# 2021 CONSUMER HEALTHCARE TRENDS

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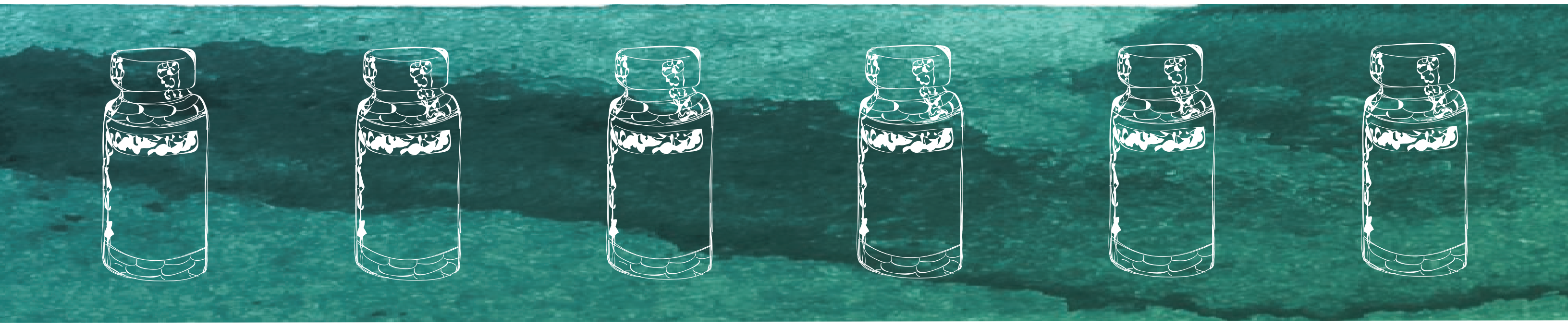
As healthcare costs rise, the size of the aging population grows, and the coronavirus pandemic continues, people have become more wary of their susceptibility to diseases and are more conscious of preventative care and non-prescription treatment for minor ailments. This has caused consumer health trends such as OTC growth, CBD popularity, use of wearables tech health data, and consumer-directed health to accelerate as we move into 2021.



TREND #1:

## Coronavirus is driving changes for consumer behavior towards OTC products

The 2020 coronavirus pandemic caused a major surge in demand for OTC products, particularly cough and cold medications, with industry revenue rising as consumers became more concerned with protecting their health and immune systems. As things start to resettle in 2021, demand for OTC products is still likely to be high due to pandemic-based changes to consumer behavior.

Paired with an increase in healthcare providers recommending OTC medication options, patients are feeling less certain about their reliance on prescriptions. Months after the pandemic started to impact the U.S., 52% of consumers who regularly take medication expressed concern about being able to receive their prescriptions, with 17% reporting delays during the pandemic, which may result in more frequent consideration for OTC options in the future. However, 49% of people felt very comfortable with picking up prescriptions at their local pharmacy, higher than only 31% feeling comfortable visiting a doctors' office. This shows that safety concerns during retail pharmacy visits are less impactful on consumer behavior compared to visits to other healthcare resources, providing an opportunity for OTC products to excel. Additionally, 21% of people with insurance are concerned that they may lose coverage before the end of the 2020, which may also drive consumers to

The consumer healthcare industry has provided consumers with the benefit of time savings, enabling them to purchase medicine to treat minor symptoms on their own rather than visiting the doctor in order to obtain a prescription. With significantly higher digital health and medicine website traffic and increased online orders, OTC medicines may continue to see higher purchase rates through eCommerce platforms in 2021. Driven by Covid-19, these changes in consumer behavior seem to have progressed at a more rapid pace than they would have otherwise, so consumer healthcare companies should adjust accordingly.

**81% of adults use OTC medications as first response to self-treat minor illnesses**
SOURCE

TREND #2:

# CBD products continue to grow in popularity but still await clear FDA guidelines

Since its 2018 Farm Bill legalization, the growing popularity of CBD products has been at the top of consumer healthcare trends. Globally, the CBD market is expected to reach **$5.3 billion in 2025**, and while movement from the government to better regulate and standardize the CBD market has been slow, overall CBD product sales are expected to reach at least **1.7 billion by the end of 2020.** This could be further accelerated in 2021 with issuance of clearer guidance from the FDA. As popularity for CBD products has grown in the last year- even as official legislation awaits- the market has proven to be biggest in **California, Florida, and New York.**

