

# Category Review FIRST AID

BY KATE PARHAM



## It's as easy as tearing off a Bandage

Private label first aid sales have seen significant growth over the last six years, primarily because of their ability to imitate national brands.

Over the last several years, Americans have lost their jobs, their homes and their medical insurance. With less disposable income and a diminished sense of economic well-being, they've taken it upon themselves to tend to their wounds. Literally.

According to a July 2010 survey done by Mintel International Group, Chicago, sales of first aid products increased 15 percent from 2005 to 2010.

"More and more people are taking care of themselves for minor injuries to avoid co-pay and out of pocket costs," says Mick Marlier, sales and marketing coordinator at Ambra Le Roy Medical Products, Charlotte, N.C.

But it's not just that Americans

are taking care of themselves. They're taking care of themselves with private label products. In fact, private label's market share is now larger than the three brand leaders (Johnson & Johnson, 3M and Unilever) combined. With more than 37 percent of the market, private label products continued to see growth during the past year, as well. First aid accessory dollar sales (excluding those at Walmart) increased 6.05 percent for the 52 weeks ending April 17, 2011, according to Chicago research firm SymphonyIRI Group. First aid treatment product dollar sales increased 3.62 percent.

Industry experts expect this growth to continue. "This recession has pushed a lot of consumers into trying private label products for the first time," says Thomas Faria, CEO of Sheffield Pharmaceuticals, New London, Conn. "For the most part these consumers are realizing that the quality of private label first aid products are equal to that of the national brand at a better price. This experience will not only make the consumer try more private label offerings but should also make the consumer a loyal PL customer going forward."

"Consumers are looking for new items that are portable, more

convenient forms to enhance their product experience and products that are environmentally conscious," says Ellen Manger, head of marketing at Premier Brands of America Inc., Mount Vernon, N.Y. "However, with the recession still hovering, they are still looking for great quality at an affordable price."

Another trend in the industry is "antimicrobial products, which are becoming more and more popular, mostly because antimicrobial products are the new defense line against bacteria," says Hal Burke, national accounts manager with Mount Prospect, Ill.-based Xttrium Laboratories.

**FIRST AID PERFORMANCE**

	Dollar Sales	% Change vs. YR AGO	Dollar Share	Unit Sales	% Chg vs. YR AGO	Avg Price Per Unit
CATEGORY - FIRST AID ACCESSORIES	\$1,088,227,000	6.05	100.00	227,829,800	3.24	\$4.78
TOTAL PL FIRST AID ACCESSORIES	\$360,626,200	10.09	33.14	93,065,220	6.74	\$3.87
FIRST AID - TAPE/BANDAGE/GAUZE/COTTON	\$549,909,700	3.97	50.53	168,416,200	2.92	\$3.27
PRIVATE LABEL FIRST AID - TAPE/BANDAGE/GAUZE/COTTON	\$204,536,500	7.64	18.80	74,025,440	6.30	\$2.76
FIRST AID KITS	\$23,935,170	3.13	2.20	4,767,434	(10.08)	\$5.02
PRIVATE LABEL FIRST AID KITS	\$4,377,108	(5.98)	0.40	737,864	(13.26)	\$5.93
HEAT/ICE PACKS	\$161,068,400	6.98	14.80	24,452,620	3.05	\$6.59
PRIVATE LABEL HEAT/ICE PACKS	\$53,051,140	6.62	4.88	7,032,018	1.09	\$7.54
MUSCLE/BODY SUPPORT DEVICES	\$353,313,900	9.22	32.47	30,193,570	7.80	\$11.70
PRIVATE LABEL MUSCLE/BODY SUPPORT DEVICES	\$98,661,480	18.64	9.07	11,269,900	15.67	\$8.75
CATEGORY - FIRST AID TREATMENT	\$807,842,900	3.62	100.00	186,436,400	(0.10)	\$4.33
TOTAL PL FIRST AID TREATMENTS	\$301,414,000	3.06	37.31	109,557,100	(1.90)	\$2.75
ANTI ITCH TREATMENTS (INC CALAMINE)	\$330,673,900	7.11	40.93	54,903,510	3.58	\$6.02
PRIVATE LABEL ANTI ITCH TREATMENTS (INC CALAMINE)	\$90,858,480	7.24	11.25	20,219,850	3.21	\$4.49
FIRST AID OINTMENTS/ANTISEPTICS	\$470,030,000	1.35	58.18	129,588,300	(1.55)	\$3.63
PRIVATE LABEL FIRST AID OINTMENTS/ANTISEPTICS	\$210,295,300	1.47	26.03	89,277,200	(2.89)	\$2.36
INSECT FIRST AID PRODUCTS	\$6,936,977	0.52	0.86	1,896,949	(1.51)	\$3.66
PRIVATE LABEL INSECT FIRST AID PRODUCTS	\$251,567	(47.67)	0.03	55,356	(60.05)	\$4.54
SMELLING SALTS	\$202,119	(0.76)	0.03	47,592	(13.57)	\$4.25
PRIVATE LABEL SMELLING SALTS	\$8,624	(66.47)	0.00	4,719	(73.02)	\$1.83

