

Issue S-5

Clean Label Enthusiasts® & Supplements



Clean Label Research Community Behavior Report

Supplements – Usage Trends & Personalization Interest



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 3rd Quarter 2020 Report on Clean Label Enthusiasts & Supplements.

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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 215 Clean Label Enthusiasts from September 18-24, 2020. Participants completed a questionnaire that examined how, why, and in what forms they consume supplements such as multivitamins.



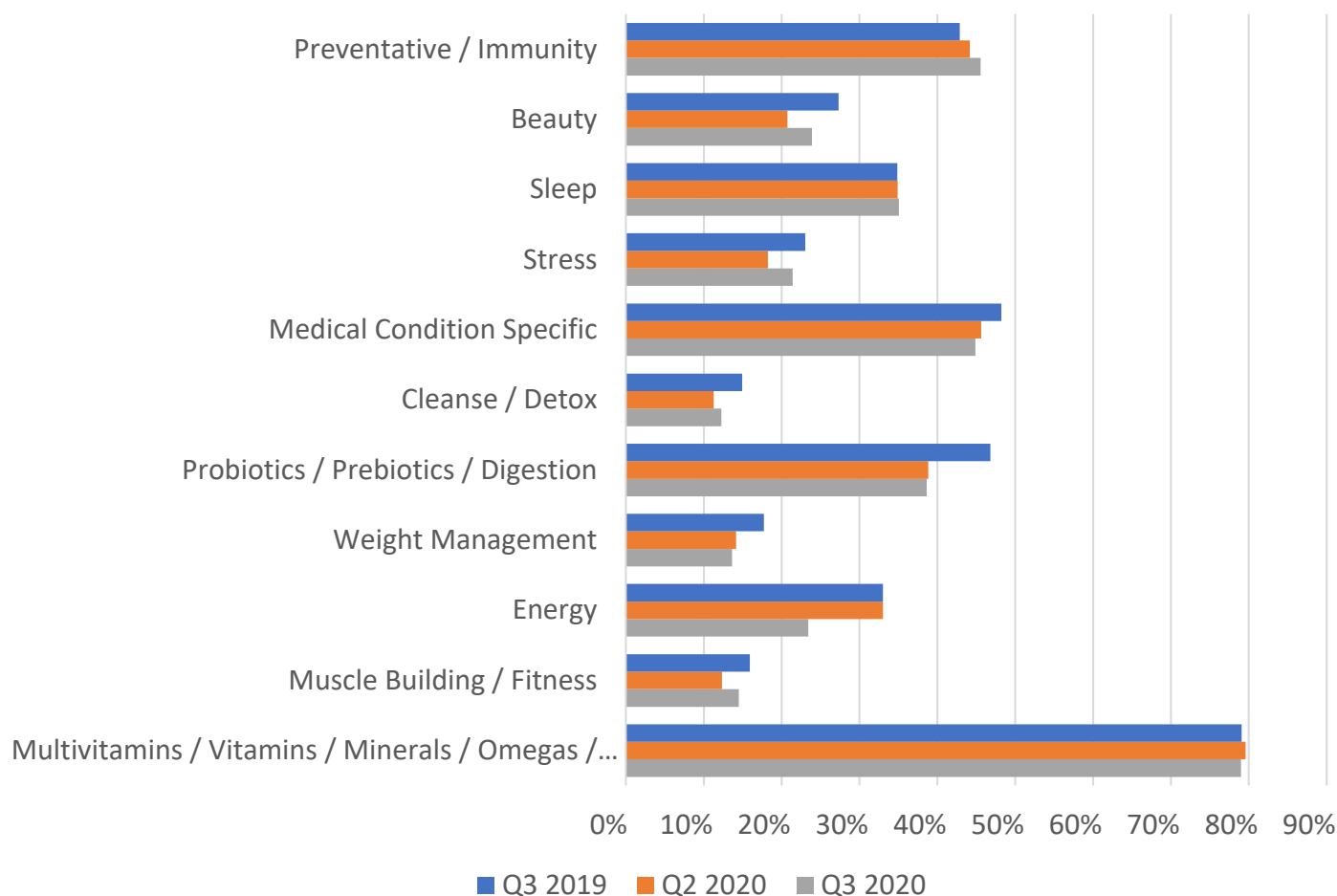
Summary of What We Learned

- ✓ Clean Label Enthusiasts® have begun returning to a new normal as COVID-19 continues and have partially returned to prior supplement usage patterns.
- ✓ Preventative/immunity supplement usage remains high.
- ✓ Most CLEs have not encountered false or misleading supplement claims and are only moderately concerned about a lack of regulation of supplements.
- ✓ Trust in supplement companies to provide honest information about their product has declined slightly.
- ✓ Only a few CLEs are aware of any personalized supplement subscription services and even less are currently using one.
- ✓ CLEs have lukewarm interest in the concept of a personalized supplement subscription service, with only a small share highly interested.
- ✓ To appeal to the niche of highly interested CLE's, use doctors and medical professionals to personalize the subscription service.
- ✓ To broaden the market among CLE's, use a convenient at home test to personalize the subscription service without a high barrier of entry.



COVID-19 and Supplements Categories Purchased

Categories of Supplements Purchased in Prior 3 Months

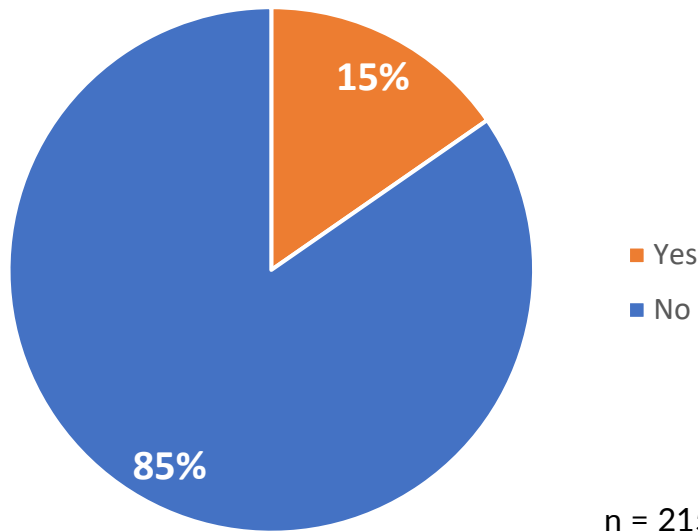


Preventative/immunity supplements continued to see increased usage among Clean Label Enthusiasts® this summer, with 46% using them. CLEs appear to have partially returned to their pre-COVID routines; several of the supplement categories which had reduced usage after COVID-19 began have partially regained their lost users.

