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# DIETARY SUPPLEMENT TRENDS
## The What, Where, Who and How

Skynamo

# AGENDA

- **Introductions to Skynamo and Natural Marketing Institute**
- **What** consumers are **buying** and the **product attributes driving purchase**
- **Where** they are **shopping**
- **Who** your consumer is
- **How** is COVID changing the shopping experience





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# Today's webinar is presented by

**Steve French**
**Senior Vice-President**
**Natural Marketing Institute**
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**…and sponsored by**

**Josh Whitt**
**Vice-President, USA**
**Skynamo**
Josh@skynamo.com

# Before we get started

Skynamo

1. A quick poll
2. Use the chat feature for comments or technical issues
3. Use the Q&A feature for questions

Jan will collect your questions and read them out at the end of the session for Steve to answer. If we run out of time and don't get to answering all of them, we'll answer them offline and send through all of today's questions and answers to you in the next few days.

**Jan Nash**
**Senior Director of Research**
**Natural Marketing Institute**

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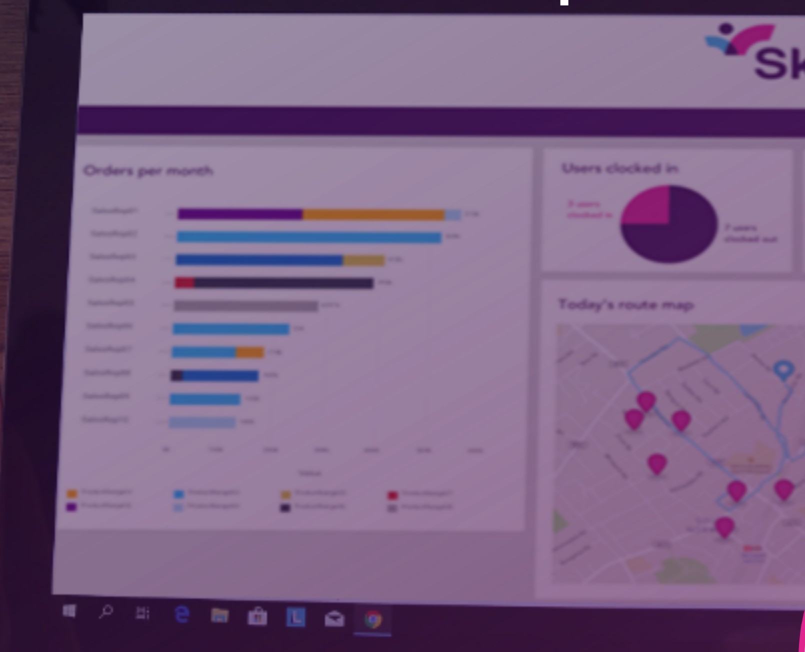
# Skynamo

all-in-1

# The Field Sales app





**Josh Whitt**
**Vice President, USA**
**Skynamo**
Josh@skynamo.com

# CURRENT INDUSTRY LANDSCAPE

E-COMMERCE

20% OF MANAGERS DON'T HAVE INSIGHT & VISIBILITY ON THEIR REP'S DAILY ACTIVITIES

GROWING INCREASE IN COMPETITION FOR SALES VOLUMES & SHELF SPACE

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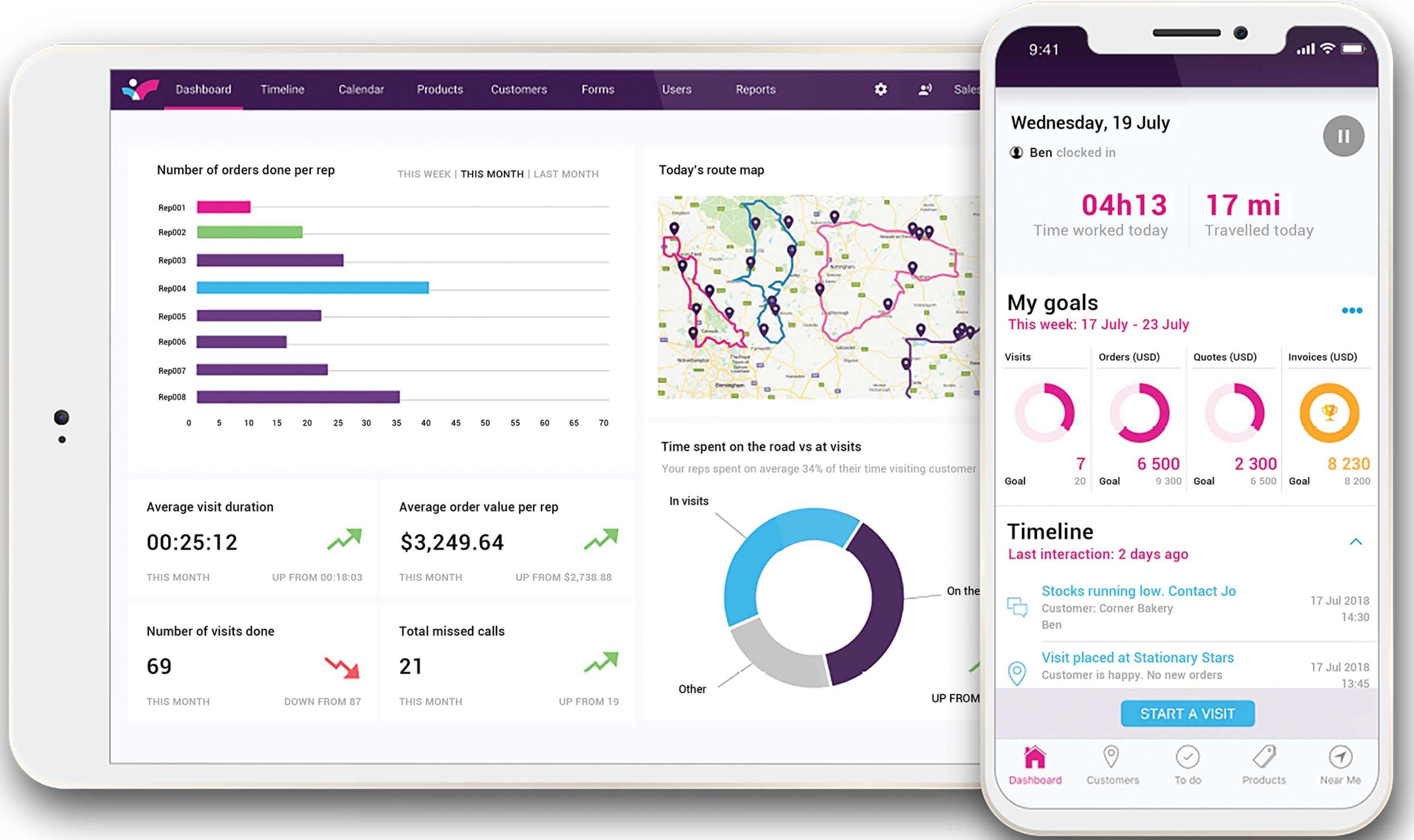
# The all-in-1 Field Sales app for Vitamins & Supplements

- View field sales activity in real-time
- Coach sales teams to success
- Report on retail execution
- Capture orders
- Improve order accuracy

**Integrates with leading ERP and accounting packages**





Source: Skynamo customer success stories

“Face-to-face selling is a core part of Enzymedica’s business. Part of our reps’ job is to transfer enthusiasm, and teach store employees how to sell, and that’s really something you can only do in person.

Skynamo is part of our strategy to give reps the digital tools to go into the stores and act as advisors to the stores, as well as protect stores from the digital encroachment of e-commerce.”

Paul Davison, Chief Revenue Officer

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## SPECIAL OFFER

**Book a demo with us before June 2021 and get 3 months of Skynamo for free when you subscribe**

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**Steve French**

**Senior Vice President**

**Natural Marketing Institute**

Steve.French@NMIsolutions.com

# NMI Provides Unparalleled Global Expertise in Health & Sustainability

❖NMI is an international strategic consumer insights firm, specializing in consumer trends and innovation since 1990.

❖Our mission is to focus on the interconnectedness of personal health/wellness, sustainability, and healthy aging.

❖Our goal is to help clients grow their business through the identification and validation of new ideas and solutions.

# Our Expertise Across the Research America, Inc. Spectrum

### Data Collection

- Online panel management (programming & data collection)
- Multiple phone centers across the US

### Facilities

- 2 CLT sensory facilities (Orlando, FL & Totowa, NJ)
- 5 focus group facilities (Sacramento, CA; Cincinnati, OH; Newtown SQ, PA; Orlando, FL; & Totowa, NJ)

### Custom Qualitative

- Ethnography
- Shop along
- IDI/TDI, Triads, traditional groups (online & in-person)
- Co-creation
- Online discussion boards, journaling/diaries, etc.
- HealthVoice®
- HealthEnact®
- HealthInteract®
- SelfInspire®
- RxConnex®

### Custom Quantitative

- Brand equity, positioning, etc.
- AA&U; H&P
- Decision hierarchy
- Path to purchase
- Customer satisfaction
- Segmentation
- Concept ideation, screening, optimization
- Packaging, pricing, flavor profiling, etc.
- Message testing (creative and copy test)
- Secondary analysis, market sizing, social networking analysis, etc.

