Your dietary supplements aisle:

Walking the line for success

Presented by STEVE MISTER, President & CEO, COUNCIL FOR RESPONSIBLE NUTRITION
## Association Facts

One Association—The Council for Responsible Nutrition (CRN)

<table>
<thead>
<tr>
<th>Amount with CRN</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>20</td>
</tr>
<tr>
<td>Voting Members</td>
<td>122</td>
</tr>
<tr>
<td>Finished Product Manufacturers/Marketers</td>
<td>65</td>
</tr>
<tr>
<td>Ingredient Suppliers</td>
<td>57</td>
</tr>
<tr>
<td>International Members</td>
<td>2</td>
</tr>
<tr>
<td>Associate Members</td>
<td>64</td>
</tr>
<tr>
<td>Annual budget</td>
<td>$7 million</td>
</tr>
<tr>
<td>Years in existence</td>
<td>46</td>
</tr>
</tbody>
</table>

Also contains: scientific, regulatory, international, media relations and government relations expertise not found anywhere else.
Companies & Brands We Represent
Today’s presentation

- Examine the latest dietary supplement consumer trends

- Opportunities for supplement vendors to provide their customers more information about the supplements they buy

- Position your store as the community healthcare center for wellness
Dietary Supplement Industry

Supplement growth rebounds slightly to 6.0%

Dietary supplement sales grow 6.0% to $46B in 2018

Graph showing sales and growth from 2014 to 2022, with a peak in 2018.

Pie chart indicating the following categories and percentages:
- Vitamins: 30%
- Herbs & Botanicals: 19%
- Sports Nutrition Supplements: 14%
- Minerals: 7%
- Meal Supplements: 12%
- Specialty/Other: 18%

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Where Do Consumers Buy Supplements?

Supplement Sales by Channel

Growth by channel

Market share by channel, 2017e

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Where Do Consumers Buy Supplements?

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass Merchandiser</td>
<td>41%</td>
<td>41%</td>
<td>47%</td>
</tr>
<tr>
<td>Drug Store/Pharmacy</td>
<td>37%</td>
<td>39%</td>
<td>43%</td>
</tr>
<tr>
<td>Warehouse Club</td>
<td>23%</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Supermarket</td>
<td>22%</td>
<td>20%</td>
<td>27%</td>
</tr>
<tr>
<td>Online</td>
<td>17%</td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td>Specialty Vitamin Retailer/Chain</td>
<td>14%</td>
<td>16%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Base = ~2,000

Source: 2017 - 2019 CRN Consumer Survey on Dietary Supplements
More than 170 million Americans take dietary supplements each year.
The Dietary Supplement Consumer

An indicator of the vital role dietary supplements play in the overall health and wellness regimens of most Americans

2019

- Adults 55+: 79%
- Adults 35 - 54: 81%
- Adults 18 - 34: 70%
- Males: 74%
- Females: 79%

Base = 2,006

Source: 2019 CRN Consumer Survey on Dietary Supplements
Top Ten Dietary Supplements 2019
Among All Adults

- Multivitamin (58%)
- Vitamin D (31%)
- Vitamin C (28%)
- Protein (21%)
- Calcium (20%)
- Vitamin B/B Complex (20%)
- Omega 3/Fatty Acids (16%)
- Green Tea (15%)
- Magnesium (14%)
- Probiotics (13%)
- Iron (13%)
- Vitamin E (12%)
- Turmeric (12%)

Base = 2,006
Source: 2019 CRN Consumer Survey on Dietary Supplements
Growth of Specific Supplements 2015-2019

Percentage of U.S. Adults Taking the Following Supplements

2015
2019

Base = ~2,000

Source: 2019 CRN Consumer Survey on Dietary Supplements

Turmeric was not included in the 2015 survey
### Top Five Dietary Supplements by Age Group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Multivitamin</th>
<th>Vitamin D</th>
<th>Vitamin C</th>
<th>Protein</th>
<th>B/B Complex</th>
<th>Calcium</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 – 34</td>
<td>(53%)</td>
<td>(27%)</td>
<td>(23%)</td>
<td>(26%)</td>
<td></td>
<td>(18%)</td>
</tr>
<tr>
<td>35 – 54</td>
<td>(63%)</td>
<td>(31%)</td>
<td>(31%)</td>
<td>(23%)</td>
<td>(22%)</td>
<td>(18%)</td>
</tr>
<tr>
<td>55+</td>
<td>(56%)</td>
<td>(37%)</td>
<td>(28%)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Base = 2,006 Source: 2019 CRN Consumer Survey on Dietary Supplements*
Who uses Cannabidiol (CBD)?