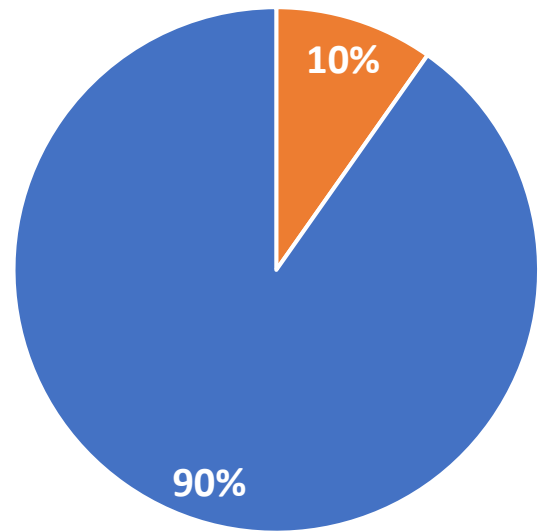


Frequency of Misleading Supplement Claims

Encountered Supplements with Misleading Claims

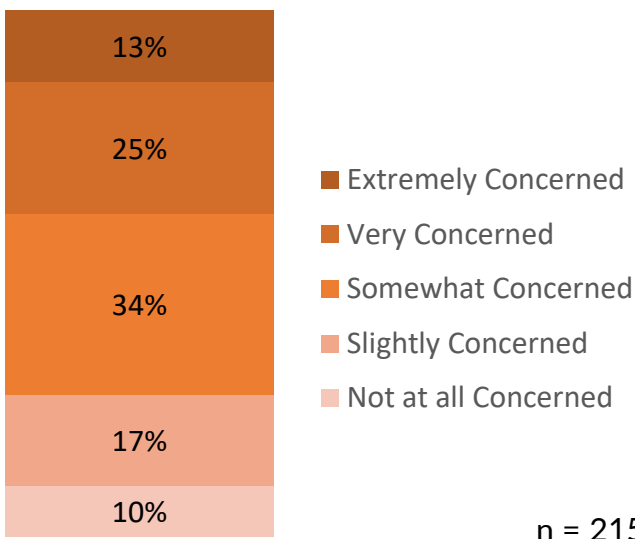


Encountered Supplements with COVID-19 Claims



Clean Label Enthusiasts® mostly have not encountered supplements with misleading claims. Just 15% report encountering a supplement product they thought were making claims that seemed fraudulent, or misleading during the past 6 months and 10% encountering supplements making claims to prevent/cure COVID-19. While these numbers show that fraudulent claims and supplements are not widespread, even this small rate of encounter can negatively impact the supplement industry.

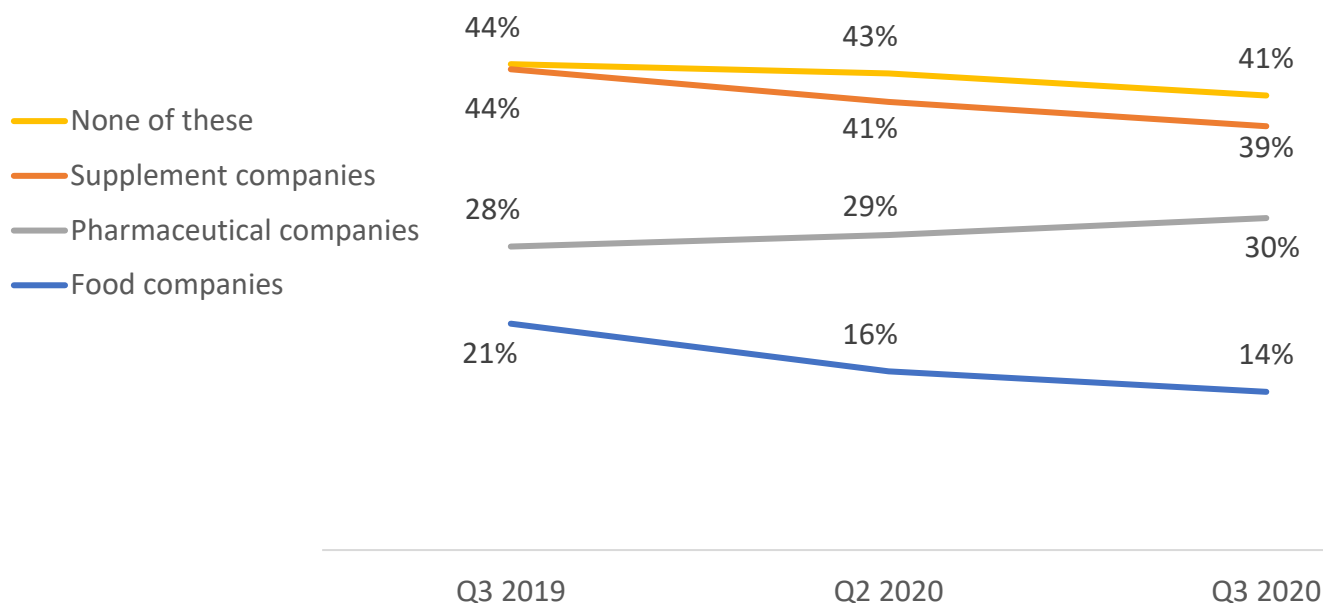
How concerned are you that supplements are not required to adhere to the same testing and control for active ingredients as over the counter medications?



