

Issue S3

Clean Label Enthusiasts® & Supplements



Ketogenic Supporting Supplements & Clean Label Enthusiasts® Diet Responses to Pandemic



Report Powered By:



**CLEAN LABEL
ENTHUSIASTS®**

An InsightsNow Community

Welcome to the Clean Label Enthusiasts® Quarterly Report

The free-from food movement is a multi-billion dollar shift in consumer behavior that is impacting companies within the consumer packaged goods industry. To know how to effectively respond to this movement, InsightsNow has launched a long-term research initiative applying behavioral science to generate insights for faster, more informed clean label decisions. Please read on to find the results of our 1st Quarter 2020 Report: **Ketogenic Supporting Supplements & Clean Label Enthusiasts Diet Responses to Pandemic**

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Clean Label Enthusiasts® & Supplements

Overview:

Clean Label Enthusiasts® (CLE) are a behavioral segment, differentiated by their attitudes and avoidances of products with artificial ingredients and other additives that they believe are unhealthy. They tend to read ingredient labels and avoid brands due to these concerns. CLE comprise 27% of the US general population.

Not only do CLE tend to read labels, they exhibit concern about chemicals and avoid **"unhealthy"** brands. All CLE shoppers state that clean label concerns impact their shopping choices, versus only 22% of Non-CLE shoppers. 76% state that they avoid buying brands to avoid **"bad/unhealthy ingredients"** versus 22% of Non-CLE.

Study Details:

We conducted an online survey with 285 Clean Label Enthusiasts from March 12 – 21, 2020. Participants completed a questionnaire that examined their behaviors regarding supplements around the Ketogenic diet and any changes they are making to their diet to stay healthy in response to the Coronavirus Pandemic. They also completed an Implicit/Explicit Test™ to gauge their perceptions of various excipients in supplements and the Keto-friendly results were shown.

