their nicotine products with the weekly shop or finding a pharmacy. Distribution in convenience stores and CTNs (Confectioners, tobacconists and newsagents), i.e. the impulse sector, would be more appropriate for such users.

For the committed quitter willing to spend time researching and waiting for delivery, NRT products are available on the Internet through a variety of sites at a cheaper price than the High Street. Also available on E-bay!

The development of the Internet has meant that consumers can find information on any medical condition at their fingertips, and consequently sideline the doctor. Frank Walters, creative director at European healthcare advertising agency, Paling Walters says: *"Previously consumers went to their doctors and did what they were told. With mass media, email and the internet, people are savvy. They're self-sufficient and more knowledgeable than before."*



The trend is also being driven by consumer aspirations according to Futurebrand's business development director, Bobby Monaghan, who has worked on the Panadol account. *"People are 'on the go' and they'd rather deal with a condition for a few days than take time to visit the GP."*

### **(b) Pack formats**

Associated with channel availability is pack format availability. Planned purchases through pharmacies or with the weekly grocery shop are well accommodated: the standard packs represent a full week's supply (patches) and a minimum of 2 days supply (24 pieces of gum). Larger pack formats are available to save money, but smaller pack sizes are rare.

#### **Field survey**

We only found 2 stockists of gum 12-packs, both in the same Welcome Break service area (shop and petrol station). Otherwise pack sizes start at 7 patches or 24 pieces of gum.

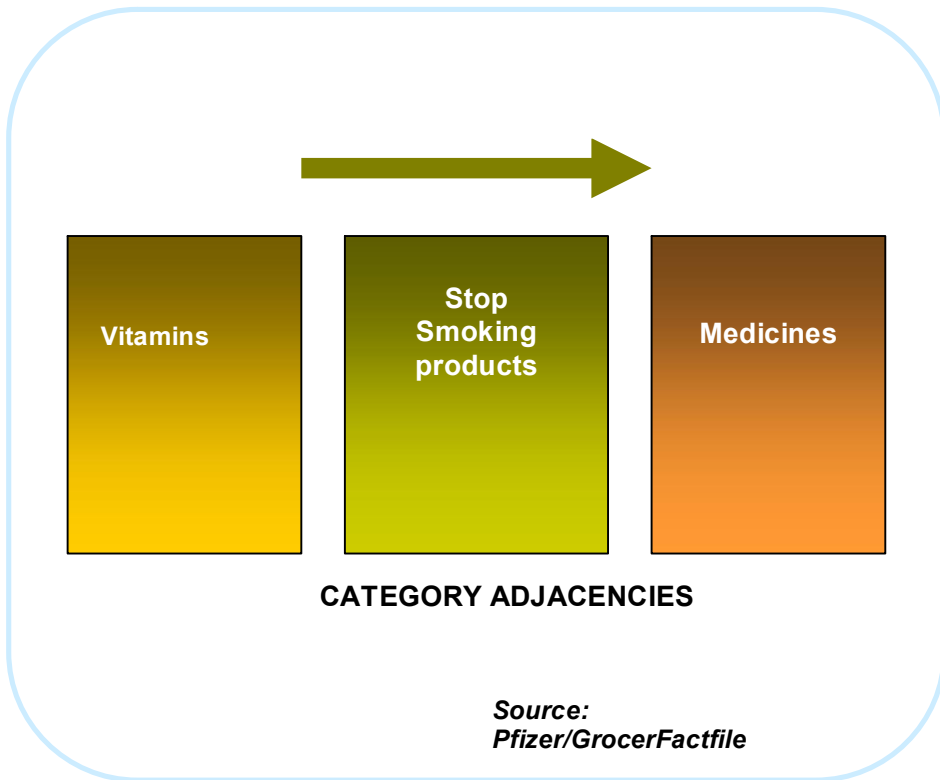
A Lloyds pharmacy in Oxford reported that the company seems to be moving from 30s to 105s in the shelf plans dictated by their head office, and the pharmacist described the Pfizer's rep's reaction to this as "going ballistic"! So the only options under £10 available in this chemist were 36 Niquitin lozenges for £8.99, or 30 pieces of Nicorette 4mg gum for £6.99.

A leading pharmaceutical company is believed to have initiated a project on pack sizes, to investigate opportunities with reduced pack sizes and vending. There is even a suggestion of selling patches singly, i.e. one day's treatment, which would need to be stocked in CTNs to succeed.