CLE do not express much concern about lack of testing and control of active ingredients in supplements, with only 38% very or extremely concerned. This suggests that while they may support additional regulation of supplements, most are unlikely to be motivated enough to take strong actions like boycotts or political activism. However additional regulation could help reassure supplement consumers and sooth this moderate concern.

Should Supplement Regulations be Increased?

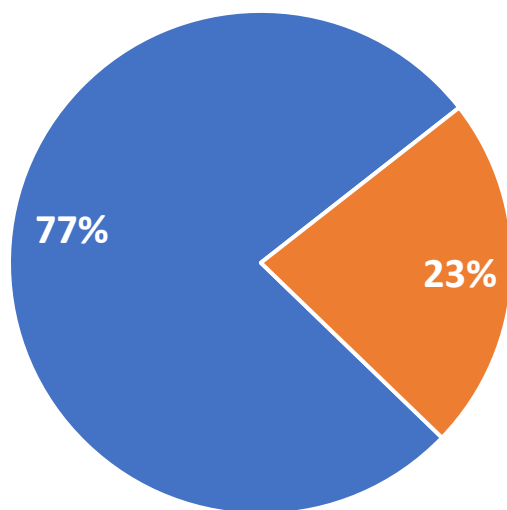
Which of the following do you generally trust to provide you with honest information about their products?



Clean Label Enthusiasts® have had a minor decrease in trust in supplement companies to provide honest information about their products over the past year, from 44% to 39%. In comparison, Pharmaceutical companies have seen a slight increase. To try and restore trust, advocacy for increased regulations of the supplements industry may help by reassuring consumers or it may diminish trust by raising consumer awareness about issues in the industry. Overall, 3 in 4 CLEs would prefer requiring supplements products to be required to be registered with the FDA over having a wide variety of new and unique supplement products available to them.

Which would CLE's prefer?

All supplement products are required to be registered with FDA, but less new and unique supplement products are available to you.