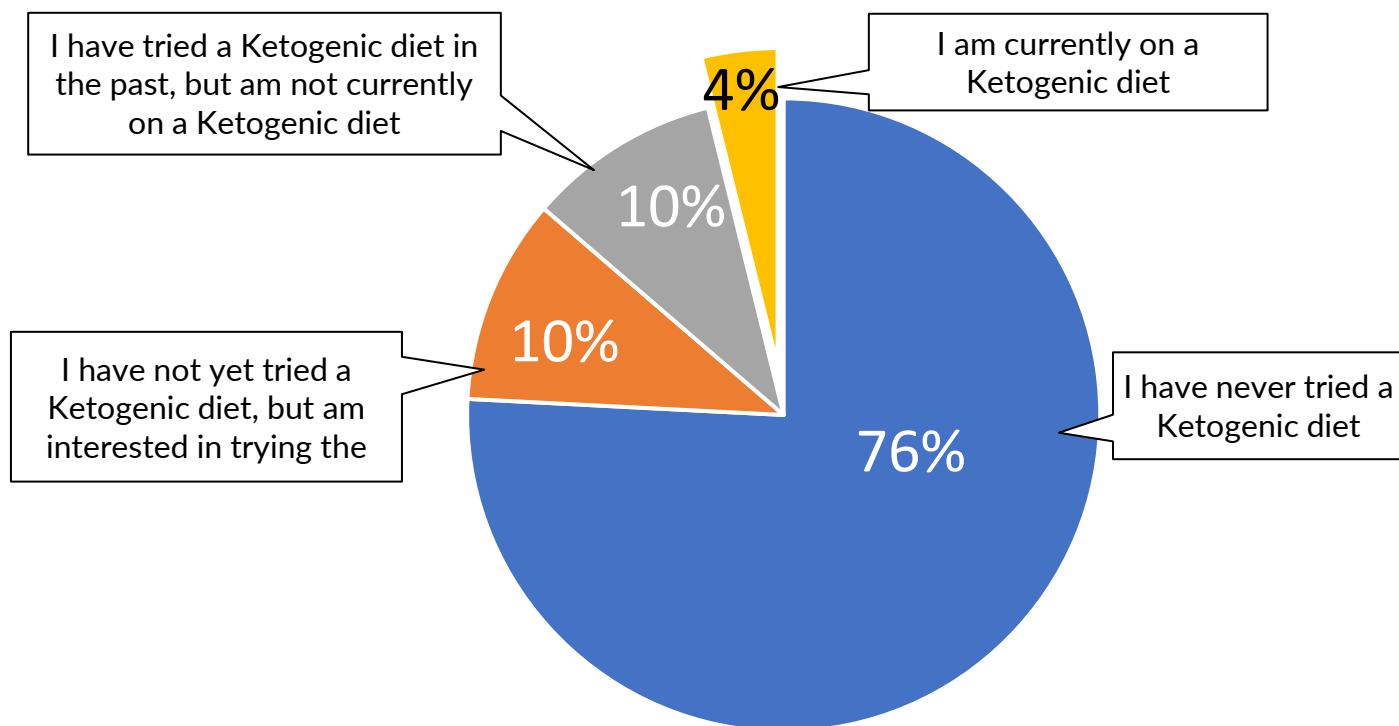


Summary of What We Learned

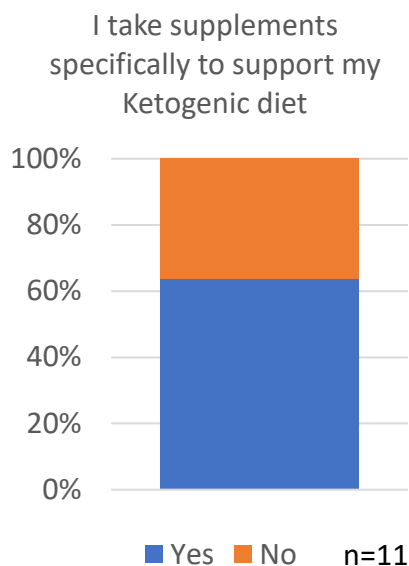
- ✓ The Ketogenic diet, while not widely followed with CLE, has remained at a constant rate of usage over the past year. There is interest among CLE that are not currently following the diet to start living this lifestyle, however..
- ✓ CLE that follow the Ketogenic diet do take supplements to support the diet. Of those, a large percentage would be interested and more likely to purchase Keto-friendly products. They would be willing to pay more for them but want to be familiar with all of the ingredients.
- ✓ Keto-friendly excipients, specifically fats, had a wide range of implicit scores, with familiar and accessible oils such as olive and avocado receiving the highest scores.
- ✓ Other Keto-friendly excipients revealed turmeric as the highest scoring while the sweeteners showed a wide range, with monk fruit extract scoring high while most other sweeteners scored low.
- ✓ The flu and coronavirus have affected CLE in that over 1/3 mentioned that they are making changes in their diet and supplements to increase their immunity. Of these, 65% are taking more vitamins and supplements and specifically mentioned Vitamin C as well as Zinc



Clean Label Enthusiasts® and the Ketogenic Diet



Only 4% of Clean Label Enthusiasts are currently on the Ketogenic diet. The percentage of CLE who are currently following this diet has been steady over the last year as a previous study of CLE conducted in December 2018 also found 4% of CLE were on a Ketogenic diet. However, the percent of CLE who have previously tried it and the percent of CLE planning to try it have both increased. Therefore, the Ketogenic diet is likely to maintain its share of the dieting market in the near future.

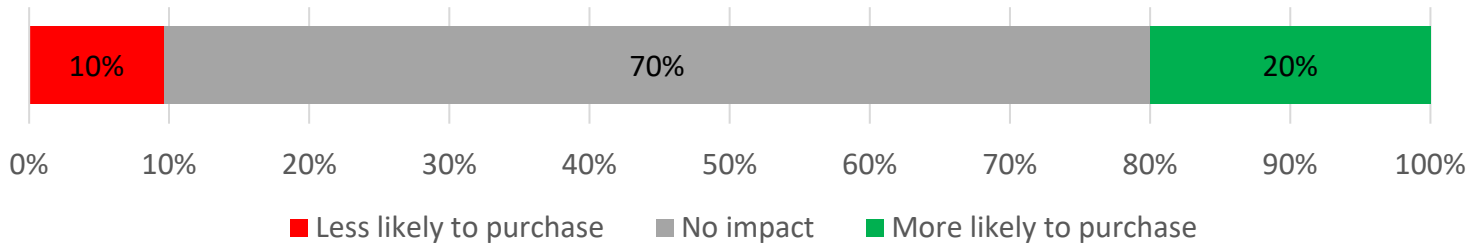


For those on a Ketogenic diet, there is some interest in taking supplement to help support the diet. Among the small group on a Keto diet, they mentioned taking products like BHB and electrolyte blends to support the diet. They also take other vitamins and minerals.