### Data Sciences

- Blending traditional marketing science methodologies such as conjoint, discrete choice, max-diff, and turf analysis with big data analysis, predictive analytics, and machine learning
- PersonaSmart™
- Triple Smart ®

### Databases, Segmentations, and Reports

- 5 Trended, Comprehensive Consumer Insight Databases
- The Institute Segmentations:
    - Sustainability
    - Health & Wellness
    - Whole Living
    - Organic
- Published Reports

# Let's do a quick poll!

## We'll share the results with you after the webinar.

# One of NMI's key databases is the source of today's information

**Supplement, OTC, Rx**

**Intersection of Supplements/OTC/Rx**

- Vitamins/Minerals
- Botanicals/Herbals
- OTC medications
- Homeopathic
- Ayurvedic
- Pharmaceuticals

- Usage rate of 80+ products
- Attitudinal statements & beliefs
- Preferred nutritional formats
- Condition/health issue mgt
- Brands, influence and media
- Barriers to use
- Sources of influence by product type
- Role of doctor, pharmacist
- Consumer directed healthcare
- Demographic measures

**SORD Database**
**Since 2005**

- **Most comprehensive data and robust data collection vehicle available** which examines the intersection of dietary supplements, OTC, and pharmaceuticals
- **Ongoing consumer research** among U.S. general population adults
- **Nationally representative sample** of the U. S. population statistically valid at 95% confidence level to +/- 1.2%
- **Research previously conducted and trended** in USA in 2005, 2006, 2009, 2011, 2013, 2015, 2017, 2018
- 2020 research was conducted among 2,000 general population consumers and **crafted 4th quarter 2020**
- Conducted via **on-line methodology**
- Trended research also conducted **globally in 13 countries**

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# Dietary Supplement Trends in 2021:
# The Who, What, Where and How


Steve French, Senior Vice President


March 2021



# Webinar Content Overview:

## *WHAT* – THE PRODUCT

*Know the Landscape Inside and Out*

- What is maturing/declining?
- What's next and upcoming?
- New delivery system/formats
- Disruptive innovation forces
- Commoditization impact

## *WHO* – CONSUMPTION

*Boosting Consumption*

- Increase compliance among Users
- Address barriers for Lapsed Users
- Establish trial for Non-Users
- Continually educate All Users


## *HOW* – BRAND TRUST

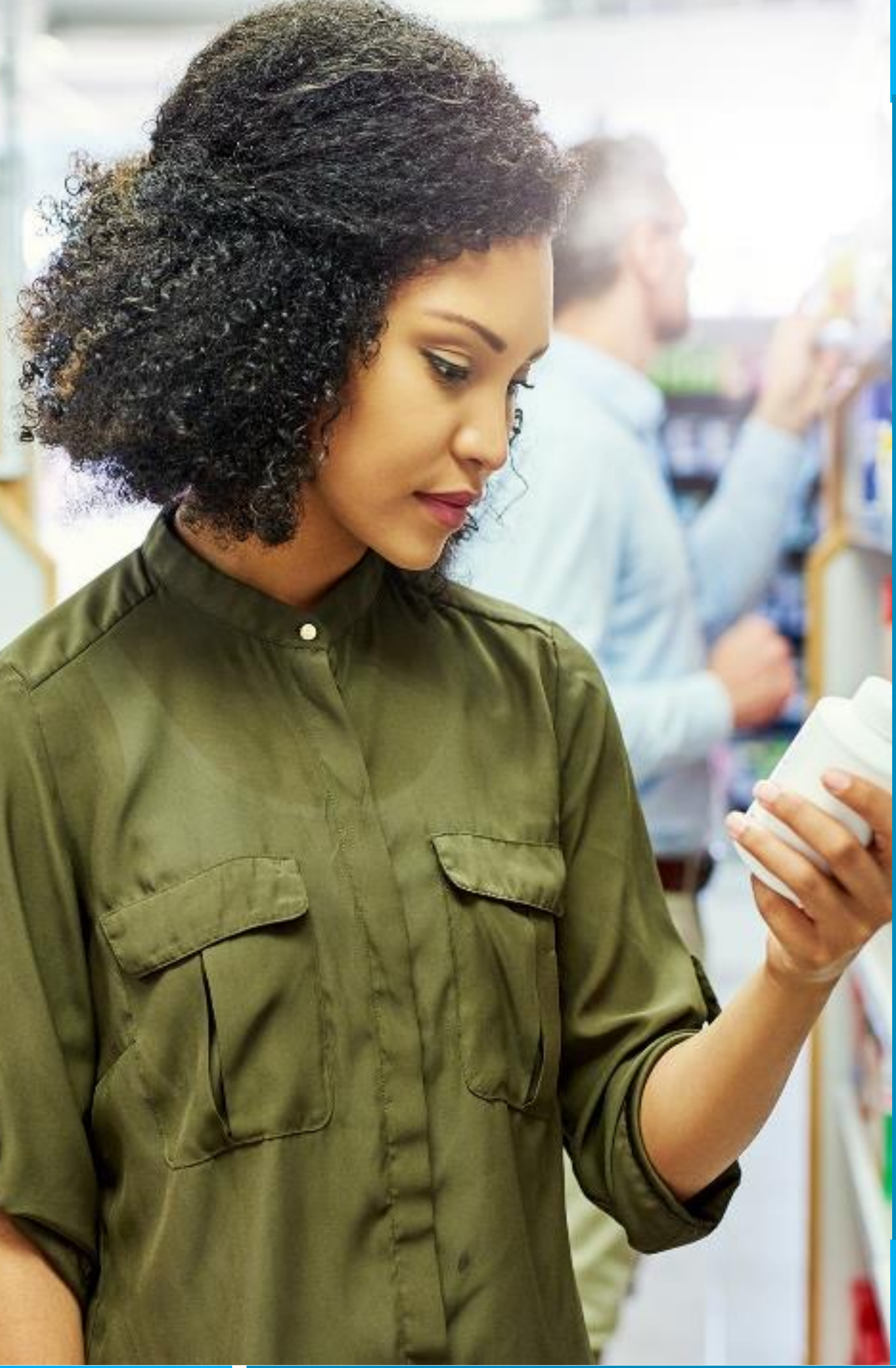
*Building & Keeping Trust*

- Efficacy of benefits/claims
- Safety, sourcing, purity
- Sourcing, manufacturing
- The role of natural

## *WHERE* - BUYING DYNAMICS

*Pathways to Purchase*

- Channel migration/blurring
- Private label impact
- Price, price, price



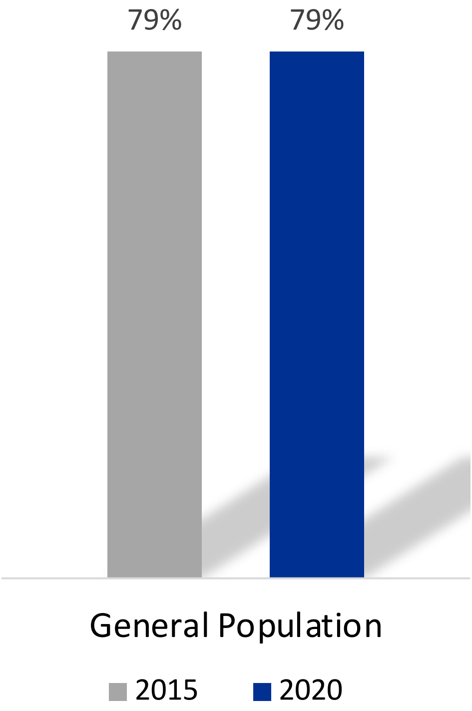
# WHO?

## WHO is Consuming Supplements and How to Boost Consumption?

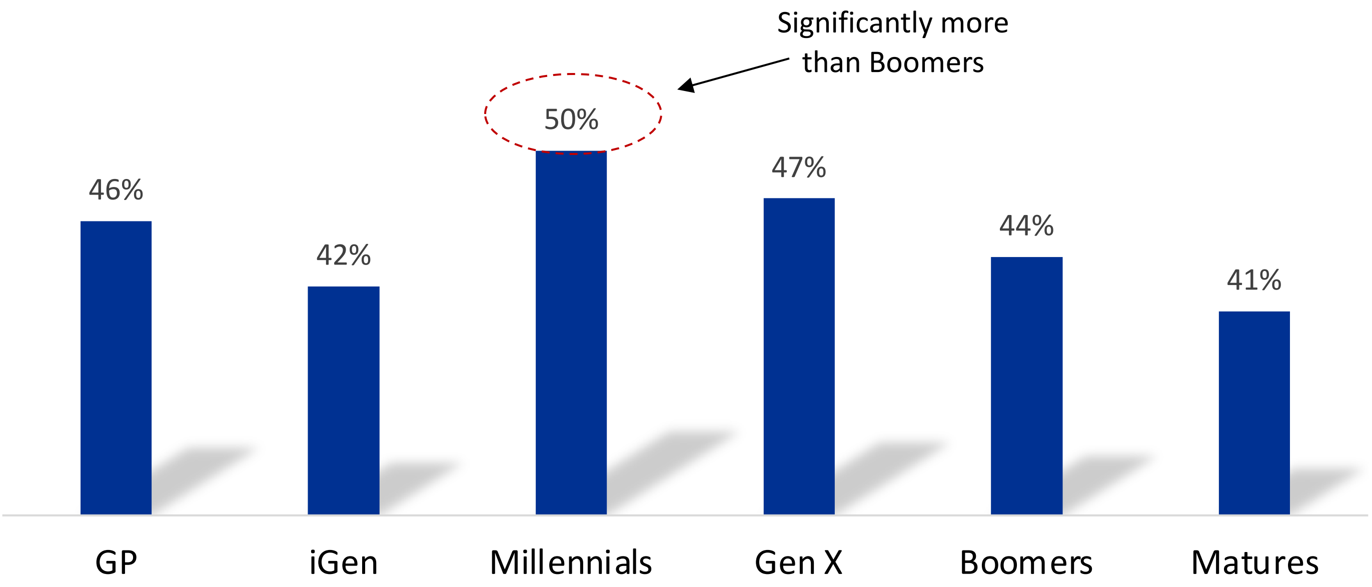
# Over the past five years, supplementation continues to garner a high level of importance in how consumers maintain their overall health

## % general population who completely/somewhat agree with the statements

***"Taking a supplement is important to my overall health"***




***"I believe I can manage many of my health issues by taking vitamins, minerals and other supplements"***




**(Q.5/Q.41 – Please indicate your level of agreement or disagreement with the following statements)**





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# In fact, over three quarters of consumers have used a nutritional/dietary supplement in the past 30 days