**64% of Americans are now familiar with CBD products**. Many users see CBD products as providing many health benefits. Gaining relevance through the stress and uncertainty that many people faced in 2020, users are especially starting to view CBD as helpful for **managing mental health issues such as anxiety.**

**6% of US consumers use CBD oil daily**

SOURCE

In 2021, further federal regulation would enable retail markets to grow with improved manufacturing guidelines and consumer confidence. The FDA's **2021 budget plan has proposed $5 million** to regulate cannabis and its derivatives, showing initiative to move forward with research and approvals. Currently, the **FDA has approved only one prescription** drug made with CBD to be used for extreme cases of epilepsy. One **OTC CBD-infused pain relief** product has also been the only topical drug listed in the NDC directory, though it still has not gained FDA approval. Additionally, for now, it is still illegal to market CBD through adding it to food or labeling it as a dietary supplement, making ingestible products slower to gain market share, though the CBD edibles and beverages category could reach **428% sales growth in 2025** if better regulated, compared to 159% growth for OTC supplements. For now, in 2021, it seems that CBD popularity will continue to rise in line with federal approval and guidance.

TREND #3:

# A wearables boom is creating opportunity for creative uses of customer data

Wearables technologies like the Apple Watch and Fitbit device have emerged quickly over the last few years, significantly affecting consumer healthcare with their health tracking capabilities. In 2021, total spending is **expected to more than double for wearables** as a category, particularly driven by smartwatches. As tech giants continue to show interest in healthcare, the amount of data collected and available for use will surge.

Data coming from wearables can help **provide personalized care** to consumers, as data flows in from individual devices and the devices use it to return helpful information for the user. For example, aging populations can use smart technologies to monitor aspects of their health, such as heart rate and temperature. Smartwatches are also being used to help **detect Covid-19 symptoms** and help users understand next steps for testing and prevention. Through voice command technology like Alexa and other digital assistants, users can ask for help understanding their current state of health and receive feedback about next steps.

Over **2,314 billion gigabytes of health data were produced in 2020,** showing the impact that wearable smart technology can have in the consumer healthcare industry. Traditional consumer healthcare companies will need to ensure they are staying on par with competitors in terms of obtaining relevant consumer data and making it useful, in a way that is meaningful to consumers. If not, consumers may be less inclined to share their health data, especially since only **72% of Americans would approve of sharing their personal health data** with researchers for disease prevention, treatment, and cures, and only **17% and 12% find it acceptable to share** heath data with health technology retailers and businesses exploring health care products, respectively. Additionally, data privacy and HIPAA compliance will need to continue to be monitored to provide the best experience for consumers.

**53% of fitness tracker users think it is acceptable for a fitness tracking app to share user data with medical researchers for heart disease research**

SOURCE

TREND #4:

# Consumers are more involved in their health than ever

Consumer healthcare revolves around the consumer, but this concept should be a main focus for every consumer health care company moving into 2021. Renewed by consistent access to health data with wearable technologies as well as a rise in health concerns related to the coronavirus pandemic, overall personal well-being and preventative care are now at top of mind for many consumers. They are more widely using dietary supplements on a daily basis, becoming more **interested in wellness products and preventative medicine**, and seeking information about ingredients.

They are also looking for a personalized experience. This has led to scrutiny in the self-care market in particular, as **demand for self-medication** rises. This means that pharmacies, drug stores, and retailers that provide consumer healthcare products need to be informed in order to be able to provide the best information for their customers. These retail locations often also provide preventative care services, so traditional consumer healthcare companies should consider improving their products and services to meet customers where they are to fulfill their needs.

Consumer healthcare brands can capitalize on this opportunity with DTC capabilities, a trends that been rapidly increased in the past year with every sign pointing to further increases in the coming year. Consumers are taking interest in DTC options as accessibility to online channels improves, with digitally-native companies particularly well positioned for providing value through intrinsic customer centricity.

DTC channels can and are being used for a variety of consumer healthcare products, including vision, dental, genetic testing, and supplements. Consumer healthcare companies should consider the channels that they are currently using to reach customers, and ways they can adjust to improve go-to-market strategy and execution. Even if not pursuing DTC as a channel, businesses should consider how they demonstrate customer centricity, how they connect with consumers digitally, and how they can be flexible in 2021.

Even though regulations and customer uncertainty may be affecting growth of CBD products and usability of wearable tech health data, these trends are still on a rapid rise that is not likely to slow any time soon. Moving into 2021, key players in the consumer healthcare industry should take note of these trends and their impact on demand growth as spending and interest in consumer health products becomes more frequent.

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