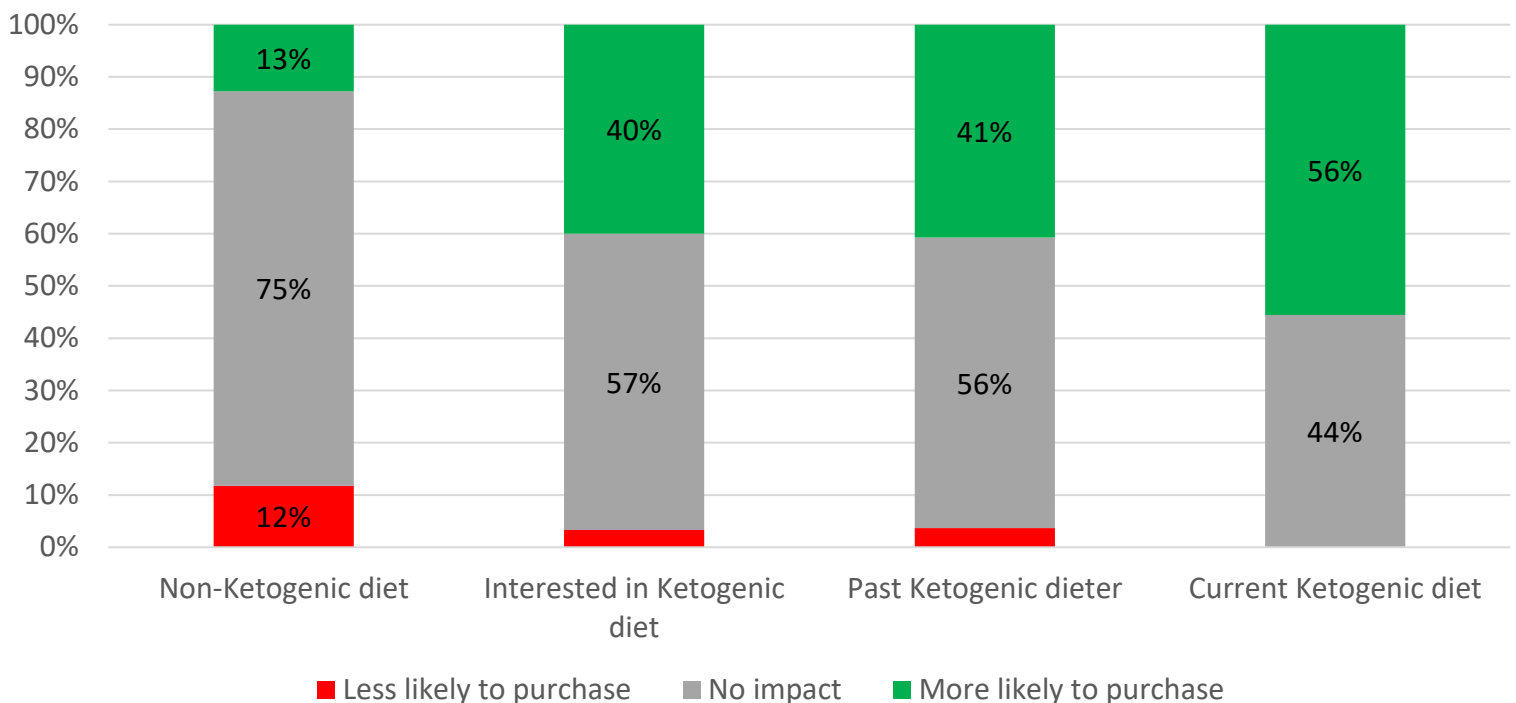
Do Clean Label Enthusiasts® Want Ketogenic Friendly Supplements?

When you purchase supplements for yourself and your household, which of the following would be your reaction to the supplements being Ketogenic diet friendly?



As the overall share of Ketogenic diet followers is small among Clean Label Enthusiasts, it is not surprising that 70% would give no consideration to a supplement being Keto-friendly when making a purchase. The upside of Keto friendly supplements greatly outweigh the downsides amongst CLE as twice as many see being Keto-friendly as a positive in a supplement as see it a negative. For CLE currently or previously interested in the Ketogenic diet, over 40% see Keto-friendly as a positive in a supplement, while those who are not interested in Keto are largely neutral.

