

E-COMMERCE WILL HAVE TO KEEP UP WITH LATAM'S SENIOR CITIZENS!

A new trend is picking up pace across Latin America (LATAM). Demographic change is accelerating as Latin Americans age at a faster rate than any other population on the planet – “over the next 15 years, the number of older persons is expected to grow fastest” in this region*. This will profoundly impact pharmaceutical and biotechnology portfolios, inventories, investments in R&D, and ultimately also healthcare purchasing behaviors.



The process of aging

Speaking at the most recent DHL Global Life Sciences & Healthcare Conference in Miami, USA (June, 2016), John Price of Americas Market Intelligence (AMi) revealed that in 2010, 10% of the Latin American population was aged 60+, but this will increase to 17% by 2030. These people represent the greatest medical burden – four out of five adults over 60 have at least one chronic disease.

According to a US Census Bureau study, LATAM's 80-and-older population will quadruple from 2015 to 2050, with life expectancy extended particularly by gains in cardiovascular disease and diabetes outcomes. How should the life sciences and healthcare industry evolve to satisfy this rising need for geriatric care across the region?

Explosive growth of e-commerce

Because of this demographic change, LATAM's healthcare industry can expect a steep increase in e-commerce activity. Already, manufacturers are starting to break the 'digital divide', creating direct-to-consumer pathways.

In countries across the region, life sciences and healthcare companies are transforming their approaches with new business-to-consumer models as well as direct delivery of

many over-the-counter products such as contact lenses, vitamins and other nutraceuticals, medical equipment and devices, and more. As regulatory constraints ease, we can expect a rapid increase in home delivery of prescription medications. Manufacturers are also developing new business-to-business channels, using digitization to achieve an express order-and-delivery route to hospitals, clinics, diagnostic facilities, and laboratories.

Today's oldest LATAM citizens are typically supported by digital-native relatives – the millennial generation that finds nothing unusual in online sourcing and payment, and receipt of deliveries at the door. And as the baby boomers start entering their senior years, they too are comfortable and fully adept at using e-commerce to their advantage.

Substantial impact on logistics

The impact on logistics will be substantial. Home delivery of individual-user medical equipment and pharmaceuticals direct to the end-user will increase as online ordering goes up. This will speed up changes in inventory, larger fleets for local delivery including self-driving vehicles and even drones (such as the DHL Parcelcopter), and last-mile delivery specialisms including time-definite delivery, temperature-sensitive delivery, and order accuracy verification.

DHL has established a strong and flexible e-commerce network across Latin America, with high-quality fulfillment centers, national and cross-border distribution solutions, and professional returns handling and restocking. LATAM's seniors may be setting the e-commerce pace, but we are ready to keep up!

For further insights on similar topics, follow me on LinkedIn or follow the hashtag #DHL_LSH on Twitter.

*<http://www.un.org/en/development/desa/population/publications/pdf/ageing/WPA2015Report.pdf>



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