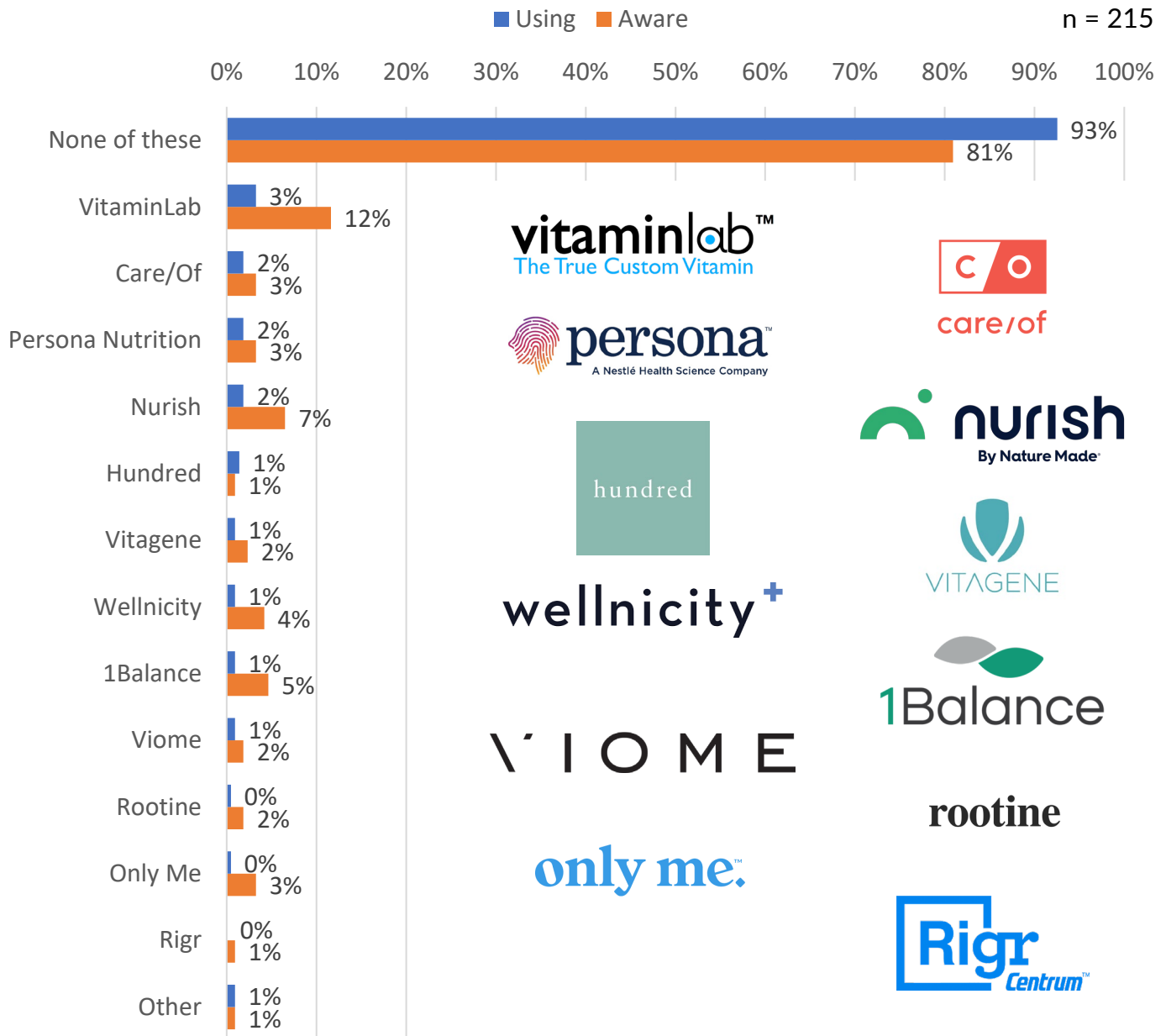


A wide variety of new and unique supplement products are available to you, but there is no requirement for them to be registered with the FDA.