Reaction to Keto friendly supplements by Keto diet current status

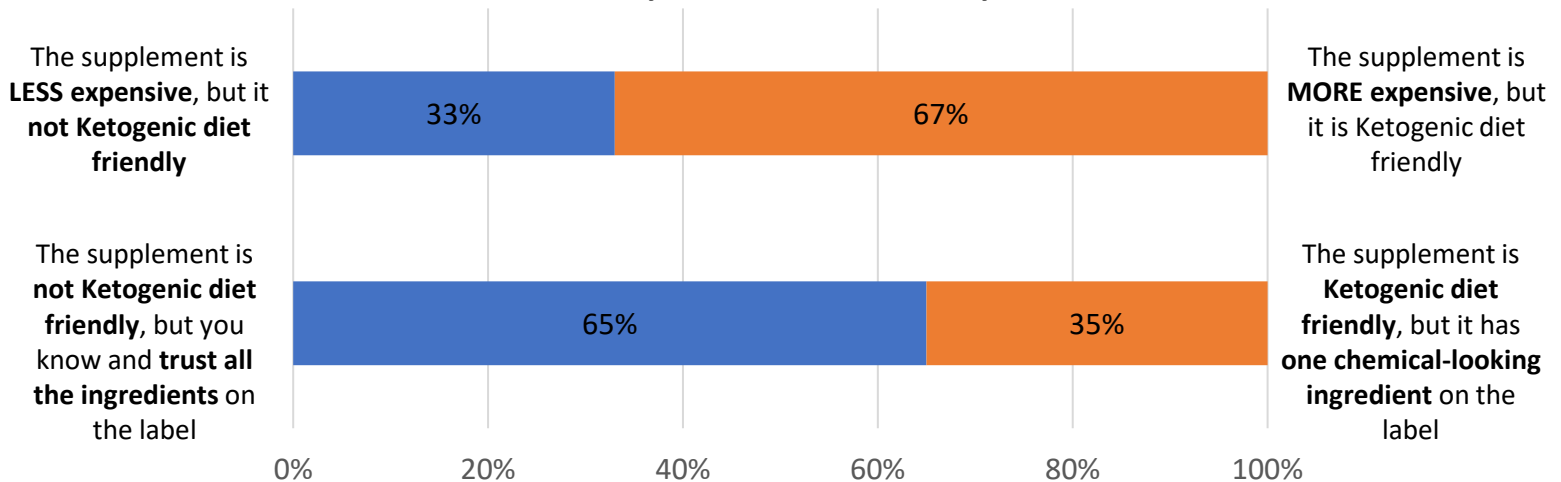


Keto Friendly: Cost and Ingredient Trade-offs

Considering only the CLE who prefer supplements that are Keto-friendly, we asked them about what tradeoffs they would make for a Keto-friendly supplement. Looking at cost, it is more important for the supplement to be Keto friendly than to cost less. This shows that consumers are very interested in the benefits of the keto lifestyle, so much so that they would pay more.

Tradeoffs among Clean Label Enthusiasts
who are more likely to buy Supplements if
they are Keto friendly