Nine percent of U.S. adults take CBD

- 13% of U.S. adults 18 – 34
- 10% of U.S. adults 35 – 54
- 4% of U.S. adults 55+

Base = 2,006
Source: 2019 CRN Consumer Survey on Dietary Supplements
Top Five Reasons Americans Take Supplements

Overall health & wellness benefits
Energy
Immune health
To fill nutrient gaps in diet
Healthy aging

Percentage of U.S. Adults

Source: 2019 CRN Consumer Survey on Dietary Supplements

Base = 2,006
Reasons for Taking Supplements
Age Comparison

Percentage of U.S. Adults
- 18 - 34
- 35 - 54
- 55+

Base = 2,006
Source: 2019 CRN Consumer Survey on Dietary Supplements
What Motivates Consumers?

#1 Motivator for Taking Dietary Supplements Across All Ages

“maintaining my health”
What Motivates Consumers?

#2 Motivator for Taking Dietary Supplements

- **18 – 34**
  - “my family”

- **35 – 54**
  - “living a long life”

- **55+**
  - “a health provider told me to”

Base = 2,006

Source: 2019 CRN Consumer Survey on Dietary Supplements

[Additional information and logos]
Why Non-Users Don’t Take Supplements

Percentage of non-users

- "I don’t feel a need": 50% in 2015, 40% in 2019
- "My diet is sufficient": 10% in 2015, 9% in 2019
- "They are too expensive": 20% in 2015, 18% in 2019
- "I don’t know which are right for me": 30% in 2015, 28% in 2019
- "Too many choices": 10% in 2015, 11% in 2019

Source: 2015 & 2019 CRN Consumer Survey on Dietary Supplements
Key Purchasing Factors

Important Factors when Selecting Supplement: Ever Users

- **Dietary (n=707)**
  - 41% Safety
  - 32% Brand Reputation
  - 28% Product Reviews
  - 49% Quality of Ingredients
  - 55% Cost
  - 70% Potential Benefits

- **Exercise (n=196)**
  - 41% Safety
  - 33% Brand Reputation
  - 24% Product Reviews
  - 58% Quality of Ingredients
  - 55% Cost
  - 62% Potential Benefits

- **Weight Loss (n=106)**
  - 47% Safety
  - 44% Brand Reputation
  - 28% Product Reviews
  - 47% Quality of Ingredients
  - 47% Cost
  - 64% Potential Benefits

Source: Pew Charitable Trust, 2019
Online Shopping Habits

1 in 5 supplement users aged 18 – 54 purchased dietary supplements via Amazon within the past year.

Nearly 1 in 5 supplements users in urban, suburban and rural areas purchased dietary supplements via Amazon within the past year.

According to IRI, vitamins are the #1 category at Amazon among consumer packaged goods.
Consumers think that manufacturers, FDA, and retailers share responsibility for ensuring the safety of supplements.

Consumer opinions on responsibility for supplement safety:
- Manufacturers: 88% Somewhat responsible, 9% Oppose
- FDA: 75% Somewhat responsible, 19% Oppose
- Consumers: 50% Somewhat responsible, 31% Oppose
- Retailers: 38% Somewhat responsible, 33% Oppose

View of Retailers:
- Retailers would only sell supplement products that are safe: 37%
- Retailers have no way of knowing whether supplement products they sell are safe: 63%

Source: Pew Charitable Trust, 2019
Position Your Store as the Community Healthcare Center for Wellness

• Curate Your Assortment
• Qualify Your Vendors
• Provide Transparency
• Educate Your Staff
• Give Your Consumers the Opportunity to Learn More
**Curate your assortment**