n = 215

Supplement Subscriptions Awareness & Use

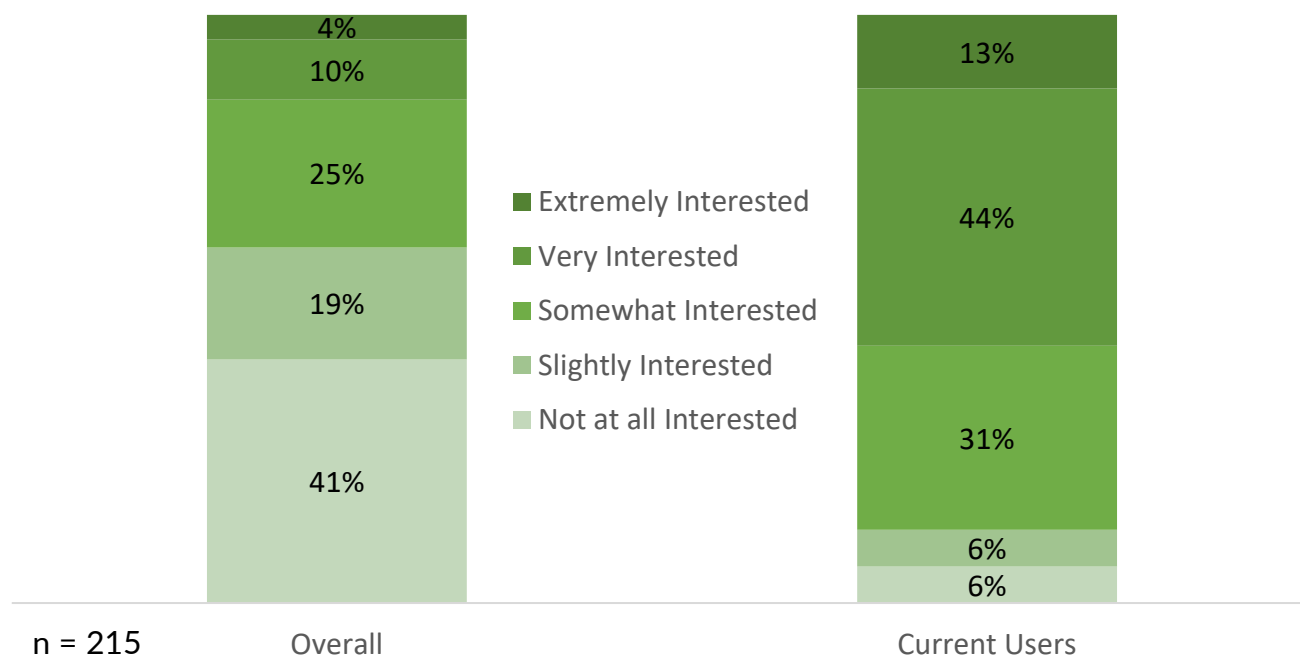
Which of the following personalized supplement subscription services have you heard of or used?