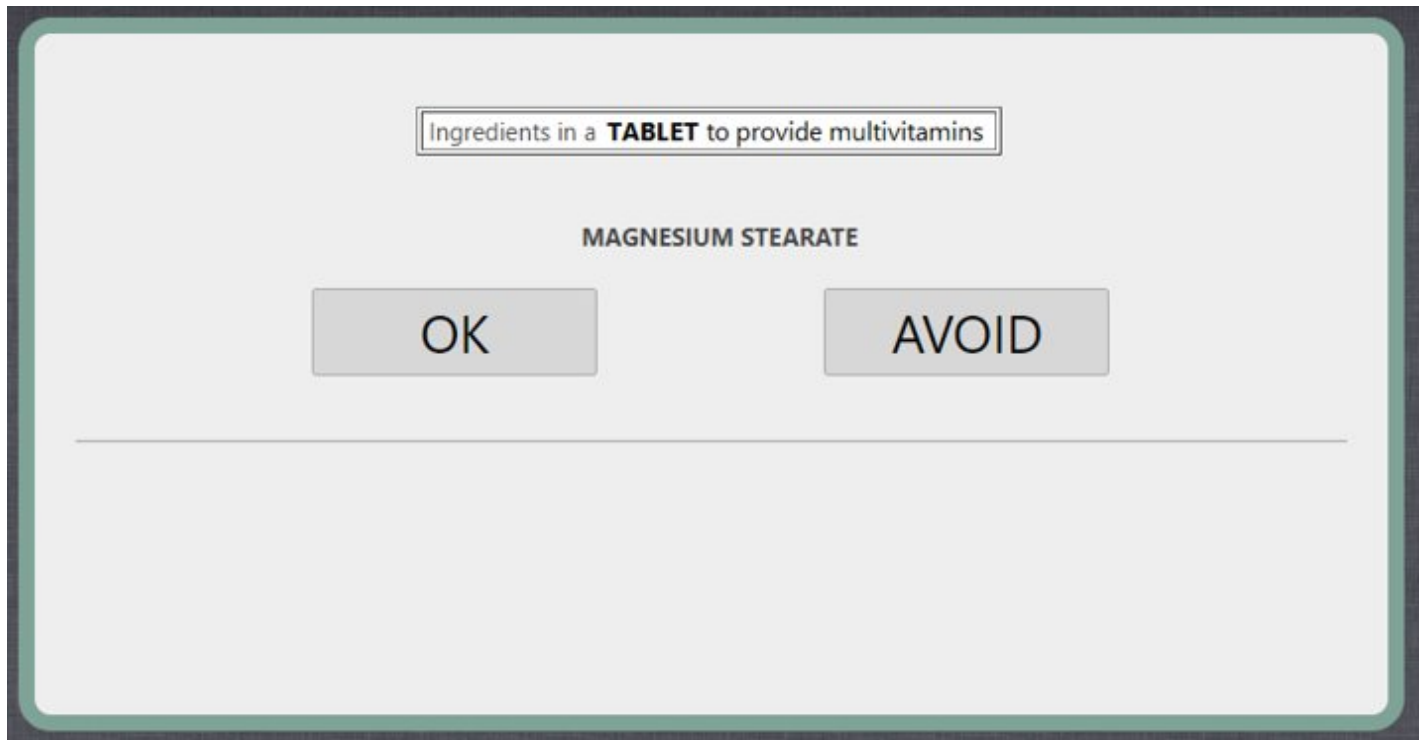
n=54



However, still having recognizable and understandable excipients are also important, as most consumers choose to forgo the Keto-friendly benefits for excipients they know and trust. Therefore, it is important to consider consumer perceptions of excipients when choosing which to use.



Implicit/Explicit Test™ Methodology



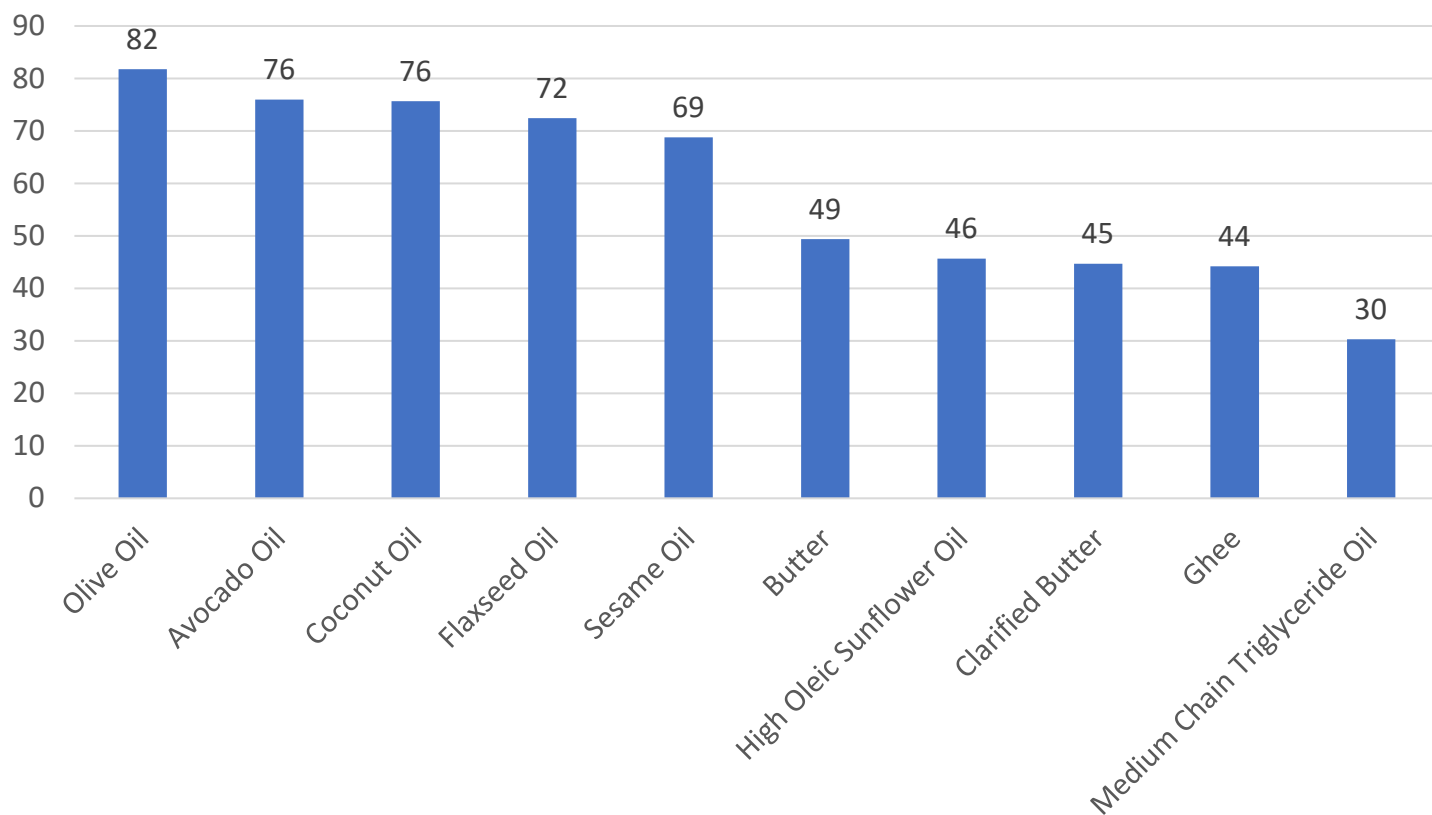
The screenshot shows a digital interface for the Implicit/Explicit Test. At the top, a box contains the text "Ingredients in a **TABLET** to provide multivitamins". Below this, the ingredient "MAGNESIUM STEARATE" is displayed. Underneath the ingredient name are two rectangular buttons: "OK" on the left and "AVOID" on the right. A horizontal line is positioned below the buttons.

