

E-Commerce Insights

Examining the online retail environment surrounding the OTC launch of Flonase

By Sharon M. Goldman

When launching products in the competitive grocery and drugstore space, it is essential for marketers to get things right, beginning but not ending with prominent shelf placement in brick-and-mortar stores. This is especially crucial in the weeks leading up to and following launch.

But when it comes to online stores, there are no shelves. Instead, “placement” is determined by how well products rank on retailers’ e-commerce search result pages. Understandably, products that achieve the highest rankings in terms of search are more likely to be chosen by the shopper. “For brands that want to succeed online, 100% of everything you do needs to be dedicated to maintaining brand integrity, increasing findability and feeding the search algorithm,” says Brian Cohen, EVP and group director at Catapult eCommerce, Westport, Connecticut.

Taking a deep dive into this space, *Shopper Marketing* partnered with Boston-based analytics firm Clavis Insight to examine the online retail environment surrounding the OTC launch of GlaxoSmith-Kline’s Flonase. The goal was to see how Flonase and its competitors fared in terms of search ranking and representation in top online stores by analyzing product content, placement and visibility before,

during and after the launch.

We asked Clavis Insight to focus on three search terms – “Flonase,” “allergy” and “allergy medicine” – the week before the launch, the day of the launch (Feb. 4) and a week after launch on top sites such as Amazon.com, CVS.com, Drugstore.com, RiteAid.com, Target.com, Walmart.com and Walgreens.com.

Clavis focused on two metrics: “share of search” (the percentage of the first page of search results that are occupied by a particular brand) and “search

score” (a measure of a brand’s performance in terms of how high its products ranked on the first page of search results).

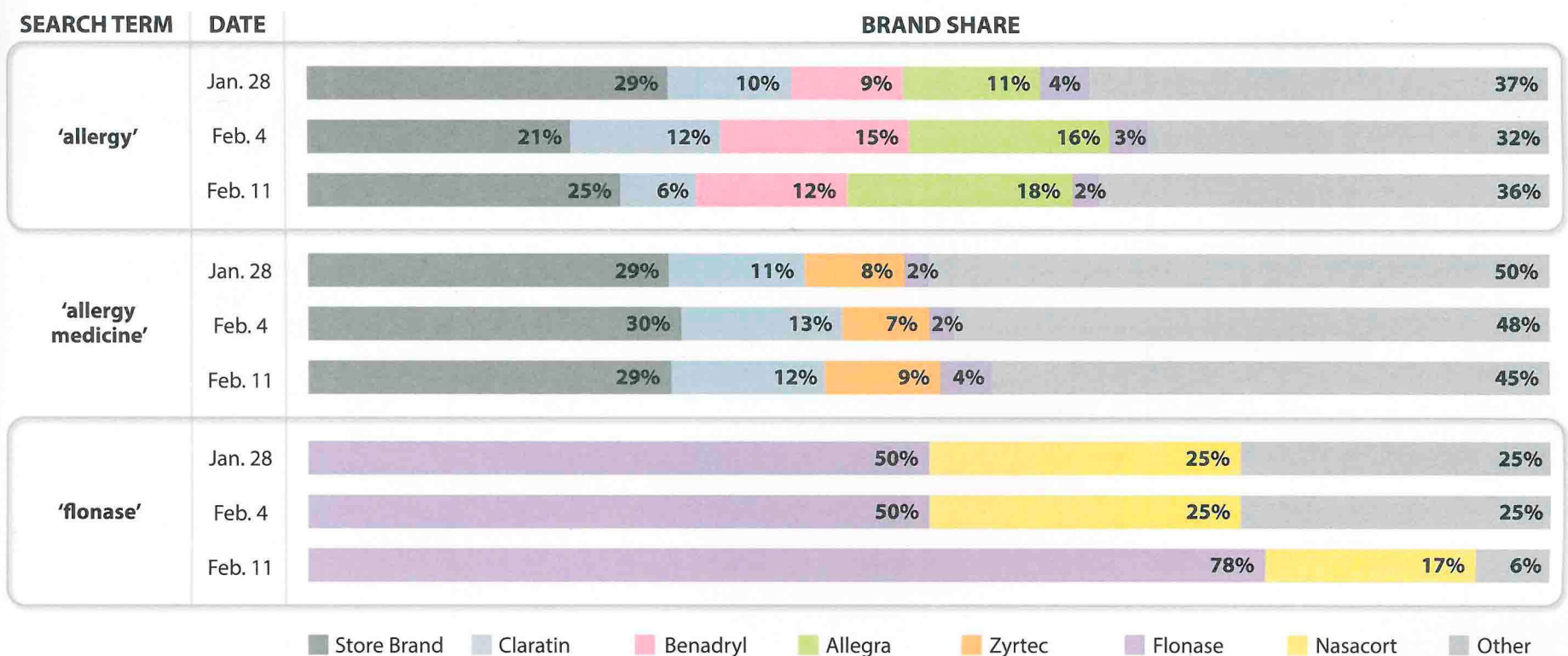
Flonase’s Limited Assortment

Not surprisingly, for the search term “Flonase,” the brand itself won the battle for share of search. It was the only product returned for the term on most of the sites, though several sites, especially Amazon, did return competitive products – perhaps from