## % general population

| | Current Supplement Users (past 30 days) | Lapsed Users (used supplements but not in past 30 days) | Non-User (never used) |
|---|---|---|---|
| | **77%** | **9%** | **14%** |
| Male | 47% | 42% | 60% |
| Female | 53% | 58% | 40% |
| iGen | 6% | 9% | 12% |
| Millennials | 39% | 40% | 36% |
| Gen X | 14% | 17% | 15% |
| Boomers | 37% | 33% | 31% |
| Matures | 4% | 2% | 6% |
| Median income | $69K | $47K | $46K |
| College + | 41% | 32% | 30% |

Lapsed and Non-Users skew **younger, lower income and less educated** compared to Current Supplement Users

**Green shading denotes a high index vs. GP (≥ 120); Pink shading denotes a low index vs. GP (≤ 80)**

# The Institute's Health & Wellness consumer segmentation identifies five distinct segments within the U.S. general population

**WELL BEINGS®: 30%**

WELL BEING Leaders: 17%

- *Most health pro-active*
- *First adopters*

WELL BEING Followers: 13%

**FOOD ACTIVES®: 10%**

- *Mainstream Healthy*
- *Self-directed balance*

**EAT, DRINK & BE MERRYS®: 13%**

- *Least health active*
- *Little health motivation*

**MAGIC BULLETS®: 23%**

- *Lower commitment to healthy lifestyle*
- *Quick, easy solutions*

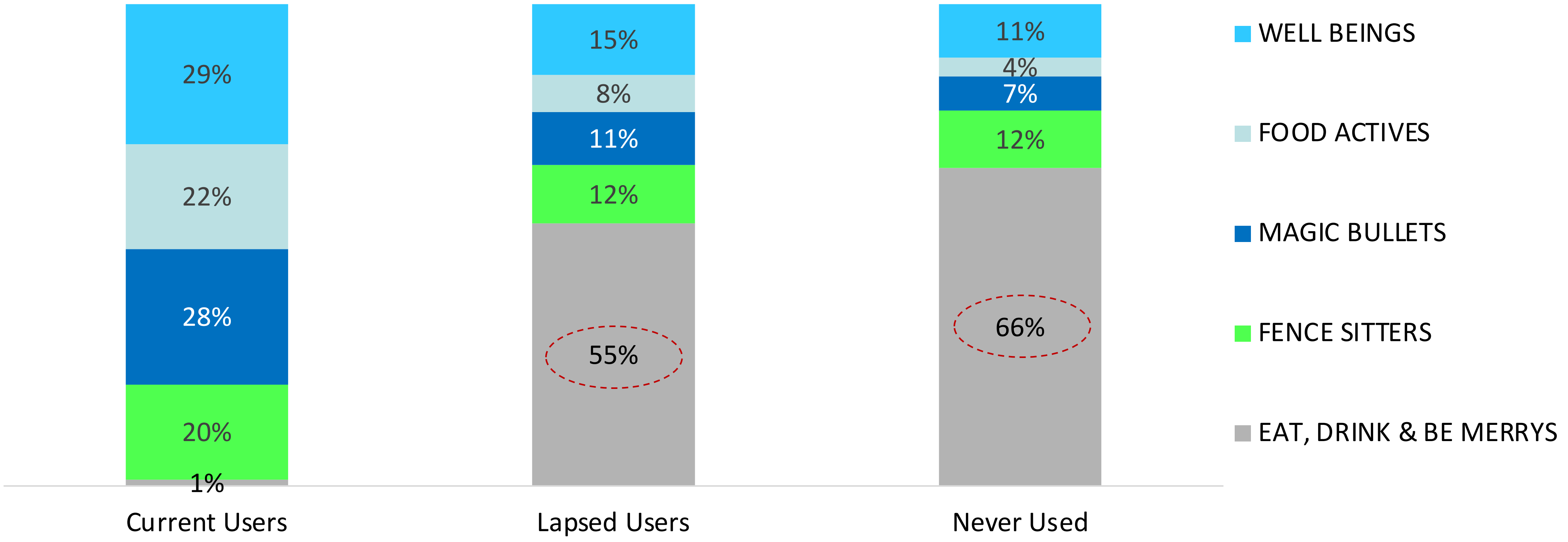
**FENCE SITTERS®: 24%**

- *'Wannabe' healthy*
- *Quick, easy solutions*

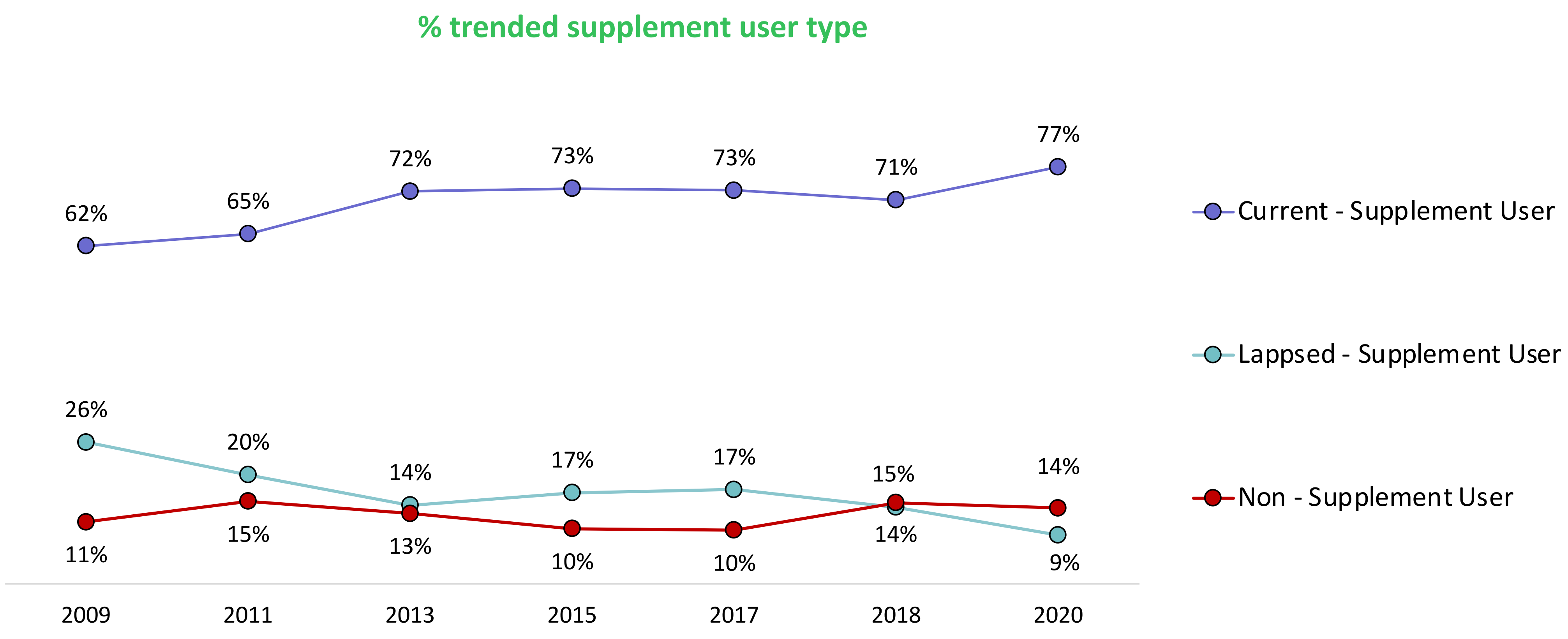
# The Health and Wellness composition of various supplement user groups provides a broader understanding of each group based on the understanding of the segment profile

Current Supplement Users skew primarily toward WELL BEINGS (the most health proactive) and MAGIC BULLETS (less committed to health but heavy supplement users). A majority of Lapsed Supplement Users and those who have never used supplements belong to the EAT, DRINK & BE MERRYS group, which is the segment least engaged in healthy behaviors.

## % Health & Wellness segment composition of Supplement Users



# Supplement use has shown an 8% increase since 2018 which may, in part, be attributable to increased use of supplements to build immunity and protect against the COVID-19 virus; lapsed usage is down 65% since 2009




(% trended supplement user type)





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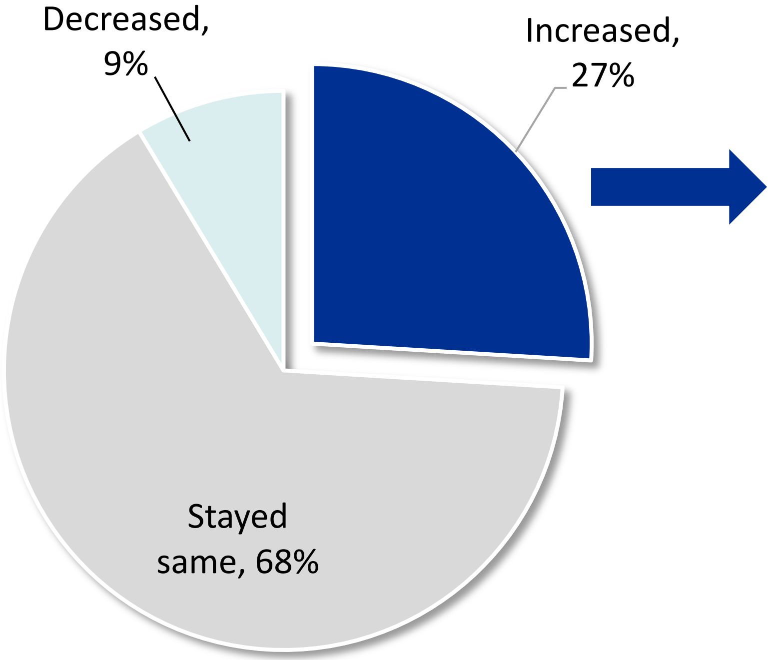
# In fact, over a quarter of Supplement Users report they have *increased* usage over the past 5 years, citing increased concern for their health and changing health needs as the primary reasons for increased use