In order to measure CLE consumers' reactions to various excipients in supplements, we conducted an Implicit/Explicit Test™. Participants were shown a list of excipients, one at time, and asked to select "OK" or "Avoid" as quickly as possible. Their choice and reaction time were used to calculate an implicit score for each excipient. Higher implicit scores indicate that participants were more likely to implicitly accept an excipient, while lower implicit scores indicate that they were more likely to implicitly reject an excipient.



Clean Label Scores of Keto-Friendly Excipients

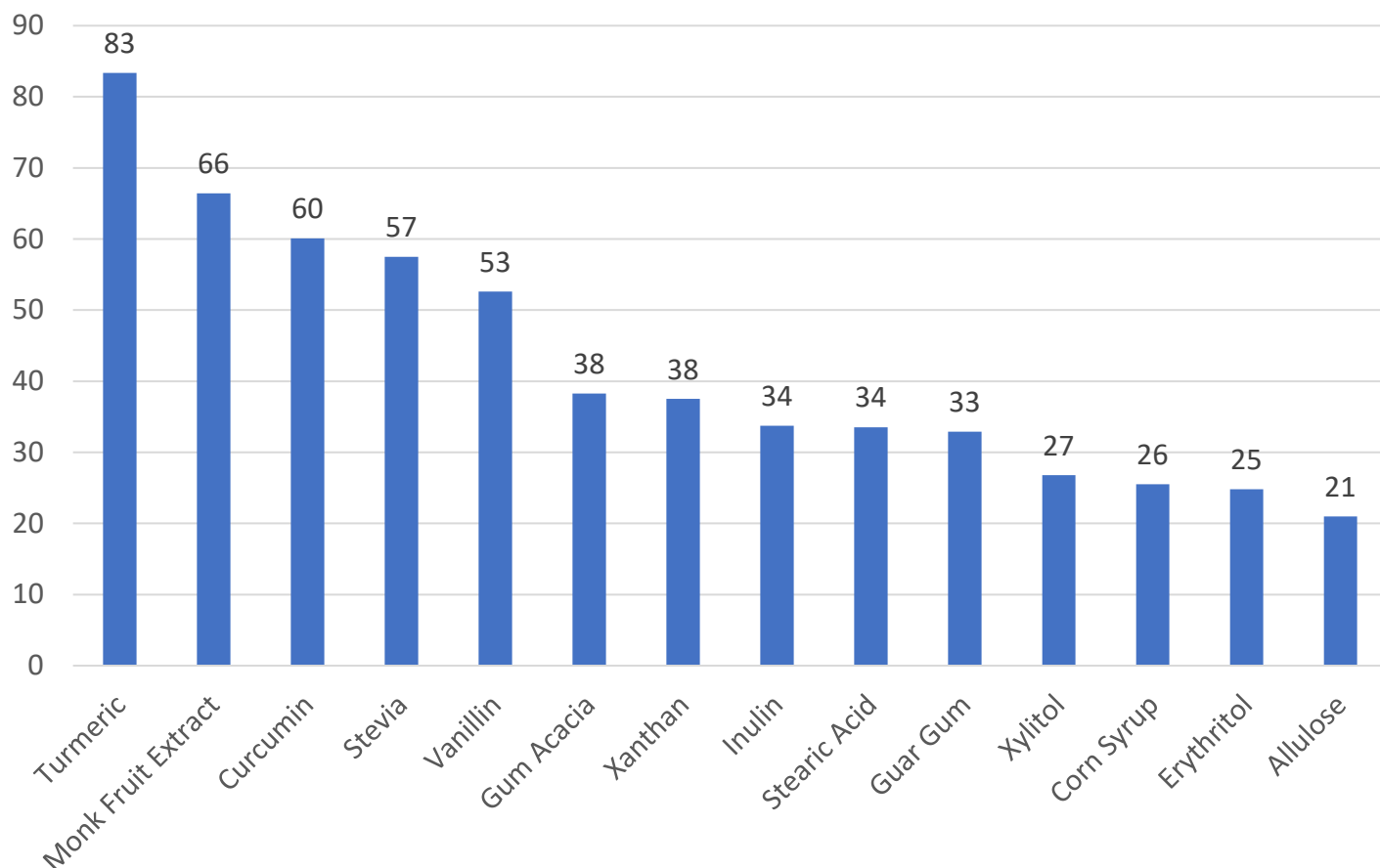
Fats/Oils



The Ketogenic diet is a very low-carb and high fat diet. Looking at excipients in supplements that are widely considered Keto-friendly fats, we see a wide range of implicit scores. More familiar oils such as olive and avocado score much higher than those excipients that sound less 'natural' such as medium chain triglyceride oil and ghee.