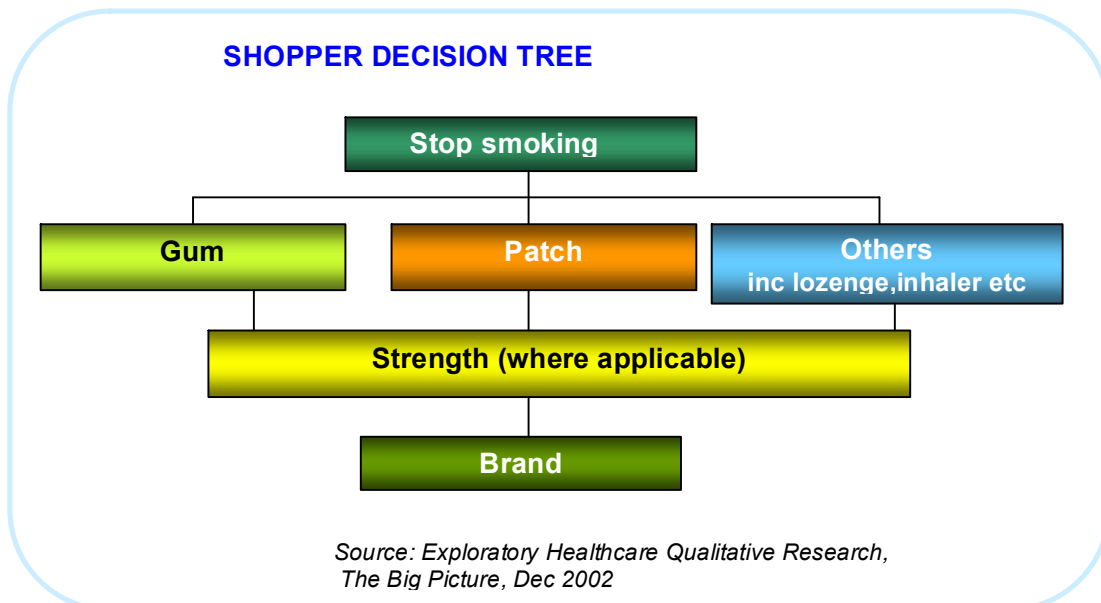
### **(c) Merchandising policy**

In their promotional leaflet aimed at the multiple grocery sector, Pfizer gives the following advice to stockists of NRT wanting to tap into the category's "enormous sales potential":

*'Smokers don't see themselves as unwell; they view buying a Stop Smoking product as a lifestyle choice, not a health decision. To reflect this perception, it's important the Stop Smoking fixture sits within the store's 'lifestyle' sector in-store. Category adjacencies need to be carefully thought out, to ensure your shelf layout resonates with the way your customers purchase their healthcare products. Shopper research has shown that these products are best placed between your vitamin and medicinal products.'*



To optimise sales, it is recommended that shelf layout matches the customer decision-making process: format choice first, then strength, and finally brand.





The problem with merchandising the NRT fixture is that it is a highly complex market sector, requiring a lot of shelf space if a comprehensive range of formats, strengths and brands is to be stocked.

***Field survey***

There was generally a good choice of formats and strengths stocked, but not in all brands and particularly not all flavours. A total of 51 formats/pack sizes were monitored across the stores visited, without counting gum and lozenge flavours.

**(d) Customer education**

Consumers need proper information and education at the point of sale on how to use the products correctly. Maximising sales means stocking a range of different formats, and educating consumers via signage, POS and consumer leaflets.

The promotional leaflet/ Factfile for The Grocer tells us that

“On gum, for example, without the right information people tend to use an average of four pieces of gum per day, for 14 days. This is far less than the recommended 10-12 pieces per day for 12 weeks. They will also tend to use their gum like normal confectionery gum, when they should use the “chew-park-chew’ technique instead. By providing customers with a simple leaflet or information at the point of purchase, both the potential for repeat sales and customer satisfaction is significantly increased”.

***How does this compare with what we saw in the field?***

No educational leaflets were found on display during the field visit in November 2004. However, Asda have subsequently produced in-store quit smoking leaflets that are displayed on the pharmacy counter in the High Wycombe store.



**Field Survey: merchandising in Tesco**

Tesco in Cowley reported that NRT products used to be placed on open shelf in the store but they 'got nicked', so are now only behind the counter in the cigarette kiosk. As high value items, they cannot be displayed in front of the kiosk with normal chewing gums due to the theft problem. NRT is very difficult to find in the current display, placed to one side and below eye level, between printer cartridges and pregnancy kits.