**% Supplement Users indicating how their usage changed over past 5 years**



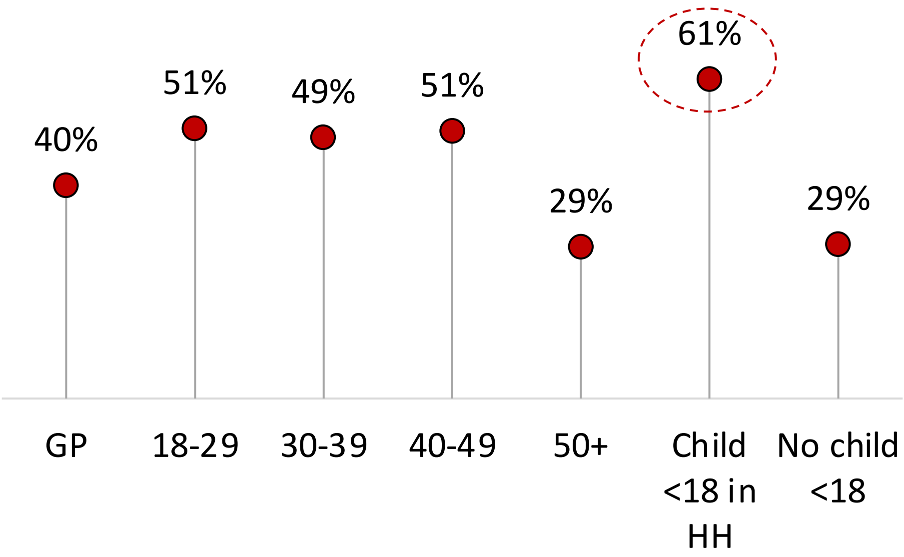

**% Supplement Users indicating how/why their usage has increased**


**(Q.42- Thinking of all the supplements you take, which of the following applies over the past 5 years?/Q.44 – Which applies to your increased usage of supplements in the past 5 years)**

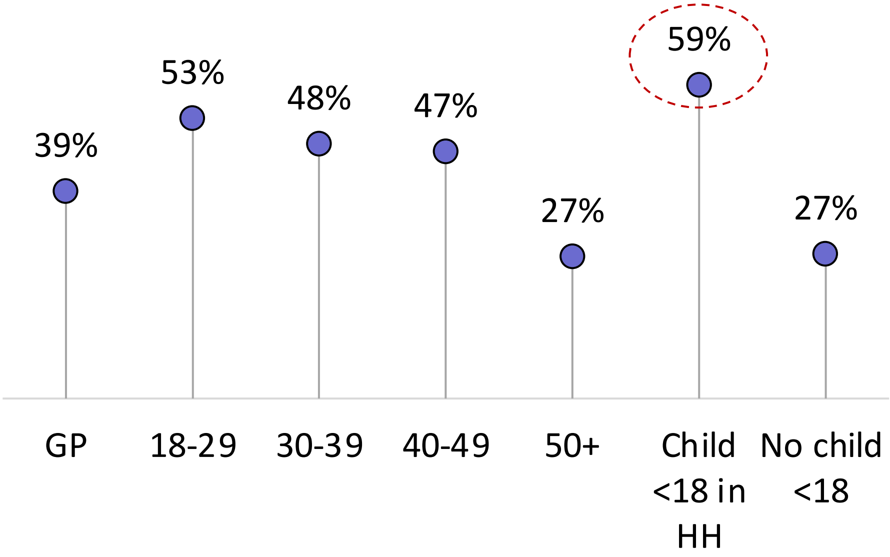
# The COVID-19 pandemic has impacted life in many ways, one of which is accelerated and initiated supplement use; households with children show the highest engagement

**% who agree strongly/somewhat with the statements**
**Due to the COVID-19 outbreak…**

***"I am taking more vitamins or other supplements"***




***"I started taking vitamins or other supplements"***




**(Q.14 – Please indicate to what extent, if at all, you agree or disagree with the statements in light of the COVID-19 outbreak)**

# Most consumers who are not currently using supplements have *never* used them; primary reasons for non-use are a perceived lack of need and cost while proof of efficacy and safety would most influence future use

**% Non-Current Supplement Users indicating when they last used supplements**


Main reasons **not currently using** supplements:

- I just don't need them
- They cost too much
- I don't like taking pills/tablets
- Doctor has not recommended
- I am not sure what supplements I should be taking
- I don't have any health issues
- I get all the nutrients I need in the foods I eat

What would most **influence beginning to use** supplements:

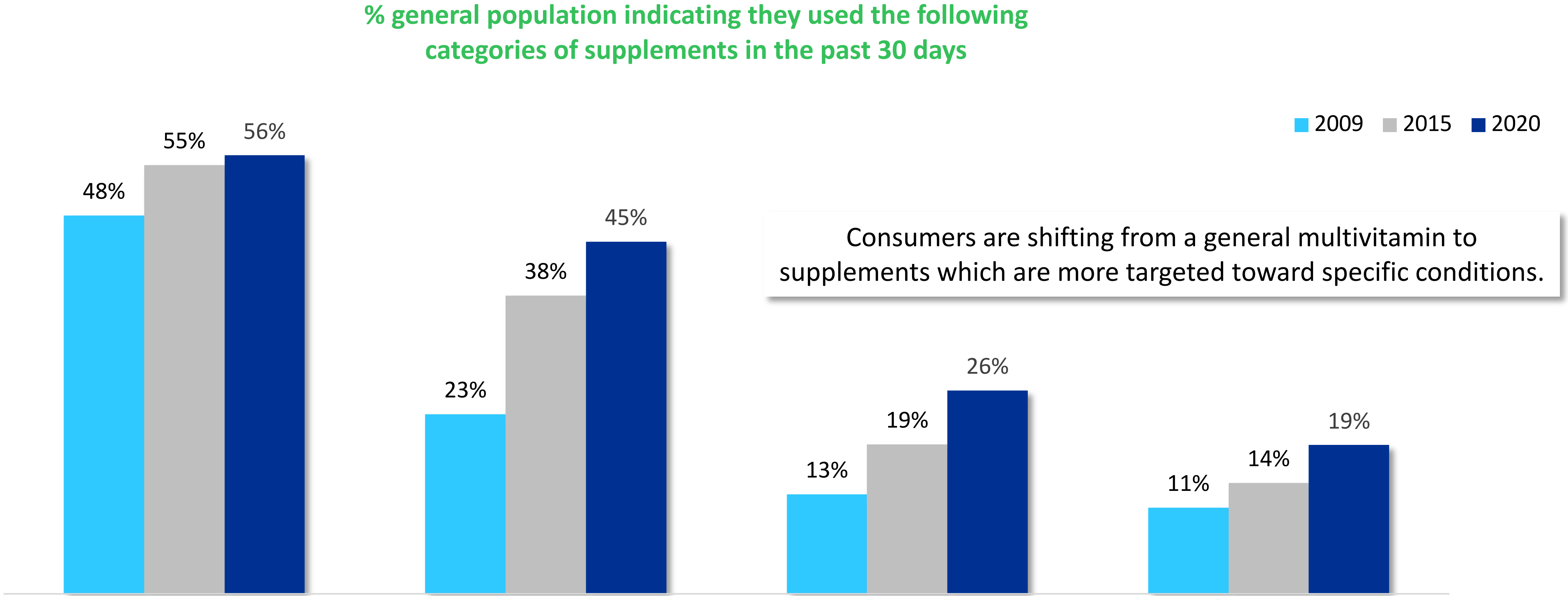
- Scientific proof that they would improve my health
- It was clinically proven they are safe
- Proven effective in addressing my health issue
- My insurance plan helped pay for them
- I was more educated about which were right for my health issue(s)
- They were more strictly regulated by the government

**(Q.13 – When was the last time you used a dietary/nutritional supplement?/Q.14 -What is/are the main reason(s) that you do not currently use dietary/nutritional supplements? / Q.15 - Which of the following factor(s) would most influence you to begin using dietary/nutritional supplements?)**

# WHAT?

## WHAT Products are Shaping the Supplement Landscape?

# Use of multivitamins appears to have leveled off over the past 5 years, while use of single vitamins, minerals and condition specific supplements show growth




| '09 – '20 | Multivitamins | Single vitamin supplements | Single mineral supplements | Condition specific supplements |
|---|---|---|---|---|
| GP Growth | +16% | +96% | +107% | +75% |