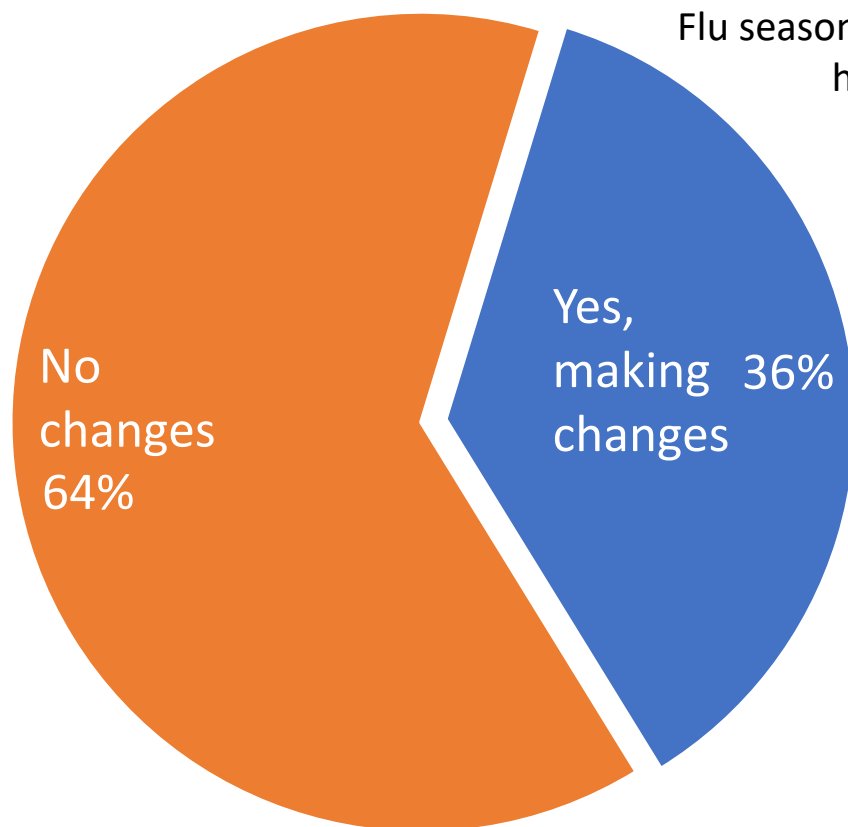
Clean Label Scores of Keto-Friendly Excipients



Looking at other excipients in supplements, turmeric (active) receives a much higher implicit excipient score than the other excipients that are considered Keto-friendly. Interestingly, the bottom 4 scoring are all types of sweeteners that are permitted in the Ketogenic diet. If looking for a Keto-friendly sweetener, monk fruit extract and stevia are the top scoring excipients.



Pandemic: Are Coronavirus and the Flu Influencing Clean Label Enthusiasts® Diets?



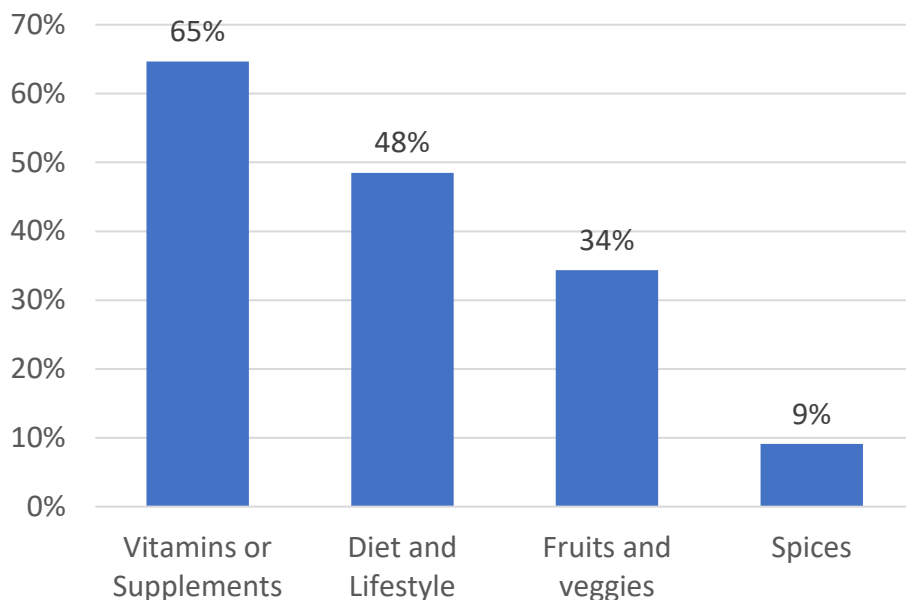
Flu season is currently in full swing and other health concerns such as coronavirus have been all over the news. **Have you made any changes to diet or supplements to and boost your immune system or help keep yourself healthy recently?**