The girls working in the kiosk agreed that people do not really see the NRT products and suggested that it would be a good idea to have an awareness campaign: "would be good to show we stock it". The main shelves in the cigarette area are controlled by a central shelf plan, but staff are free to do what they want on top of the counter, so how about some displays? Maybe with dummy product to avoid problems of theft? The blue display panel above the cigarette shelves could also be used to advertise the availability of NRT products? (It currently just says "tobacco").

**Field survey: merchandising in Asda**

The big Asda store in High Wycombe (about 30 checkouts) has an extensive array of medicines on GSL, on shelves beside the in-store pharmacy. The shelf layout is as below:

First aid	vitamins	Childrens medicine	Coughs & Colds	Pain relief	Stomach Remedies
		Family planning	<b>NRT</b>		
		Pregnancy tests			

Asda also has a tobacco kiosk near to the exit, beside which are "snack and go", confectionery and crisps, lottery tickets and some medicines such as Beechams powders, Anadin, Alka Seltzer and Gaviscon. There are no NRT products in this area currently, but in an article in The Grocer, Asda has announced its intention to roll out smoking cessation products to all its kiosks after a successful trial in 2004. An Asda spokesperson said in January that "We will be doing this, but it will not be until Easter. Therefore we are not aware of which store it will go in yet".



**7. Price and Promotion**

*For detailed results of the price survey conducted in November 2004, see appendix 1 at the end of this report*

The price of entry to NRT is ££5-£6 for gums and lozenges, or around £16 for patches. This is a significant outlay at any one time, even though the cost per day is less than smoking 20 cigarettes a day.

Manufacturer's recommended daily and weekly usage by product type:

Product Type	Recommended Daily Usage	Recommended Weekly Usage
Bupropion	2 Pills	15 Pills
Nicotine Patch	1 Patch	7 Patches
Nicotine Gum	10 Pieces	72 Pieces
Nicotine Lozenge	10 Pieces	72 Pieces
Nicotine Microtabs	10 Pieces	72 Pieces
Nicotine Inhaler	6 Cartridges	42 Cartridges
Nicotine Nasal Spray	16 Doses	100 Doses

Product	Recommended use	Price per pack £	Cost/day at max use £
Nicorette patch	12-week programme	15.90 for 7 days	2.27
NiQuitin lozenge	12 week programme step 1: one lozenge every 1-2 hours step 2: one lozenge every 2-4 hours step 3: around 2 per day	8.99 for 36 lozenges	3.00
NiQuitin gum	3 months starts at 8-12 pieces of gum/day reduce to one or two per day	5.69 for 24	2.85
Nicorette inhalator	12 week programme 6-12 cartridges for first 8 weeks then reduce by half for last 2 weeks	5.95 for 6 (starterpack) 19.95 for 42	11.90 4.99

*Source: field survey*

Assuming that a programme results in successfully stopping smoking, this is a great long-term investment! A 12-week programme would cost about £190 in total for patches. Cigarettes typically cost about £5.22 for 20 Benson and Hedges, £4.39 for 20 Mayfair, £2.68 for 10 Silk Cut, so a smoker on 20 per day spends between £30-£37 per week, or £369-£444 over a 12-week period.



**Sales promotion (below the line)**

Since the abolition of retail price maintenance on OTC medicines, it is permitted to promote NRT products on price. Examples of below-the-line promotions that ran between September 2003-February 2004 are:

<b>Outlet</b>	<b>Promotion</b>	<b>Brand</b>
Boots	Buy one get second half price	Boots nicotine patch Boots nicotine gum Nicorette gum Nicorette patches Nicotinell patches Niquitin CQ patches
Sainsburys	Save £1.10 Save £1	Nicorette gum NiQuitin CQ lozenges
Tesco	Save £1.60	Nicorette patches
Superdrug	Save £1.20 Save £3.50 Save £3.50	Nicotinell gum Nicotinell lozenges NiQuitin patches
Safeway	Save £9 Save £2.64	NiQuitin CQ patches Niquitin CQ gum

Source: Mintel POS+ database



**Field survey**

A strong degree of pricing consistency across brands and across outlets was noted. Medicines are no longer price-maintained by law, but in practice price promotion seems relatively limited and probably controlled by the brand owners.

Chemists such as Lloyds have a stated policy of not promoting any medicines, although it was suggested that this would be changing in 2005.

Promotions such as Boots' 'Buy one get the second half price' are designed to build loyalty rather than to attract trial/new users.