The current market of personalized supplement subscriptions has only reached a small segment of users amongst the Clean Label Enthusiasts® with 93% not having used such a service in the past year. Amongst those who do use supplement subscriptions, VitaminLab is most popular at 3%, with Care/Of, Persona Nutrition, and Nurish at 2%. However, there is low awareness of these services, with 81% of CLE saying they have heard of none of these services. This is an opportunity for the market to grow as more consumers become aware of such services.

Personalized Subscription Concept Interest

How interested are you in a personalized subscription service which provides supplements customized to your body based on a medical test or survey?

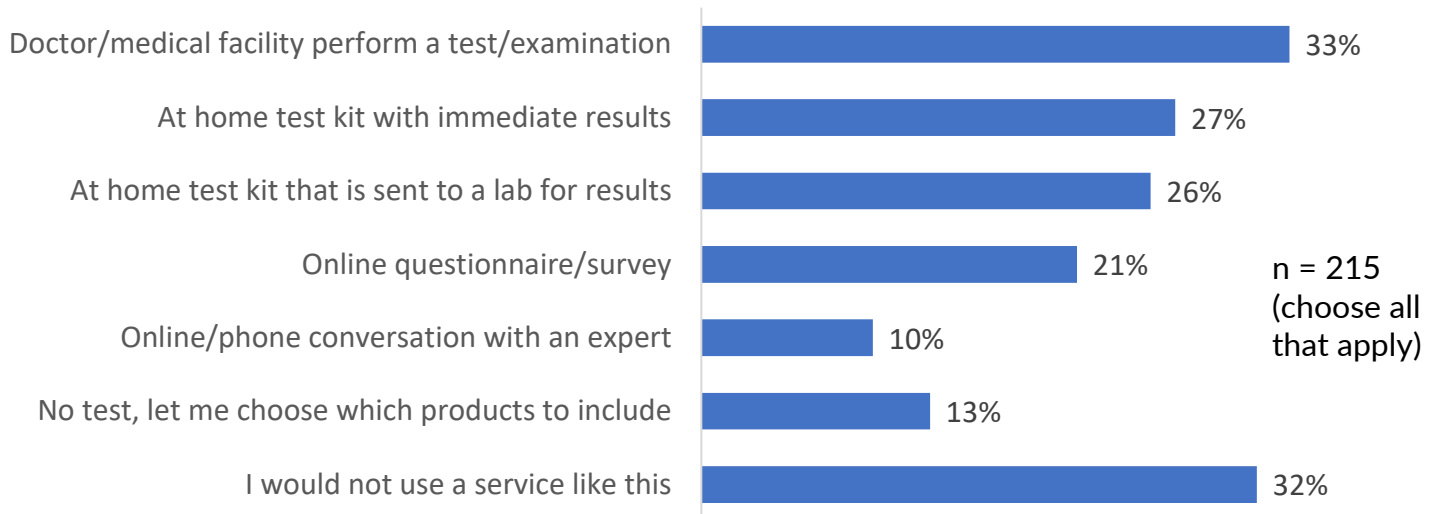


Clean Label Enthusiasts® had only lukewarm interest in a personalized subscription service which provides supplements customized to your body based on a medical test or survey, with only 14% very or extremely interested. Those who are currently using such a supplements subscription service reported being at least somewhat interested in the concept. This suggests that at least 40% of CLE would be sufficiently interested in the concept that they would consider such a personalized supplement subscription service if they were aware of such an offering.



