Genomma Laboratories Argentina – Germán Heinken, General Manager



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When did Genomma first arrive in Argentina, and what is your strategy in the country today?

The general manager of Gennoma Laboratorios Argentina weighs up the factors of why raising brand awareness using public television is the key success to his company communication strategy.

Genomma Laboratories Argentina started in 2008, one of the affiliates that Genomma has across the Americas, from the US to Argentina, and we all follow the model of the company in Mexico. Genomma is a 100 percent Mexican company, young, dynamic and innovative. Our strategy includes an extensive network that includes businesses and institutions researching, manufacturing and marketing pharmaceutical and dermo-cosmetics that meet the highest quality standards attached to compliance with national standards: good manufacturing practices, documentation and analytics.

In 2010, right after launching a line of products called "Por amor a Mexico," Rodrigo Herrera Aspra, president of Genomma Labs Mexico, announced that he was expecting to have 25 percent of his sales coming from the international markets in five years time. Today, four years later, how is Argentina contributing to his prediction? What are the ambitions for Genomma Labs Argentina?

Genomma Laboratorios Argentina is the number one company in the Argentinian OTC market. Around the world, our balance between pharmaceuticals and cosmetics products sales is approximately 50/50. However, this is not the case in Argentina: here, we are selling more cosmetics than pharmaceutical products. The reason behind this is the regulatory system in Argentina. Bureaucracy makes the process slower when it comes to the first entry into the market. It is easier to register cosmetics than pharmaceuticals, and so this is how our company started its operations in Argentina. Throughout our six years of operations here, we have been able to launch some pharmaceutical products, and have acquired certain top brands. Sooner than later, our 50 percent pharma sales and 50 percent cosmetics sales will be balanced. Now is the perfect and the right time for this to happen.

Our position in the Argentinian OTC market speaks for itself. Nevertheless, we are aiming to stabilize the company as there has been an outstanding fast growth the last years that needs a sort of sustainability.

Genomma Laboratorios is the leading OTC Company in Argentina. Could you please give us a broad overview of the Argentinian OTC market?

In many countries, OTC drugs are selected by a regulatory agency to ensure that they are ingredients that are safe and effective when used without a physician’s care. OTC drugs are usually regulated by active pharmaceutical ingredients (APIs), not final products. By regulating APIs instead of specific drug formulations, governments allow manufacturers freedom to formulate ingredients, or combinations of ingredients, into proprietary mixtures. Argentina works exactly the same in this respect.

On one hand, the OTC market includes the pharmaceutical products, where you have big categories like analgesics, anti inflammatory, antifungal, etc. On the other hand, you have this segment of beauty care, where, for instance, you have many kinds of creams and plenty of shampoos.

Nevertheless, Argentina is not a market where everyone is into the OTC market. There is competition but many pharmaceutical companies are more focused on ethical drugs, dedicating their efforts to the physicians. Yes, there are companies who do both, like our competitor, Bayer, but in general, companies like us, mainly focused on OTC products, are quite rare in Argentina.

Looking at the therapeutic areas, we know that pharma, derma and wellbeing are your strongest divisions. How well does Genomma’s product portfolio complement the specific needs of the Argentinian patient and what have been the main growth drivers?

We launch products that have been having proven success in Mexico. We call it the route of success: that is our starting point and most of the time it works. Nevertheless, we have our own flexibility to commercialize any kind of product that has the potential to fit in the Argentinian market.

Our main growth drivers are lines dedicated to body cream and hair. Cicatricure is our top seller. Other brands performing well are *Asepxia*, which is related to the acne. Goicoechea, and Tafirol, an analgesic that we bought in Argentina. Last but not least, Tio Nacho, a shampoo line, has been always a major growth driver for Genomma Lab.

Our main expertise is to buy brands that, although in theory have quite a lot of potential to be successful but for some reason haven't performed well, and transform them with a very aggressive strategy into top selling lines.

What is the communication strategy of Genomma Lab? How do you raise brand awareness?

Our communication strategy is completely aligned with the one that has been put in place by Gennomma headquarters. As I mentioned, we are very aggressive. In Mexico, our products are launched with strong and innovative advertising campaigns in television, , web, and social media.

In Argentina, we have a group within our company to design and produce commercial ads and monitor their performance.

We also engage our customers online via our brand websites and social media.In this case we also have a professional team design and create content for our websites.

In Argentina there is no better way of raising brand awareness than using public television. This is how we do it.

In May 2014 Genomma Lab bought 50 percent of Grupo Marzam in Mexico looking for an improvement on its distribution channel. How do you reach the Argentinian patients?

Our distribution channel is simple. As I mentioned before, we sell only to pharmacies. In Argentina, there are three national "droguerias," which are our wholesalers that concentrate most of the market. Nevertheless, in some exceptional cases, we sell directly to a pharmacy chain.

Considering that one of the Genomma's expertise is a center of research excellence called CIDET, how active has Genomma Argentina been in this regard?

The Center for Innovation and Technological Development (CIDET) of Genomma Lab International S.A. de C.V. is a research laboratory that brings together some of the most renowned scientists in addition to specialists in the field of natural products, with the capacity to develop effective medicines using the best studies and methods that guarantee safety, efficiency and high quality.

In Argentina, Genomma Laboratorios has been very active when it comes to research and development as is part of our main pillars as a company. In detail, we work on two specific sides. On one hand, the “galenical”, is the part related to the development of the production. Since the beginning of 2012, Argentinian Government makes efforts to balance the account between exports and imports coming from companies, not only at a pharma level. We made some agreements with local producers of cosmetics to be able to compensate our theoretical deficit. At the end of the same year, Genomma Laboratorios Argentina was able to deliver its first exports to Brazil. Since then have had constant development and growth when it comes to our exports. It is fair to say that our performance in that regard has been outstanding. We are already exporting to Uruguay, Paraguay, Colombia and Brazil.

The second side, is the one related to our upcoming plant in Argentina. The project is completed and all the applications to start constructions have been submitted. 50,000 square meters will be available soon to manufacture in Argentina.

If you had the chance to spend five minutes with the Minister of Health, what would you tell him on as the general manager of Genomma Argentina?

I would suggest him to allow the outsourcing of quality control to authorised analytical labs. That would result in a more efficient use of specialized resources, and for small companies the possibility of developing in-house capabilities once a business critical mass has been achieved.

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