There was some evidence of price promotional activity supported by the brand owners, probably offered in turn to different retailers for a limited period. This is usually on large pack sizes, again designed to build loyalty and prevent brand switching rather than to generate trial or encourage occasional use.

The possible exception to the seemingly stable pricing policy is Asda. Pricing was more aggressive in Asda than elsewhere, and Asda has a track record of pushing to bring medicines into the mainstream.

"Asda is currently campaigning strongly for the deregulation of the pharmacy market to give patients more pharmacies, access to longer pharmacy opening hours and improved services, lower prices, and significant savings for taxpayers with the abolition of a whole tier of bureaucracy. ASDA welcomes the government's recent announcement to introduce a 'balanced package of measure' to begin to deregulate pharmacy"

*Source: [www.asda.co.uk](http://www.asda.co.uk)*



NRT products are available on prescription to smokers who want to give up completely and are willing to visit their GP or Stop Smoking Service for help. Typically, a GP or Stop Smoking Advisor will give a patient 3 or 4 prescriptions for the 3 month supply. So with prescription charges at £6.40 (rising to £6.50 in April 2005), anybody not exempt from charges would incur over £25 in costs.

But smokers who only want to cut down rather than give up do not qualify for free NRT on prescription. And given the large number of smokers from lower socio-economic groups, the outlay of £5.69 for 24 pieces of gum or £8.99 for 36 lozenges might seem high, particularly in comparison with other healthcare products.

Strepsil lozenges	£1.40 for 16
Strepsil lozenges Extra	£1.59 for 16
Halls	£0.49 for 9
Gaviscon tablets	£2.39 for 16
Rennie peppermint chew	£1.49 for 24
Rennie sugar-free mint chew	£1.99 for 24
Colgate Total sensitive	£2.39 for 75 mls
Colgate Total whitening	£1.79 for 100ml
Clinomyn Smokers	£1.69 for 75ml



## 8. Non medicinal alternatives

NRT products are currently treated as pharmaceutical products in the UK. The high pricing of medicines is justified by the amount of R&D and safety studies required in order to get approval to bring a medicated product to market. It is argued that nicotine is a difficult substance to work with, and that providing details of adverse reactions and regulatory issues make getting approval a resource-intensive activity. Nicotine itself is not a patented molecule, although the release process for some gums may be subject to patents.

But not all NRT products have to be medicinal. There may be opportunities to explore in the area of chewing gum and smokeless tobacco products.

### Chewing gum

Why are nicotine gums so much more expensive than regular chewing gum? Even Wrigley's Orbit Professional Sugar-free gum with microgranules to "clean your teeth in a way you can feel!" only costs 55p for 10 pieces, compared with an average £5.29 for 24 pieces of Nicotinell low nicotine gum.

The 'functional' segment of the chewing gum market is growing rapidly (it includes sugar-free, oral hygiene etc.), but from a very small base. Is there an opportunity for Confectionery and Chewing Gum manufacturers to explore the growing market for nicotine gums and lozenges, and to compete on price?

This seems unlikely. From a global perspective, most chewing gum growth is coming from emerging markets. In the UK, Wrigleys dominate with about 80% share of the total market. They have looked at the functional market in recent years, developing an ant-acid product called Surpass. But they withdrew this product and closed down their quasi-pharmaceutical operation.

However, the area is now being pioneered by Swedish Match, a Swedish manufacturer and distributor of smokeless tobacco products whose core strategy is to develop and offer adult cigarette smokers viable smokeless alternatives with substantially reduced health risks.

### Tobacco gum

In October 2003, Swedish Match started selling a "tobacco gum" through convenience stores and tobacco retailers across Japan, under the brand name Firebreak. While it is legally classified as tobacco, it is similar in shape and flavour to chewing gum. The gum contains one milligram of nicotine and the tobacco content is 3%. Each piece is advertised as being the equivalent of one cigarette but



lasting for about 20 minutes. The gum has a mint flavour, but a spicier flavour comes out when it is chewed.

As the gum does not produce any smoke it is marketed as a product that allows people to enjoy tobacco without having to worry about others. But as a tobacco product it is restricted to prevent use by minors, and Swedish Match are committed to preventing underage sale and use of the product.