**(Q.1 – Which of the following products have you used in the past 30 days)**





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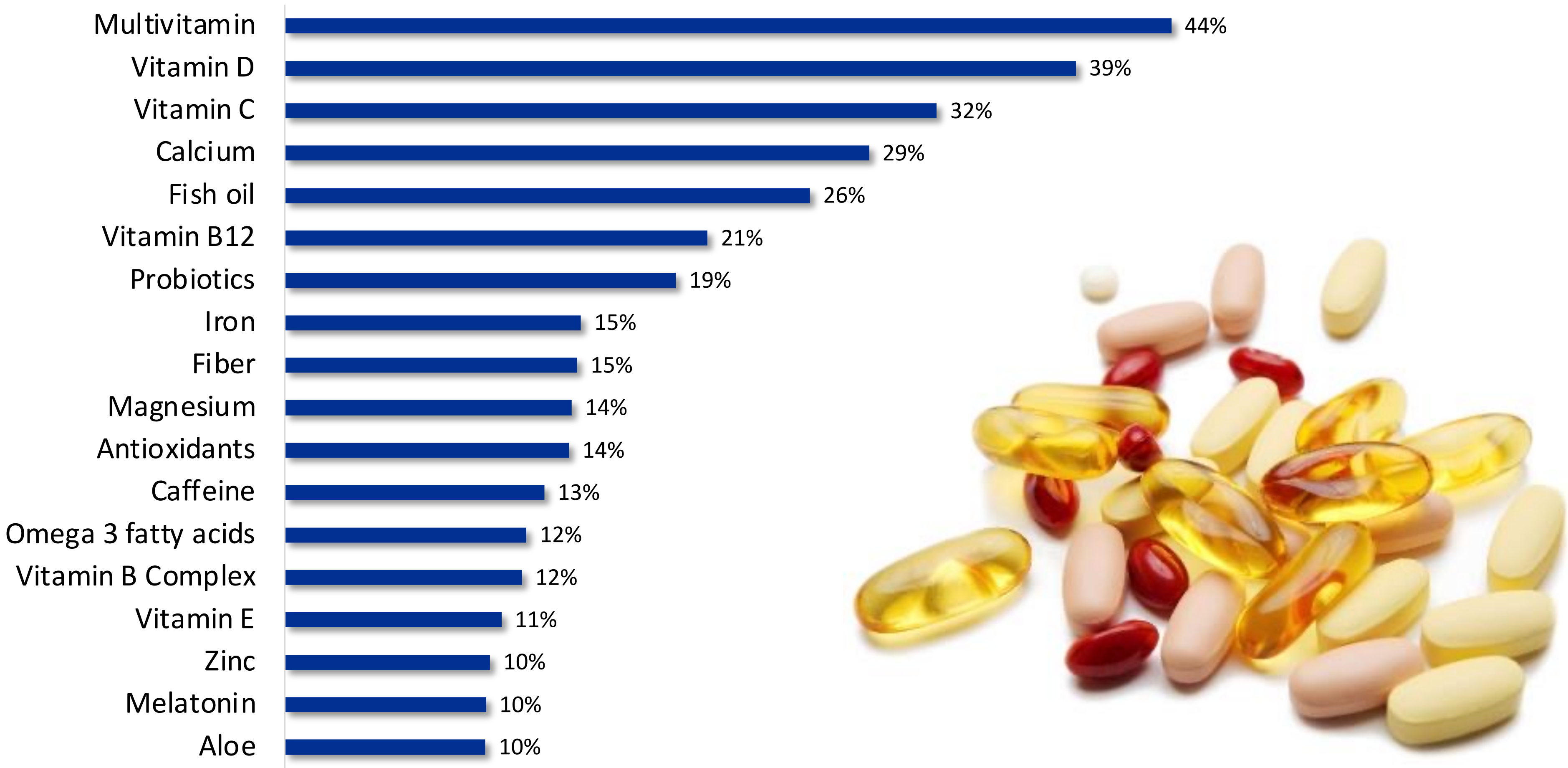
# Consumers are using a range of supplements to ensure they are getting the necessary ingredients to fortify and manage their health (TIER 1)

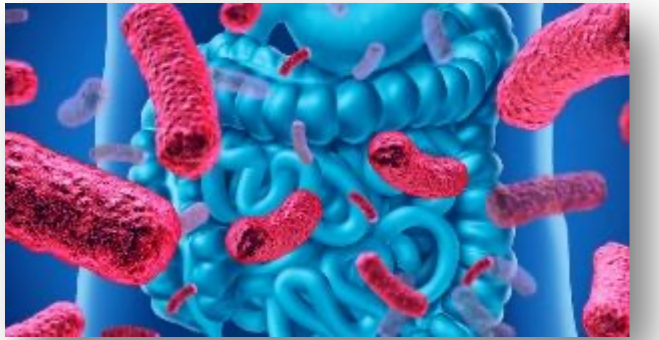
**% Current Supplement Users indicating they have used the following in the past 30 days (mentions 10%+)**




**(Q.1- Which of the following products have you used in the past 30 days? (multivitamins)/Q.10– Which of the following vitamin, mineral, herbal or other supplements have you used in the past 30 days?)**

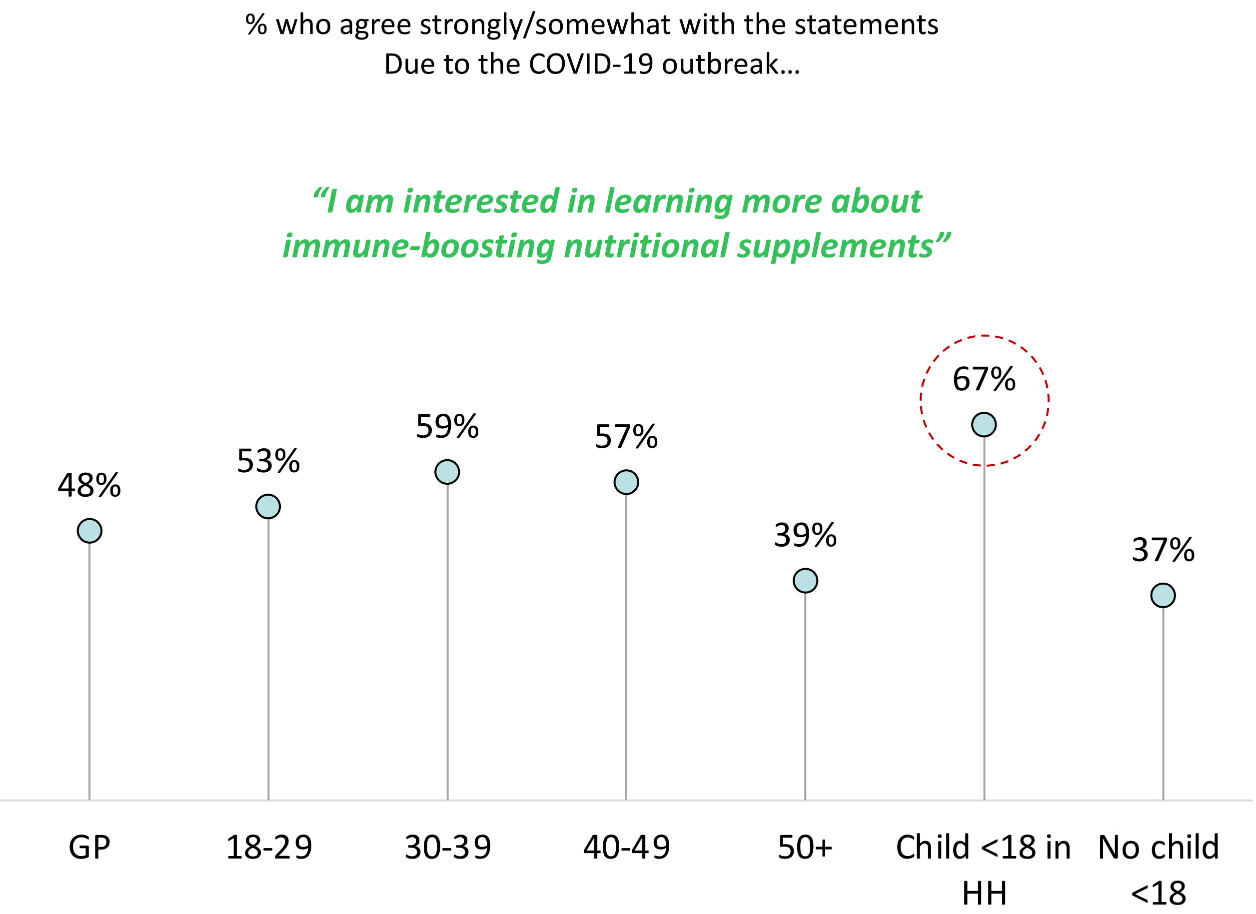
# Even further, increased use of specific supplements may reveal a greater understanding among consumers of the ingredient benefits as well as a desire to manage certain conditions; for example the immunity benefits of Pro/Prebiotics may be fueling increased use

| % Current Supplement User indicating they have used the supplements (2020) | | % growth in supplement use 2009 to 2020 |
|---|---|---|
| 5% | Prebiotics | 820% |
| 19% | Probiotics | 407% |
| 7% | Amino acids/peptides | 245% |
| 15% | Fiber | 118% |
| 39% | Vitamin D | 98% |
| 14% | Magnesium | 93% |
| 10% | Aloe | 91% |
| 15% | Iron | 66% |
| 6% | Vitamin B2 (riboflavin) | 61% |
| 21% | Vitamin B12 | 53% |
| 4% | Ginseng | 49% |
| 5% | Vitamin B1 (thiamine) | 45% |
| 10% | Zinc | 43% |
| 14% | Antioxidants | 40% |
| 7% | Vitamin B6 | 29% |
| 32% | Vitamin C | 22% |
| 6% | Cranberry supplements | 21% |
| 3% | Lutein | 19% |



**(Q.1- Which of the following products have you used in the past 30 days? (multivitamins)/Q.10– Which of the following vitamin, mineral, herbal or other supplements have you used in the past 30 days?)**

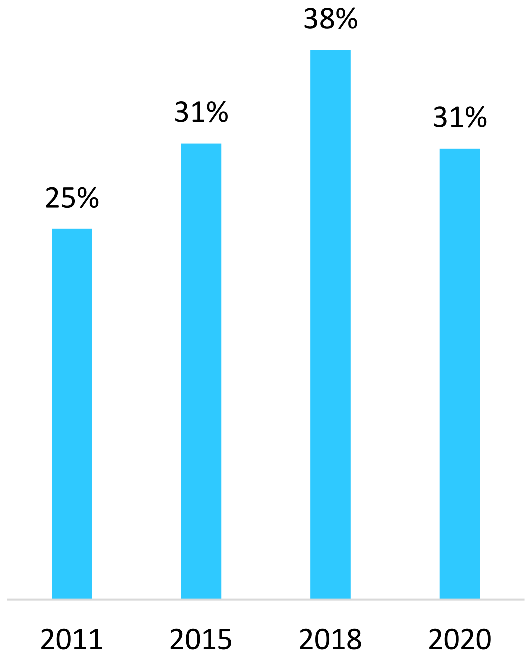
# In fact, the COVID-19 pandemic has spurred an interest in learning more about immune-boosting supplements