- Why do you offer the supplements you do?
- What do you know about the ingredients?
- Is the product made in a GMP-certified facility?
- Has your team reviewed the claims made for the product?
  - Are the legal claims (not drug claims)
  - Are the truthful, not misleading and substantiated with research?
- Is there evidence the product actually provides a benefit?
- What do you know about the contract mfr?
- Are there outstanding warning letters, compliance problems or other regulatory concerns?
Qualify Your Vendors:
Third Party GMP Audit Standards

- Harmonized standards for third party audits for GMP certification and supply chains will provide uniformity of audit standards and create efficiencies for both manufacturers and retailers.
Provide Transparency

• An industry created and administered initiative based on the premise that regulators should know the marketplace they regulate.

• The single authoritative registry of dietary supplement products in the U.S. market where all stakeholders can find details about products, ingredients, and additional quality and safety information.

• Now over 11,000 labels and growing.
**Women's Multivitamin Gummies**

**Company:** Nature's Bounty

**Manufacturer:** Nature's Bounty, Inc., Box 150, Ronkonkoma, NY 11779-0150, U.S.A. 1-800-247-9526

**Nutritional Facts**

<table>
<thead>
<tr>
<th>Nutrient</th>
<th>Amount per Serving</th>
<th>% Daily Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calories</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Total Carbohydrate</td>
<td>0g</td>
<td></td>
</tr>
<tr>
<td>Sugars</td>
<td>0g</td>
<td></td>
</tr>
<tr>
<td>Protein</td>
<td>0g</td>
<td></td>
</tr>
</tbody>
</table>

**Ingredients**

- Vitamin A (as Retinyl Acetate) 2500IU
- Vitamin C (as Ascorbic Acid) 30mg
- Vitamin D (as Cholecalciferol) 400IU
- Vitamin E (as DL-alpha-Tocopheryl Acetate) 10mg
- Niacin (as Nit-3-pyrrolidone) 1mg
- Calcium (as Dicalcium Phosphate) 40mg
- Iron (as Ferrous Sulfate) 6mg
- Zinc (as Zinc Picolinate) 5mg
- Copper (as Copper Sulfate) 2mg

**Label Statements**

- Made in the USA
- 30mg of Collagen
- 40g gummies

**Nutritional Product Facts**

- Other Ingredients:
- Serving Size: 1 gummy bar
- Servings Per Container: 10
- Energy: 225kcal
- Protein: 2g
- Carbohydrates: 11g
- Sugars: 11g
- Fat: 2g

**Supplement Facts**

- Made with Natural Colors
- Over 10 Key Nutrients
- Supports Energy, Immune & Bone Health
- Made in the USA
Growing Industry Support for a Mandatory Product Listing

• FDA has proposed creating a mandatory version of a product listing that would operate much like the Supplement OWL.
• All products in the U.S. market would be required to provide their labels to FDA upon entering the market.
• CRN has insisted the registry be like a birth certificate, not a driver's license.
• Must not be a barrier to market entry, or obstacle to innovation.
Educate Staff & Customers on Label Changes

Be LabelWise:
• Address consumer and retailer questions and concerns arising from the upcoming changes to the Supplement Facts Label.
• Assure consumers that the label changes are expected and helpful to provide better information that they can use to make informed choices.

• Remind consumers that the supplement label has not been updated in over 20 years. In that time, science has developed and the American diet has changed.
• Underscore that the dietary supplement industry is regulated.
SUPPLEMENT FACTS LABELS ARE CHANGING

to better provide you the information you need to make informed choices about your health.

www.BeLabelWise.org
Give Consumer the Opportunity to Learn More

- Lots of online resources exist:
  - FDA - [www.fda.gov/food/dietary-supplements](http://www.fda.gov/food/dietary-supplements)
  - Web MD - [www.webmd.com/vitamins](http://www.webmd.com/vitamins)

- Provide a Kiosk in Store
- Add Supplement Content to Circulars, Flyers
- Promote to Your Customers How You Help Them Navigate the Supplement Category
Questions?

• For more information, see our website at www.crnusa.org
• or contact me at smister@crnusa.org or (202) 204-7676