### Oral snuff

'Snuff has been consumed for centuries in the Nordic region, North America, Africa and Asia. But sales of moist snuff for oral use were forbidden within the European Union in 1992, mainly as oral snuff was claimed to be highly carcinogenic. However, Sweden succeeded in obtaining an exemption from the sales ban for the Swedish market at the time of its accession in 1995. Since then, a number of epidemiological studies in Sweden have shown that there are no scientific grounds for suspecting that moist snuff can cause cancer. The EU authorities decided during 2001 to abolish the requirement for cancer warnings on snuff packaging, but the ban itself has not been lifted.

There are more than a million snuff or snus consumers in Sweden, the largest market in Northern Europe. According to market research company Temo, one in five snus users is a woman, which represents a doubling of the number of female snus consumers over the past five years. The majority of new snus users are former smokers. Surveys show that snus users earn more and have a higher level of education than smokers. Swedish snus has made a unique class migration. After once being more or less eclipsed by the competition from cigarettes and something of a poor man's symbol, snus has bounced back as a smokeless alternative. In terms of volume, sales have more than doubled since 1970. Snus is now socially accepted in all social groups. (Source: [www.swedishmatch.se](http://www.swedishmatch.se))

#### Catch snus

Tobacco for the 21st century. Non-traditional flavors. Convenient portion sizes. For a contemporary, urban lifestyle.

Catch is available in pre-portioned regular and mini-size pouches for easy, discrete use. For those who prefer a less moist alternative, there is CatchDry. Catch offers several varieties and flavors, Licorice, Eucalyptus and Lychée.



*Catch, anytime, anywhere*



## 9. Conclusions

NRT products follow the “rules” of medicines: little price promotion, limited availability, designed for people who have a “problem” that needs treatment. The market is dominated by three main pharmaceutical players, for whom NRT represent but a small part of their business.

Demand for nicotine replacement “therapy” is likely to be increasingly buoyant as

- People become increasingly aware of health issues such as obesity and smoking.
- Smoker quitting rates are one of the key performance indicators for Primary Care Trusts.
- The Government White Paper ‘Choosing Health’ promises a total smoking ban in establishments serving food.

Growth predictions for NRT in the UK range from 4% to 30% per annum over coming years, depending on the source. What seems clear is that the market for NRT products is growing both in OTC sales and on prescription.

In the UK, there is currently no approved alternative to smoking cigarettes, other than stopping completely with the help of a “smoking cessation” programme. But the need for a smokeless alternative to cigarettes is likely to grow significantly as the dangers of passive smoking are recognised, and committed cigarette smokers become social misfits, banished to “The Smoking Room”.

In Sweden and North America, there is at least a socially acceptable alternative in the form of moist snuff, which is increasingly being marketed under modern lifestyle brands, offering a range of flavours, sizes and formats to suit both men and women, and freely available for planned or impulse purchase.

By contrast, nicotine products in the UK are not available as an alternative to cigarettes at the point of purchase. Even where both cigarettes and NRT are sold in the same outlet, namely supermarkets, they are not generally displayed together. NRT products tend to be sold and promoted in packs designed to last several days, as part of a controlled smoking cessation programme, and so a planned purchase. There is little or no provision for smokers needing a quick fix of nicotine, either for social occasions when cigarette smoking is unacceptable or as an alternative to a cigarette.

Arguably, there is an opportunity for manufacturers or retailers to exploit and respond to new consumer needs by:

- (a) Making NRT products more available in the impulse sector. For example, wherever cigarettes are sold. This would include CTNs, convenience stores, petrol forecourts and even pubs and vending machines. Assuming a ban on smoking in pubs would



make the sale of cigarettes redundant, could nicotine gum be sold in pub vending machines instead?

- (b) Providing variety. Retailers should be encouraged to stock a range of flavours and pack sizes for consumers to pick and choose from, more as they would confectionery.
- (c) Reducing price to generate trial, and encourage NRT products to help reduce smoking or as alternatives to smoking in social situations. Margins on nicotine products are not available to this study, but a simple comparison with functional chewing gum, and the experience of the US market, both suggest that there is room for prices to be reduced. The 3 main brand owners in the UK dominate NRT and have no incentive to compete on price. Yet in major segments of the OTC pharmaceutical market there is strong price competition between brands and generic drugs. As the market for nicotine replacement expands in the UK, will it become of interest to generic drug manufacturers and retailer brands? Or even tobacco manufacturers?
- (d) Taking an ethical stance towards the smoking issue, and actively promoting sales of NRT products. Cigarette companies are no longer allowed to use point of sale material: this space could be re-allocated to advertising the availability and benefits of NRT products. Supermarkets could gain much positive publicity by adopting such a responsible approach to the dangers of smoking and the power of the tobacco lobby.