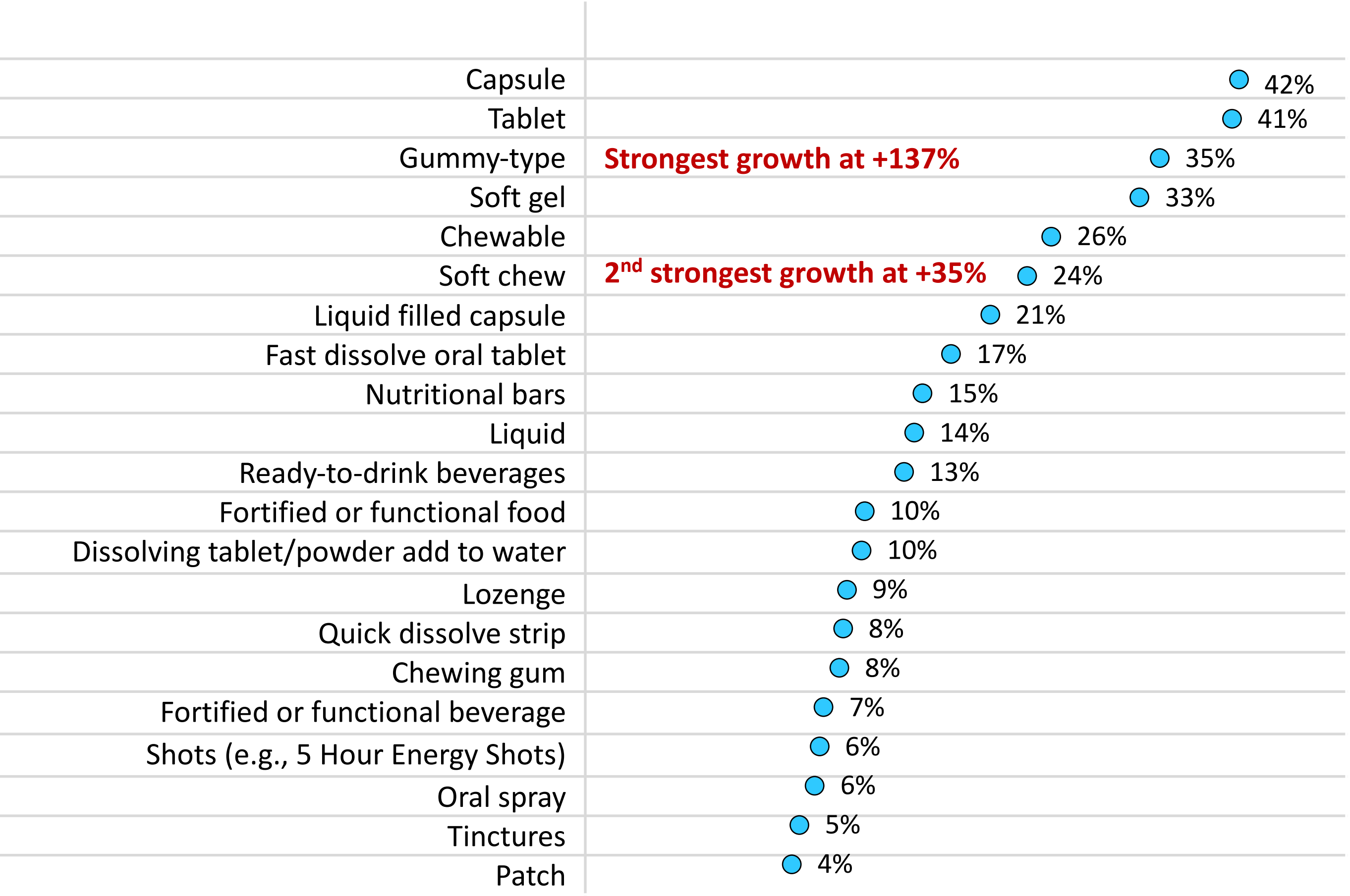

**(Q.14 – Please indicate to what extent, if at all, you agree or disagree with the statements in light of the COVID-19 outbreak)**

# Capsules and tablets continue to be the preferred supplement formats; however, this preference has declined over the past 11 years as gummies, softgels, chewables and soft chews gain ground

## % Supplement Users who completely/somewhat agree they prefer their supplements in other forms than pills or capsules




## % Supplement Users indicating which supplement product forms they prefer

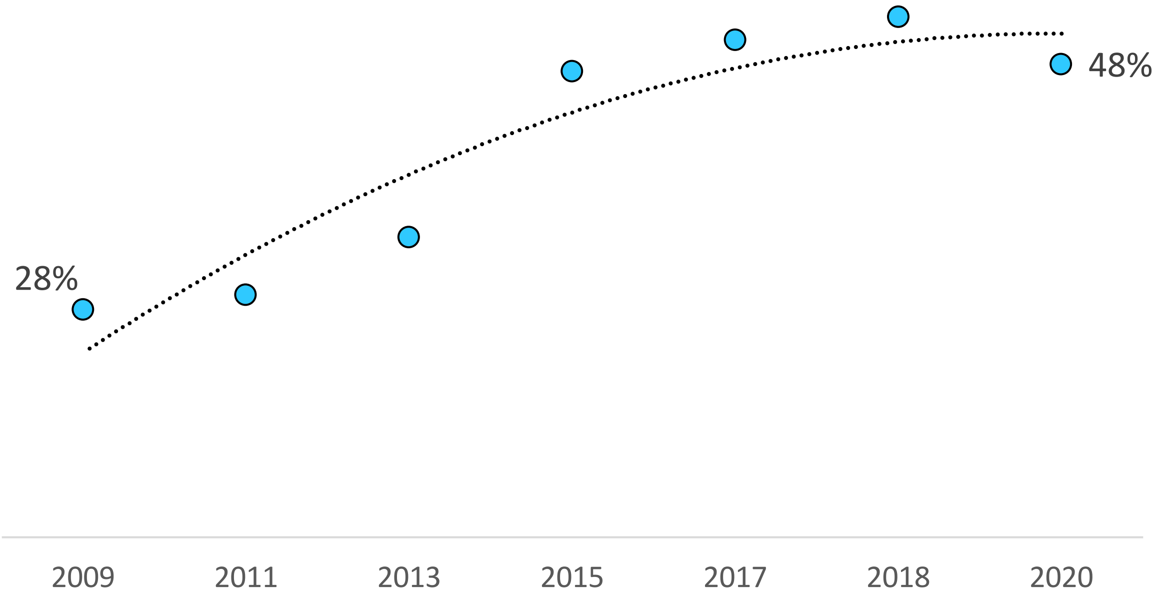



**(Q.37 – Please indicate your level of agreement or disagreement with the statement/Q.53 – If supplements were available in the following product forms, which would you prefer to use?)**

# Likelihood to buy supplements with sustainably-sourced and environmentally-friendly ingredients has shown an upward trend since 2009 but appears to have leveled off; perhaps likelihood is being suppressed by less availability of e-friendly and sustainably sourced supplements

% Supplement Users who completely/somewhat agree with the statement

*"I am more likely to buy a dietary/nutritional supplement if it uses sustainable or environmentally friendly ingredients"*




**73%**
of Supplement Users indicate that
**"knowing the source of ingredients"**
is very/somewhat important to their decision to purchase supplements

**(Q.34/Q.37 – Please indicate your agreement or disagreement with the statements)**

# Some of the top issues Supplement Users have with taking supplements, such as not being able to determine if the supplements are doing what they are supposed to do or knowing what their body actually needs for optimal functioning, highlight the need for more personalized supplements


## % Supplement Users who completely/somewhat agree with the statements

| | I would be interested in a multivitamin **personalized to my needs** | I would be interested in a **personalized supplement** | I would be **willing to take a blood test** on a regular basis to get a personalized supplement plan delivered to me |
|---|---|---|---|
| All Supplement Users | 67% | 56% | 47% |
| iGen Users | 60% | 47% | 39% |
| Millennial Users | 72% | 65% | 53% |
| Gen X Users | 75% | 62% | 48% |
| Boomer Users | 62% | 48% | 42% |

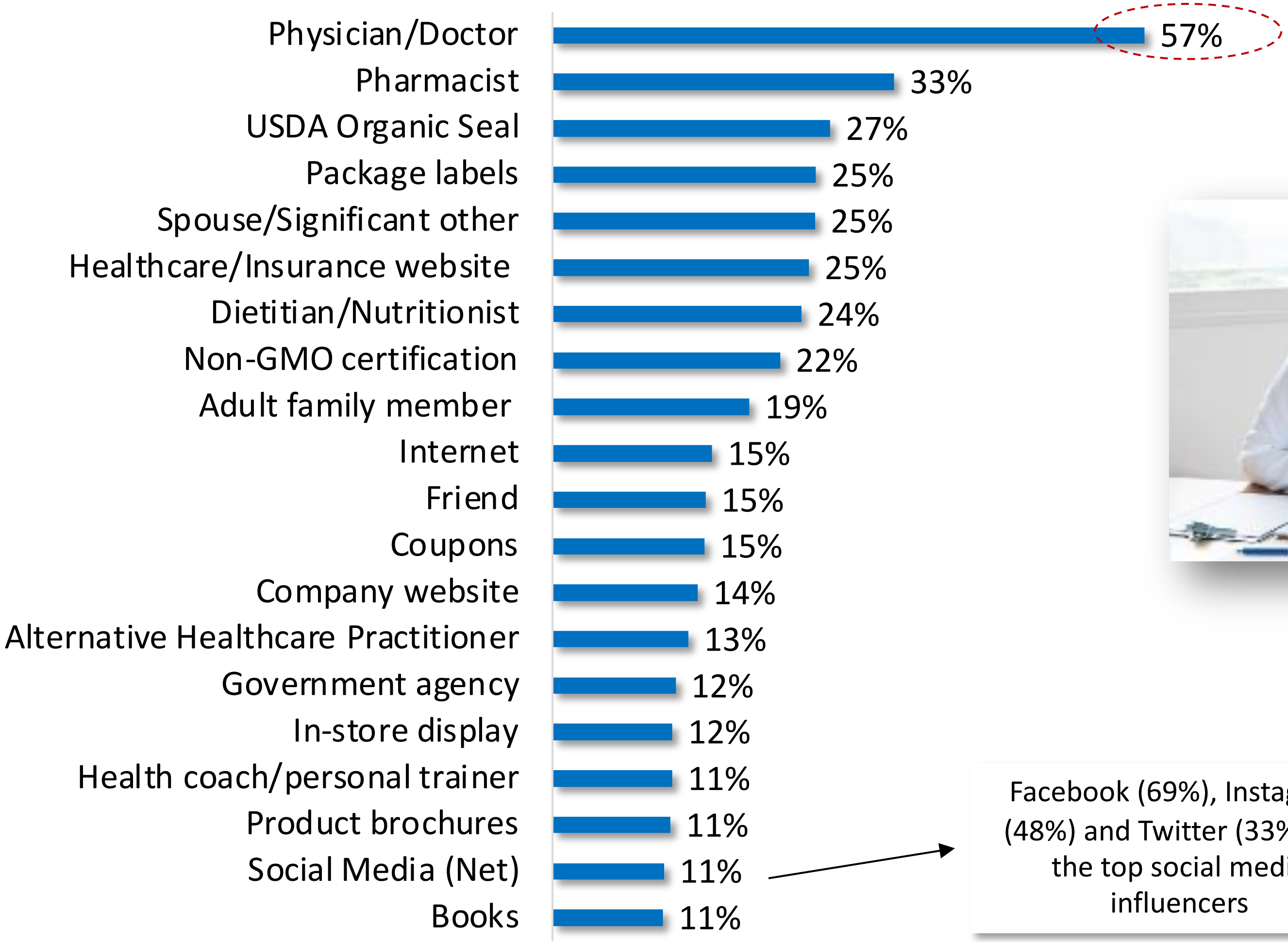
**(Q.37 – Please indicate your level of agreement or disagreement with the statements)**