There is a huge opportunity to cater to interests in boosting immune systems in the current health crisis, as 36% of CLE are already making changes to the diet and supplements to try and keep themselves healthy as of March 12th – 21th 2020.



Changes to Clean Label Enthusiasts® Diets and Supplements due to Flu and Coronavirus

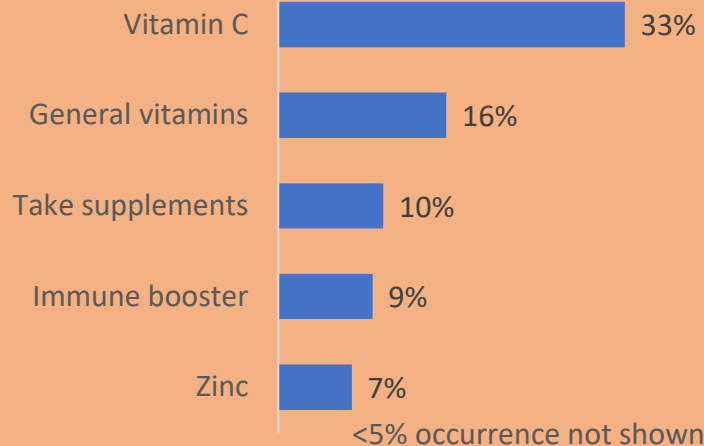
Categories of Changes



When Clean Label Enthusiasts were asked about the specifics of the changes they are making due to concerns about flu and coronavirus, 65% mentioned adding vitamins or supplements. Changes to their diet or lifestyle were not far behind, with 48% mentioning things such as moving to a healthier diet, adding juices, or hydrating. 34% said they were adding fruits or vegetables and 9% mentioned spices. This shows CLE are making many and varied changes to help themselves stay healthy.

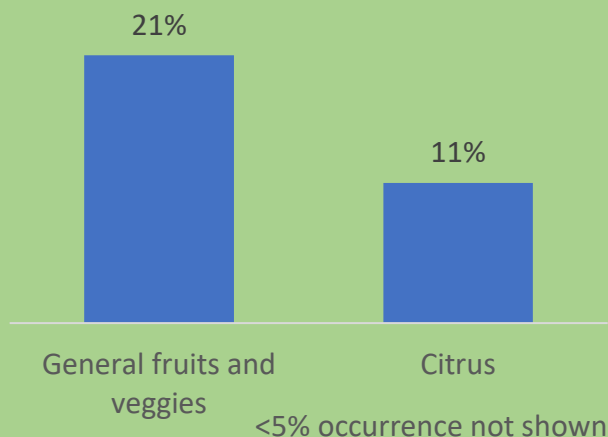
Vitamins or Supplements

For vitamins and supplements, 1/3 of CLE's called out taking more Vitamin C specifically. They also mentioned taking vitamins or supplements in general and immune boosters. Also mentioned were taking zinc, and a variety of other letter vitamins and minerals including Antioxidants, Vitamin D, Vitamin E, Glucosamine, Antibiotics, Probiotics, Calcium, Omega 3, Vitamin A, Colloidal silver, and Echinacea.



Fruit, Veggies, and Spices

For fruits, vegetables, and spices, the most common response was a general attempt to eat more fruits and vegetables. The single most commonly mentioned fruit was citrus such as oranges for 11% of the CLE who made changes to their diet. A wide assortment of foods were also identified as additions to their diet, including elderberries, garlic, turmeric, cranberries, beets, cinnamon, cloves, ginger, pepper, onions, parsley, and honey.



To our valued subscribers:

We are excited to provide this issue of our CLE Behavioral Report on Supplements. This report provides some important insights into how consumers are taking supplements to boost their immune systems in response to their coronavirus concerns. These results show that CLE consumers are not willing at this time to trade away cost for clean label. We also found a wide range of clean label scores among tested excipients and other ingredients which provide insights into how best to formulate supplements to address consumer needs.

We look forward to providing additional insights through subsequent issues to help you achieve more rapid informed clean label supplements decisions.

As always, we welcome your input about how future issues can be of further value in helping you overcome the challenges of the clean label movement.

Sincerely,

Dave Lundahl, Ph.D.
CEO, InsightsNow, Inc.

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