## Field Survey: NRT products, November 2004

		* on promotion									
Gum		Boots	Boots	Lloyds	Westlake	Superdrug	Tesco	Asda	JS	Shell	Welcome
2mg	pieces	High St Oxford	Stansted Airport	Pharmacy Oxford	Pharmacy Stown	Oxford	Cowley	High Wyc in-stre pharma	Oxford in-stre pharma	Birchanger M11	Break M11
Nicotinell	12 24 96	5.29 14.49	5.29 14.49		5.29	5.29 14.49		4.48/4.76 9.94/12.48	4.75	3.29	3.29
Niquitin CQ	24 96	5.69 14.99	5.69 14.99	14.99				4.12 12.32	14.99		
Nicorette	30 105	5.69 15.59	5.69 15.59	15.59	5.69 15.59	6.99 15.99	4.23 15.59		5.69 15.59		
NicAssist	30 105		4.69 13.99								
<b>4mg</b>											
Nicotinell	24 96	5.79 17.99	5.79 17.99	17.99	5.79	5.79		4.88 12.38	5.20		
Niquitin CQ	24 96	5.69 14.99	5.69 14.99			5.69		12.32*	4.99 14.99		
Nicorette	30 105	6.99 18.99	6.99 18.99	6.99 18.99/18.99	6.99 18.99		18.99	5.48	18.99		
NicAssist	30 105	5.69 15.99	5.69 15.99								



<b>Lozenges</b>		<i>Boots High St Oxford</i>	<i>Boots Stansted Airport</i>	<i>Lloyds Pharmac y Oxford</i>	<i>Westlak e Pharmac y S'town</i>	<i>Superdru g Oxford</i>	<i>Tesco Cowley</i>	<i>Asda High Wyc in-stre pharma</i>	<i>JS Oxford in-stre pharma</i>	<i>Shell Birchang er M11</i>	<i>Welcom e Break M11</i>
<b>1mg</b>											
Nicotinell	36 96	15.99	15.99			7.49		6.36 13.58	6.69		
Niquitin	36 72								8.99 17.49		
NicAssist	30 105	6.99 14.99	6.99 14.99								
Boots Own	30		6.99								
<b>2mg</b>											
Nicotinell	36 96	19.89				8.69		7.38 15.78			
Niquitin	36 72	8.99	8.99	8.99/8.99	8.99			6.11 11.90	8.99 17.49		
NicAssist											
<b>4mg</b>											
Nicotinell	36 96	15.99						7.38			
Niquitin	36 72	8.99	8.99	17.49/17.49	8.99	8.99 17.49		7.41 11.90	8.99 17.49		



		*promotion		Buy one get second 1/2 price promotion				*promotion			
Patches	doses	Boots High St Oxford	Boots Stansted	Lloyds Pharmacy Oxford	Westlake Pharmacy S'town	Superdrug Oxford	Tesco Cowley	Asda High Wycombe in-stre pharma	Sainsb'ry in-stre pharma	Shell	Welcome Break
<b>5mg</b>											
Nicorette			15.99		15.99						
NicAssist			13.99								
<b>7mg</b>											
Nicotinell	7 day		15.99					12.18	15.99		
Niquitin CQ	7 day 14 day	15.99* 29.99*	15.99		17.49	17.49			17.99		
NicAssist											
Boots own			15.19								
<b>10mg</b>											
Nicorette				15.99	15.99				15.99		
NicAssist		13.99	13.99								
<b>14mg</b>											
Nicotinell	7 day			16.49				12.58	16.49		
Niquitin	7 day	15.99*		17.49	17.49	17.49	15.99	14.87*	17.99		
Boots		15.19	15.49								
<b>15mg</b>											
Nicorette		15.99	15.99	15.99	15.99	15.99	11.90		15.99		
NicAssist		13.99	13.99								
<b>21mg</b>											
Nicotinell		17.49							17.49		
Nicquitin	7 day 14 day	15.99* 29.99		32.99	17.49	17.49	15.99	21.26*	17.99 32.95		
NicAssist											



	doses	Boots High St Oxford	Boots Stansted	Lloyds Pharmacy Oxford	Westlake Pharmacy S'town	Superdrug Oxford	Tesco Cowley	Asda High Wycombe in-stre pharma	Sainsb'ry in-stre pharma	Shell	Welcome Break
<b>Inhalator</b>											
Nicotinell											
Niquitin											
Nicorette	6 cart. max 12/day	5.95			5.95			5.06	5.95		
	42 cartridges			19.95	19.95			16.98*	19.95		
NicAssist											
Boots	10mgx42		18.95								
<b>Nasal spray</b>											
Nicotinell	approx 200 sprays										
	1 spray/nostril 2xhr	19.95									
Nicorette	10 mls			19.25				16.38	19.25		
<b>Microtabs</b>											
Nicorette	2mg	30						5.32*	6.25		
		105		17.25				14.68*	17.25		
NicAssist			15.99								