# WHERE?

## WHERE are Supplements Purchased & What Are the Buying Dynamics?

# Physicians continue to be the top influencer of supplement purchase with a third of Supplement Users wishing their physician would talk to them more about supplements

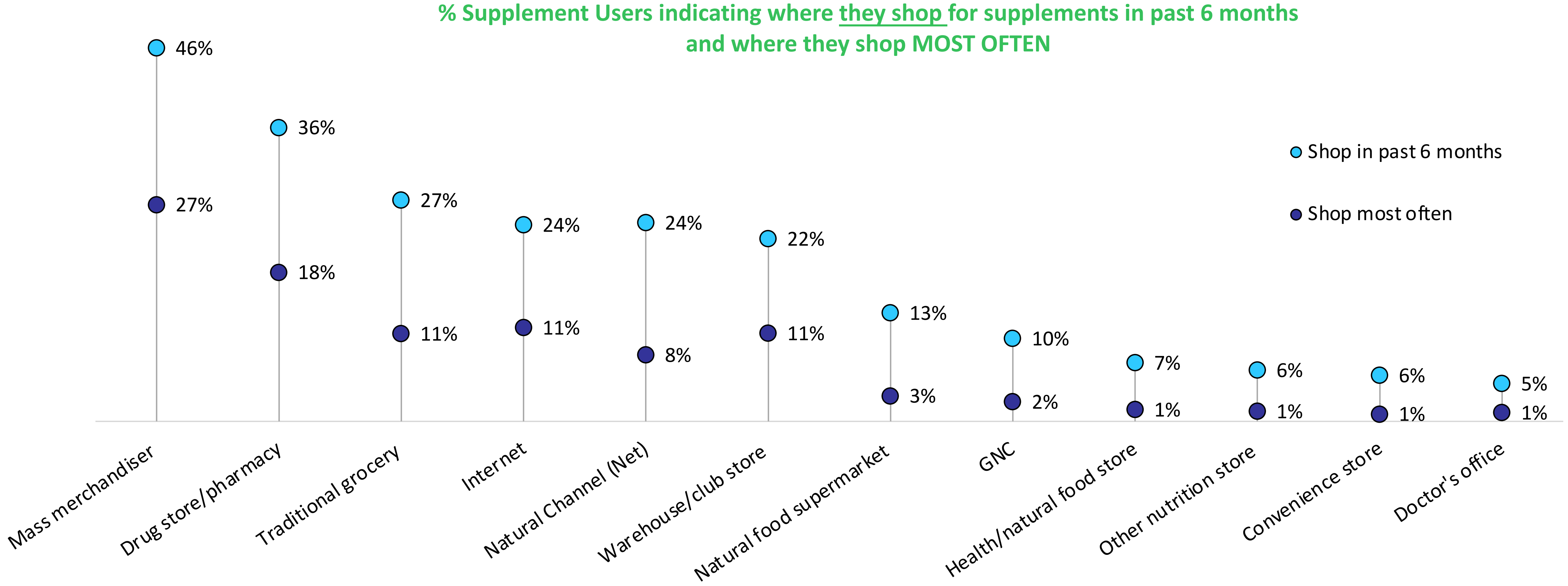
## % Supplement Users indicating the following influence their decision to purchase supplements "a lot"




Facebook (69%), Instagram (48%) and Twitter (33%) are the top social media influencers

**(Q.35 – How much influence does each of the following have on your decision to purchase and/or use supplements?/ Q.36 – Which of the following social media websites influences your decision to purchase or use supplements?)**

# Supplement Users shop an array of channels for their supplements, but mass merchandisers are the primary choice




**Read: 46% of Supplement Users shopped for supplements at a mass merchandiser in the past 6 months; 27% of Supplement Users shop MOST often at a mass merchandiser**

(Q.57 – Thinking about supplements, please indicate where you have shopped for any of these items in the past 6 months/Q.58 – Thinking about supplements, please indicate where you purchase these items MOST OFTEN)





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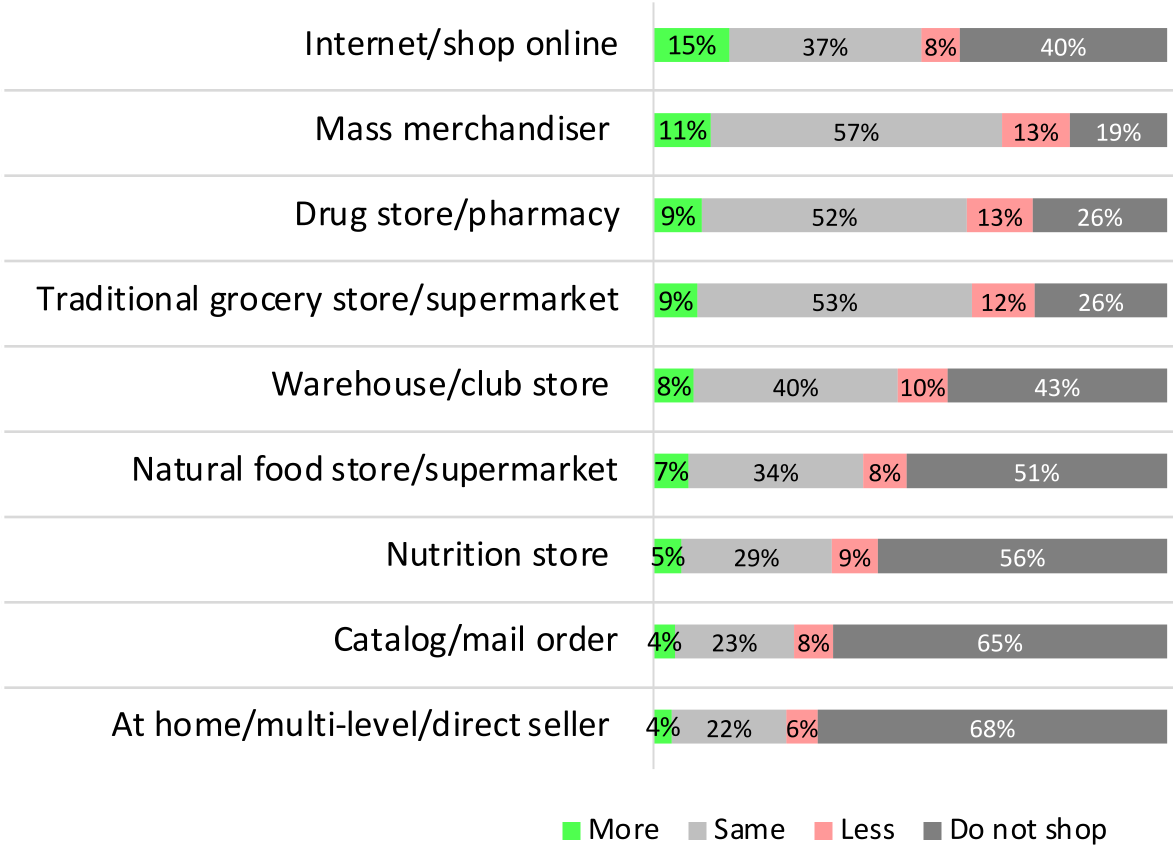
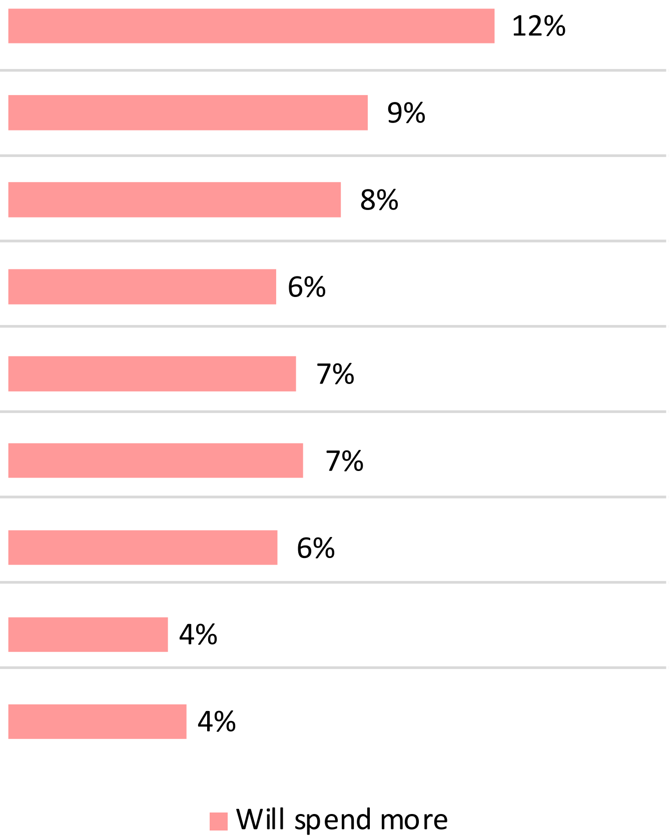
# Supplement Users are spending more on supplements from the Internet compared to a year ago and plan to spend more on future Internet purchases as well; while the COVID-19 pandemic may explain some increased Internet shopping, this has been a consistent upward trend over the past 11 years