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Share of Search



Sites analyzed: Amazon.com, CVS.com, Drugstore.com, RiteAid.com, Target.com, Walmart.com, Walgreens.com, Costco.com (Feb. 11 only), SamsClub.com (Feb. 11 only)
Source: Clavis Insight

those purposely trying to battle the Flonase launch through paid campaigns.

But with only two SKUs (60 and 120 sprays), it was difficult for Flonase to win share of search for the general category search terms, "allergy" and "allergy medicine." Store brands were by far the winners there. On Walmart.com, for example, private label Equate grabbed the lion's share of positions on the first page of search with a broad range of SKUs.

down the page for most. "It's the ability to influence category-level site searches that is key," says Gregory Grudzinski, director of analytics at Catapult eCommerce. "If a consumer searches specifically for Flonase, they can find the product listing. The challenge is the vast majority of shoppers shop by category – and searching on 'allergy medication' returns no Flonase on page one of Walmart.com, CVS.com, Walgreens.com and Amazon.com."

miscommunication between sales and marketing," he explains.

Conclusion: An Uphill Battle

For a new product in a crowded marketplace for allergy medicines, Flonase did relatively well in getting onto the first page of search results for key category search terms in a number of online stores, says Golden. However, its limited assortment – just two SKUs – meant that it was difficult for Flonase to make a significant impact in terms of its share of the search results page. Flonase is always going to be surrounded by competitive brands and products with many more options for the consumer to choose.

In general, it's an uphill battle for branded players on "brick-and-click" platforms at the moment, says Catapult's Grudzinski. "The site search on most of the sites gives priority treatment to store brands."

In order to have any chance of competing against store brands, an always-on and fully integrated approach is a must – rather than a "pulsed" activation with a clear beginning and end – as evidenced by the Flonase results, says Cohen. "Though activity increased along with product-specific searches, category search rankings overall were not impacted," he explains. "This is an important consideration to sustaining long-term success given the vast majority of shoppers use the search bar to navigate the virtual aisles."

For Flonase, the biggest push was set to come after our study was concluded. "GSK indicated the big promotional push behind Flonase was scheduled for mid-February – after this analysis was run," says Grudzinski. "We expect the promotion will drive Flonase online sales, which in turn will give the brand greater visibility in category-level searches in the weeks to come – ideally coinciding with the timing of consumers entering the market for allergy relief medications."

More and more brands are working to optimize the content and online store presence in order to deliver better online store search performance, Golden points out. "For brands to continue to win in the online channel, they will need to pay close attention to product availability and be prepared to make ongoing adjustments to content and range." **SM**

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There was a significant amount of volatility in share of search over the three weeks of the study, Clavis notes, most likely influenced by the brand's availability prior to the launch.

Influencing Category Searches

It's essential to reach one of the top five page positions for a search term, Clavis says, because products further down the page are less likely to be selected by shoppers. Naturally, Flonase SKUs topped the search rank table for the search term "Flonase," taking the first and second slots across most sites.

Flonase was challenged in the rankings for the general category search terms. The brand performed relatively well in terms of ranking position for the search term "Allergy" – it achieved top-five positions in a number of stores – but its average rank declined over the three weeks of the study, perhaps because of competitor paid positions.

For the search term "allergy medicine," Flonase didn't fare as well. The brand appeared on the first search page of only a few retailers and ranked far

Inventory Issues and More

Flonase suffered from inventory availability issues during the study. It wasn't available for purchase on some key retailer sites on launch day, but it was there a week later.

According to Tom Golden, vice president of marketing at Clavis Insight, online retailers tend to carry far less inventory with little or no "back room" inventory, thus increasing the likelihood of out-of-stocks from even the smallest unexpected surge in demand.

However, a key advantage of online is that manufacturers can track "store level" availability more readily and adjust accordingly, he adds. "Brands that are proactive in monitoring online retailer inventory and sales will quickly gain an advantage over those that take a more passive approach."

Catapult's Cohen says that the lack of inventory at the beginning of the Flonase launch is "an unfortunate miss." Many of the search algorithms look to inventory positions, among other inputs, when determining search rank. "This is an obstacle many manufacturers face, whether caused by retailers' insistence on carrying less inventory or a