How CLE want Supplements Personalized

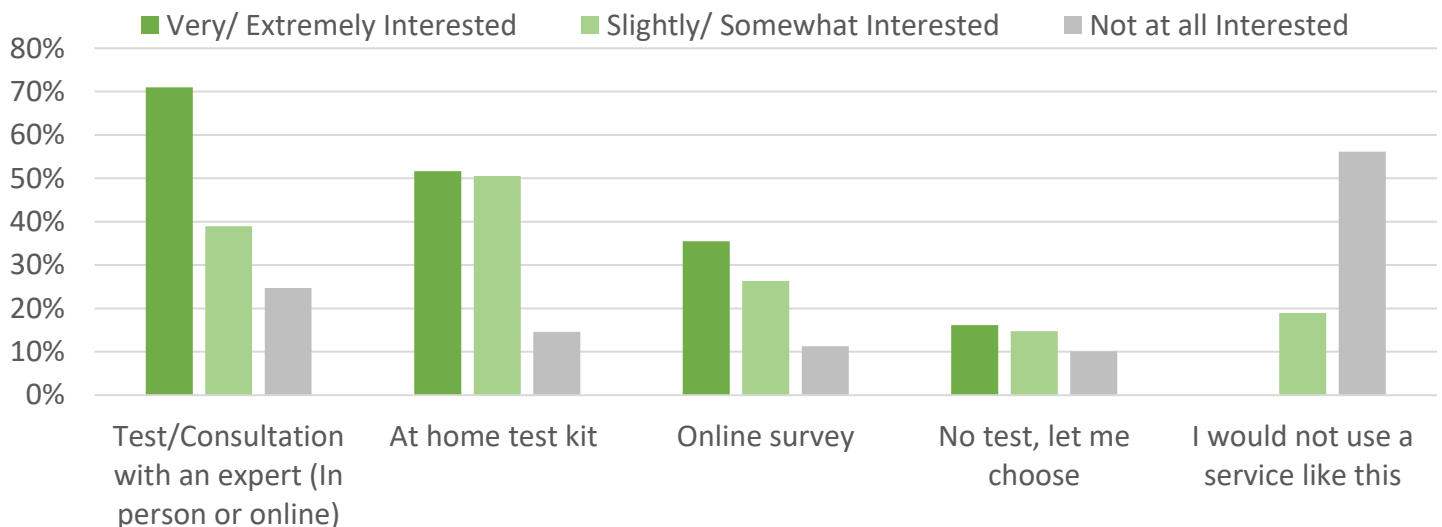
For a subscription service that provides supplements customized to your body, which would be the best way for the personalization to be determined?



The most popular way for a personalized supplements service to be tailored to a CLEs body is by having a medical professional perform a test or examination. This is driven by those who are highly interested in the concept and thus are willing to make the investment of effort to involve a medical professional they trust. Therefore, involving a medical expert is an ideal choice for higher end niche subscriptions.

If you are instead trying to broaden your base of appeal, the at home testing options were most popular among those who were only moderately interested in the concept. The convenience of the at home test makes for a much lower barrier to entrance than seeing a medical professional, especially in the times of COVID-19.

Preferred Personalization by Concept Interest Level

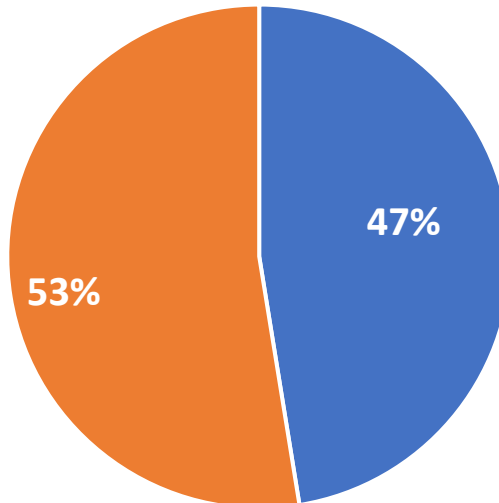


Personalization: Science vs. Choice

Which do CLE's prefer?

n = 215

A customizable supplements subscription that provides personalized supplements based on your knowledge of your own body and the nutrients it needs but does not include tests of your physical body.