Source: SymphonyIRI Group, Chicago. TOTAL U.S. FDMx (supermarkets, drugstores, and mass merchandise retailers excluding Wal-Mart, club stores and C-stores) sales for the 52 weeks ended April 17, 2011.

Gentle tape, which adheres to itself, has seen success as well. "It's just a really fun product," says Bruce Barnett, national vice president of sales at Filo America, Vernon, Calif. Without it, "you have to buy adhesive gauze, which is more expensive and doesn't hold as well."

It comes as no surprise to see that one of the biggest trends in first aid is the increase in polyester and rayon use, versus cotton. "While cotton is more absorbent, the polyester and rayon are cheaper right now to manufacture with," says Marlier.

**FAVORABLE FIRST**

While giving the consumer what he or she wants is of utmost importance, it's also essential to give the retailer what they want. "Our interest is in creating new products that offer premium quality: differentiated packaging, portability and ingredients that fit in with what the retailer and

the consumer need," says Manger. "Also, we consider what is the latest technology and on trend. We look at the brand as a point of reference, but we're always

looking for ways to improve upon a product and offer value-added innovation."

For the bandage industry, it's about safety. "From the wrappings

to the box to the bandage itself, everything has to be tested," says Barnett who believes the J&J name has suffered because of other recent J&J product recalls. **PLB**

**Eye On National Brands**

How can you keep up with national brands? Simple: be a copy cat! "We just follow what they do," says Bruce Barnett, national vice president of sales at Filo America, Vernon, Calif. "We're imitators. We knock off what J&J [Johnson & Johnson] does and pick the items that sell and we copy those items."

Ellen Manger, head of marketing at Premier Brands of America Inc., Mount Vernon, N.Y., agrees. "We look category by category and ask ourselves if we can become experts in that area. We will only champion product(s) that make sense to the consumer, the retailer and the category." Says Thomas Faria, CEO of Sheffield Pharmaceuticals, New London, Conn., "We closely monitor both the store shelves and [Symphony]IRI data to determine whether any new national brand offering is taking hold in the marketplace and is worthy of a private label formula."

But what are the national brands doing? Losing, actually. Johnson & Johnson saw sales fall from \$497 million in 2009 to \$474 million for the 52 weeks ending April 18, 2010. 3M saw a modest decline, with sales falling from \$150 million in 2009 to \$148 million in 2010. And Unilever's sales fell from \$90 million in 2009 to \$85 million in 2010.

Put simply, national brand products are more expensive than private label. Not to mention the fact that "massive companies aren't as flexible as, say, a company like CVS or Rite Aid," says Mick Marlier, sales and marketing coordinator at Ambra Le Roy Medical Products, Charlotte, N.C. "Even though [smaller manufacturers] don't have that control, it allows them flexibility to adapt to needs of customers and market and adapt sooner."