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**NRT Market Review**  
**Store visits**

**Boots**  
**Cornmarket**  
**Oxford**

The pharmacy assistant and I explored together the rationale behind why some products P and some GSL: she did not know but was very co-operative and spent some time reading labels to work out the different product types and their application.

Products placed behind the pharmacy counter but also on a gondola in the middle of the store in a high-traffic area near a till. Placed beside Atkins diet products.

**Boots**  
**Stansted Airport, departure lounge**

A well-stocked shelf fixture in addition to products in the pharmacy section. A sign on the fixture stated "Buy one get second ½ price on all NR gums and lozenges. Contains nicotine, requires will power"

The pharmacist initially told me that the NRT products behind the counter were P-only products and those on the shelf were GSL. When I pointed out that Nicorette gum was in both locations, he thought about it and said it might be to do with the quantities/dosage: ie that 105's as opposed to 36's might be considered P-only products. But he checked the packs and could find no indications to this effect, and anyway there were some packs of 24 gums behind the counter.....

**Lloyds Pharmacy**  
**St Giles, Oxford**

In this medium-sized pharmacy on the corner of Little Clarendon Street and St Giles, the placement of NRT is defined by Lloyds' central planogram.

In gum, the only flavours stocked are freshmint and regular, mint is no longer stocked (though the pharmacists still holds some for regular customers). New flavours fruit and liquorice are not on the planogram so not stocked.

The company seems to be a moving from 30's to 105's in the shelf plans dictated from head office, and the pharmacist described the Pfizer rep's reaction to this as "going ballistic"! So the only options available under £10 were 36 Niquitin lozenges for £8.99, or 30 pieces of Nicorette 4mg gum for £6.99.

To date it has been Lloyds' policy not to price promote medicines even though this is legal, and has been the practice first in Superdrug and then Boots for some years. Lloyds policy may be changing in the New Year.



On a subsequent visit to the same pharmacy, I spoke to a different pharmacist, who works for a Primary Care Trust and was standing in. When asked about the 'P' versus 'GSL' distinction, he said he had also wondered why some NRT products were 'P' only, and why they carried different restrictions and indications. He thought this was entirely in the hands of the manufacturers who are responsible for applying for the relevant licences and interpreting the regulations. Suggestion of higher margins on pharmacy-only products?

Discussion on the affordability of NRT for the lower social classes and ethnic groups where smoking is at its highest. He thought that some Primary Care Trusts in disadvantaged areas give NRT products away: if people do not go to their doctor to get them prescribed, they are unlikely to spend £15 upfront to get a supply of gum or patches. So the only way is to give them free product. (Not sure how this is administered?)

### **Westlake Pharmacy Summertown, Oxford**

Part of a chain with 15 branches nationally, in Oxford, London, Clacton, Essex

Gum flavours stocked were mint, freshmint and liquorice. All NRT products are behind the counter in this fairly small, local pharmacy.

The pharmacy assistant said that nicotine products are price maintained. She was unaware of them being available in supermarkets at discounted prices. She thought there had been a drop off in NRT prescriptions in the last 6 months.

The assistant initially told me that nicotine patches were pharmacy-only products, and was surprised to discover that they are not. She felt that the patches were products where she could and should advise people. Smokers tend to come in and ask for the strongest patch as they think this will help them to give up quicker, and then may suffer from side effects like headaches and nausea if they have inadvertently increased the nicotine level in their body.

We had a lengthy discussion on whether or not nicotine gum could be used to help smokers to reduce the amount they smoked, and to relieve the nicotine craving in situations where they are not allowed to smoke. There was a strong feeling that chewing nicotine gum in addition to smoking would have a harmful effect, and the pharmacist was called in for his opinion. He too felt that this was not the right move, that smokers had to go for cessation not reduction. The idea that smoking is predominantly a class issue (after reading the Sunday Times article to that effect on November 21<sup>st</sup>) then took over the discussion. He was also extremely cynical about the will of the government to curb smoking, doubting that the recent bill will ever be passed in this country. He suggested that the tobacco lobby is too powerful, and that many executives of pharma companies sit on the boards of tobacco companies and vice versa.



