



After the exceptional growth in dietary supplements from 1995 until early 1998—with annual growth rates of 30-50%—we are now experiencing a phase of consolidation in the market. Overall growth has slowed to less than 10%, although some areas, such as multilevel marketing, are showing better sales than the mass market.

It is important to look back and analyze

responsible information, showing opportunities but also limits and risks to consumers as well as to the medical community. Many books and sources of information are available, among them the *Physician's Desk Reference (PDR) for Herbal Medicines* and the *Complete Commission E Monographs* for the medical community and many others for consumers.

The quality of the products is essential; as long as products are mislabeled (content of active compounds does not fit the declaration, proposed dosages inadequate, unstable products, etc.), the press, medical community and health authorities will continue to use these negative examples to discredit the whole industry.

Also, safety issues have to be seriously handled. Dietary supplements and botanicals have physiological effects and interactions with concomitant medications. These effects have to be monitored carefully by the producers and if problems occur, appropriate safety steps have to be taken. Even though the top dietary supplements and botanicals used in the U.S. have a long history of safety and are widely used in Europe, new findings—such as about possible interactions of St. John's Wort with blood thinners or immune suppressors—are being reported. Responsible producers will share this information with the users of the products as well as with physicians and health authorities.

Such a consolidation phase in a fast growing industry is essential for the long-term solid success of that market. The potential for a much larger market than today exists; regions like Germany have approximately four times more botanical sales per inhabitant and it is a very solid market very much a part of mainstream medicine. Winners in the market will produce high quality products, containing the clinically proven amounts of active substances, and they will supply consumers and physicians with responsible information about the effects and possible risks of the products. This market can expect further growth if irresponsible producers disappear and the press, medical community and health authorities support this industry as an integrated part of an open health care system, combining conventional medicine with responsible self medication and a healthy diet.

## Winners & Losers Of Market Consolidation

Consolidating market needs to address quality concerns.

By Joerg Gruenwald

the reasons for the slowdown and make the right strategy decision for the future. The same factors responsible for the fast growth—easy market access, little control of quality of the material used and high media interest due to low information and knowledge in this field—have become the limiting factors for further market growth.

Let's take the example of St. John's Wort. What hit the news was extremely positive, reflecting the European research and the high quality of products in the market in regions like Germany, where St. John's Wort is the leading antidepressant. In the U.S. mistakes were made, however. Information for consumers was limited; most did not know it was necessary to take the product for 3-4 weeks before effectiveness is clearly seen. Irresponsible producers claimed different amounts or compounds on the label than they had in the product so the products did not deliver the expected effects. The press found out about such products and reported negatively about them. The medical community had never heard of St. John's Wort and was critical and skeptical, which is understandable, not having the long-term experience with herbal medicine and seeing patients with potentially ineffective products. In summary the first chance for a solid long-term market was missed.

Three main issues are in the forefront: responsible information, high quality products and safety issues.

The whole issue of alternative and integrated medicine requires much more re-

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