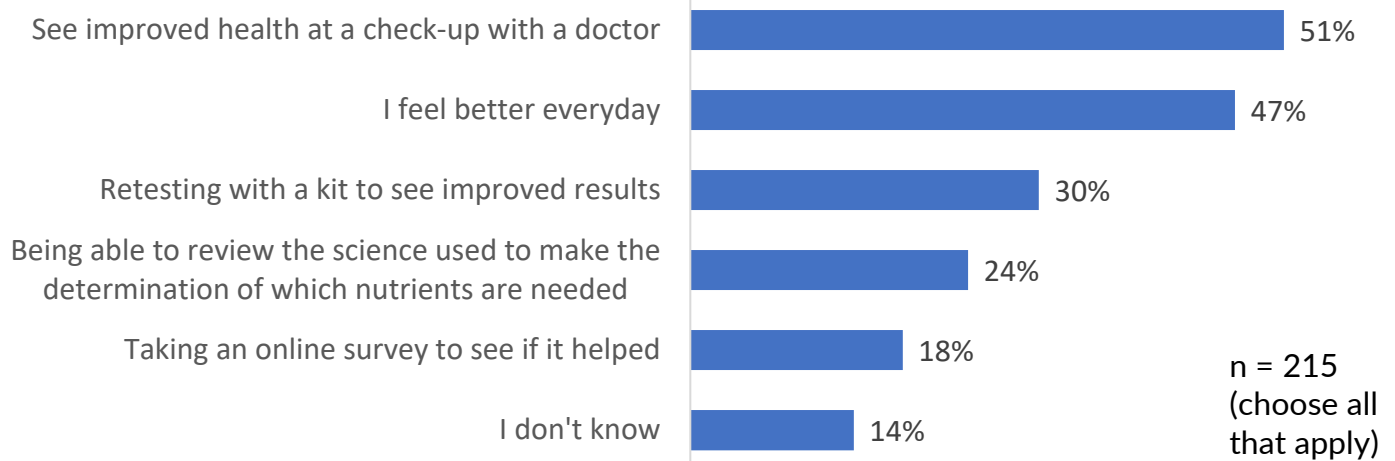
A supplements subscription that provides personalized supplements based on the tests of your physical body and medical research but does not let you choose specific supplements to include.

Clean Label Enthusiasts® are highly concerned about controlling what they put in their body. While they did not see the value of the concept of a fully build your own supplements subscription approach, as shown by only 13% preferring the No Test option (page 10), they still value the idea of controlling what goes into their body. When being forced to choose between a subscription without the ability to be customized and a subscription without any actual physical tests of their body, over half chose the ability to customize based on their own knowledge of their body. This split on customization versus physical tests was consistent across all levels of interest in the concept, with higher interest being slightly more likely to prefer the physical test option. Therefore any kind of option to customize beyond the science would be very helpful in appealing to the CLE segment of the personalized supplement subscription market.



How CLE want to Experience Health Benefits

For a subscription service that provides supplements customized to your body, which would be the best way for the personalization to be determined?



To be convinced that the personalized supplement subscription is really working for them, Clean Label Enthusiasts® would primarily want to see improved health at a check-up with a doctor and to just feel better every day. If there is some type of reevaluation to determine if the subscription is working is offered, the preferred way for that to be conducted is the same method as the original personalization. Of those who wanted a doctor to personalize their supplements, 78% wanted the resulting benefits evaluated by a doctor. Of those who wanted an at home test 66% wanted another at home test to evaluate the results. By aligning with these expectations to convey the benefits, a subscription service can better retain subscribers.



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 exciting opportunities for supplements companies such as personalized supplement subscriptions. It also highlights some changes and threats to the supplements industry during the time of COVID-19. To further support the development of successful supplement products, we have tested excipients and other ingredients and found a wide range of clean label scores which provide insights into how best to formulate supplements to address consumer needs. These scores have been incorporated into our syndicated applications so that you may generate reports on demand to address specific research questions.

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.