**Tesco  
Cowley, Oxford  
November 13<sup>th</sup>**

NRT products used to be placed on open shelf in the store but they 'got nicked', so are now only behind the counter in the cigarette kiosk. As high value items, they cannot be displayed in front of the kiosk with normal chewing gums etc. NRT is very difficult to find in the current display, placed to one side and below eye level, between printer cartridges and pregnancy kits.

		tobacco
Cigarettes	Cigarettes and cigars	Printer cartridges
		NRT gums and patches
		Pregnancy kits

The girls in the kiosk agreed that people do not really see the NRT products and suggested that it would be a good idea to have an awareness campaign: "would be good to show we stock it". They suggested that while the main shelves in the cigarette area are controlled by a central shelf plan, they are free to do what they want on top of the counter, so how about some displays? Maybe with dummy product to avoid problems of theft? The blue display panel above the cigarette shelves could also be used to advertise the availability of NRT products? (Currently just says "tobacco")

Products in stock were Nicorette gum (sugar free and freshmint), and Niquitin and Nicorette patches. There was only one low price product for impulse purchase, 30 Nicorette sugar free gum at £4.23. But there did appear to be some out of stocks, the girls were not sure what they would normally be.

**Asda  
High Wycombe**

This big Asda store has an extensive array of medicines on GSL, beside the in-store pharmacy



First aid	Vitamins	Childrens medecines	Coughs and colds	Pain relief	Stomach remedies
		Family planning Pregnancy tests	NRT		

Price promotions on Nicorette gum 4mg, Nicorette patch 14mg and 21mg, and Nicorette inhalator and microtabs

Anomaly on pricing of the different flavours: mint NiQuitin CQ was priced higher than the other flavours, while mint and liquorice Nicotinell gum was cheaper than the other flavours. The assistant said she thought there was a pricing error that they needed to sort out.

Asda also has a tobacco kiosk near to the exit, beside which are “snack and go”, confectionery and crisps, lottery tickets and some medecines such as Beechams powders, Anadin, Alka Seltzer and Gaviscon. There are no NRT products in this area.

**J Sainsbury  
Oxford Ring Road**

A large Sainsbury with 30 checkouts and an in-store pharmacy. There is also a separate tobacco kiosk at the entrance, no NRT stocked here.

Some NRT products were stocked behind the pharmacy counter (P products plus some patches), others on open shelves.

The shelves were poorly stocked and there were some pricing errors, which I pointed out to the assistant. She was helpful, and said that people did come in for advice which either she would give from information gleaned from the sales reps, or she would ask the pharmacist. She seemed to think that you could use NRT gums and lozenges to help reduce smoking when necessary, but towed the usual line that the only way really is to give up completely.

NRT displayed at eye level between first aid plasters (above) and indigestion remedies (below), with kids medicines and pain relief, and family planning to either side.



## **Convenience and forecourts**

### **J Sainsbury**

#### **Petrol station attached to the JS store**

The assistant looked surprised when I asked for nicotine gum and said they had none, but what a good idea he would suggest it to his manager! As they stock it in the supermarket, this seemed quite a feasible idea to him.

### **Esso motorway service station M27 near Southampton**

No NRT products stocked. Cigarettes just behind cashier, and a few medicines.  
“I’ve worked here for three years and I think you are the first person to ask for them”

### **Esso petrol station Crabble Hill, Dover**

No NRT products stocked

### **Welcome Break Birchanger Service Station (M11)**

The shop inside the motorway services sells snacks, confectionery etc and has a tobacco kiosk. Regular chewing gum is displayed on the front of the tobacco kiosk. Nicotine gum (Nicotinell 12s only) was placed on a small Health and Beauty stand near the door, between shoe polish and condoms

### **Shell Birchanger Service Station (M11)**

At the petrol forecourt, Nicotinell was available (as in Welcome Break at the same services) on shelf behind the tills. Tobacco takes up most of the space, but a narrow vertical strip is dedicated to medicines and personal products. Nicotinell was found between sanitary towels and aqueous cream.

### **WH Smith Stansted Airport, departure lounge**

“Used to have nicotine gum but nobody wanted it....its in Boots (opposite) I think”

### **Total motorway service station Clacketts M25**

No NRT products available