**% Supplement Users indicating their spending on supplements at each location compared to a year ago (Sorted by more)**




**% Supplement Users indicating they plan to spend <u>more</u> at the channels in the future**




(Q.60 – Please indicate if you are spending more, less, or the same amount on supplements at each location compared to a year ago/Q.61 – Please indicate if you intend on spending more, less, or the same amount on supplements at each location in the future)





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# The main drivers of internet shopping are better prices and better selection, whereas convenience is more of a factor for traditional grocery and drug stores and price is the main driver to mass and warehouse

## % Supplement Users indicating why they shop the channels most often

| | Traditional grocery | Mass | Drug store | Natural channel | Internet | Warehouse |
|---|---|---|---|---|---|---|
| Most convenient (close to where I live, allows me to get more necessary items in same place) | 65% | 56% | 55% | 45% | 38% | 28% |
| Best prices | 54% | 71% | 37% | 40% | 67% | 87% |
| More sales | 29% | 14% | 22% | 17% | 18% | 16% |
| More options to choose from | 18% | 33% | 33% | 47% | 51% | 15% |
| Incentives (rewards programs) | 13% | 4% | 20% | 9% | 7% | 5% |
| There are professionals here to help me make the best decisions | 4% | 3% | 19% | 25% | 4% | 3% |
| I am able to get the best information here to make my purchase | 2% | 7% | 21% | 30% | 22% | 4% |

Low — Color key — High

**(Q.59 – You indicated you shopped [channel] most often for supplements. Which of the following are the reasons why you shop there most often?)**





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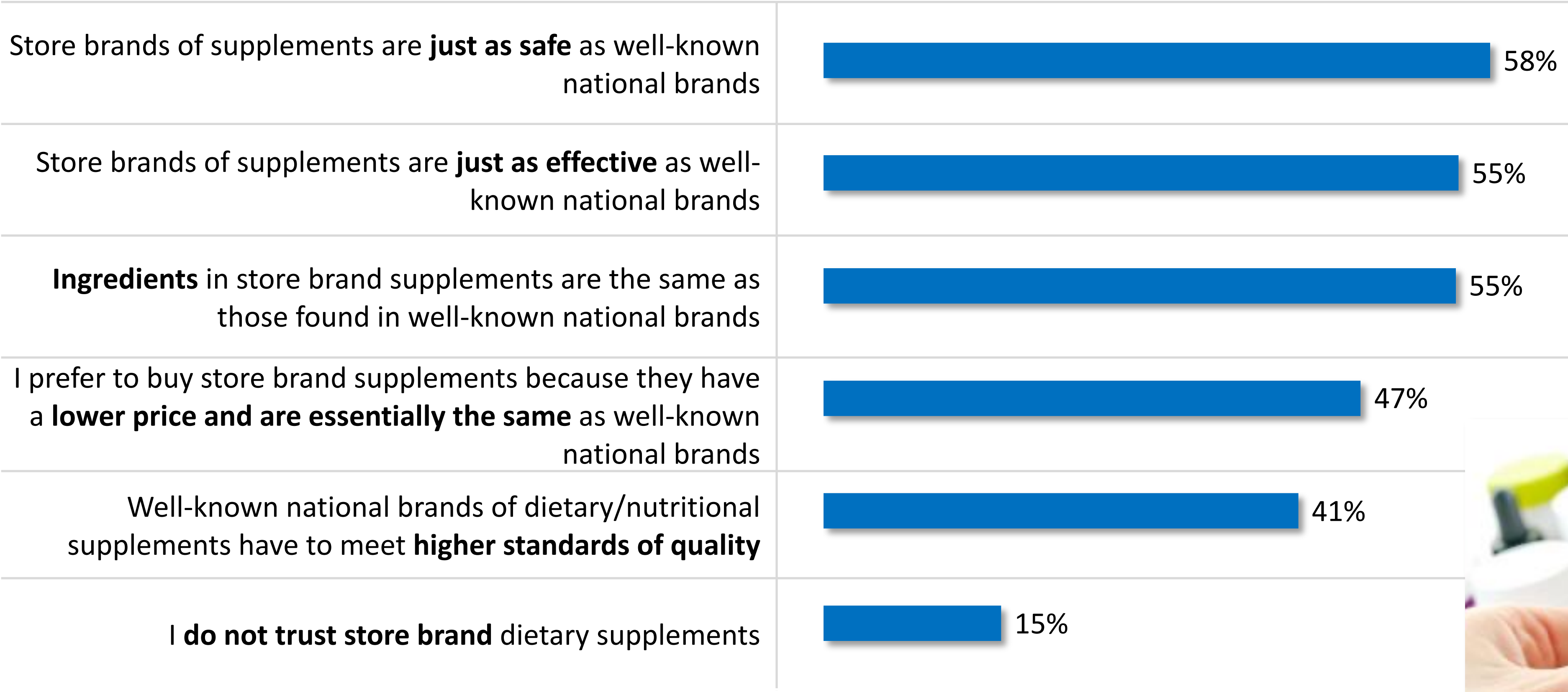
# While store brand supplements are deemed just as safe and effective and containing the same ingredient content as well-known national brands; lack of trust does not appear to be a factor

## % Supplement Users who completely/somewhat agree with the statements




**(Q.62 – Please indicate your level of agreement or disagreement with the following statements)**





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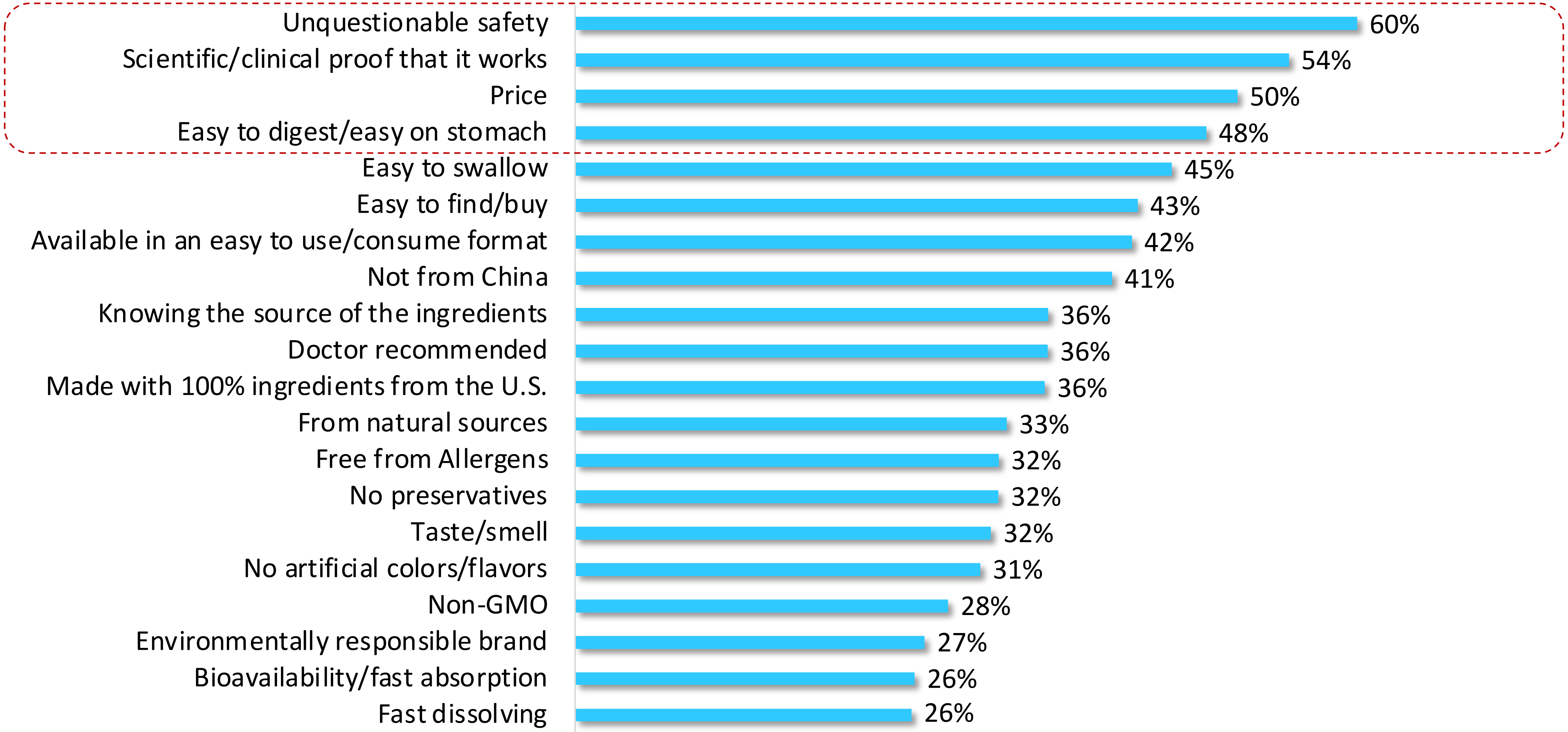
# HOW?

## HOW Do You Build and Keep Brand Trust?

# Unquestionable safety, clinical proof of effectiveness and price have consistently been the top 3 most important factors toward supplement purchase and should be considered standard, cost of entry attributes for any supplement product

## % Supplement Users indicating the following are very important in their decision to purchase dietary supplements (top tier)




**(Q.34 – Please rate how important or unimportant each of the following are in your decision to purchase supplements)**





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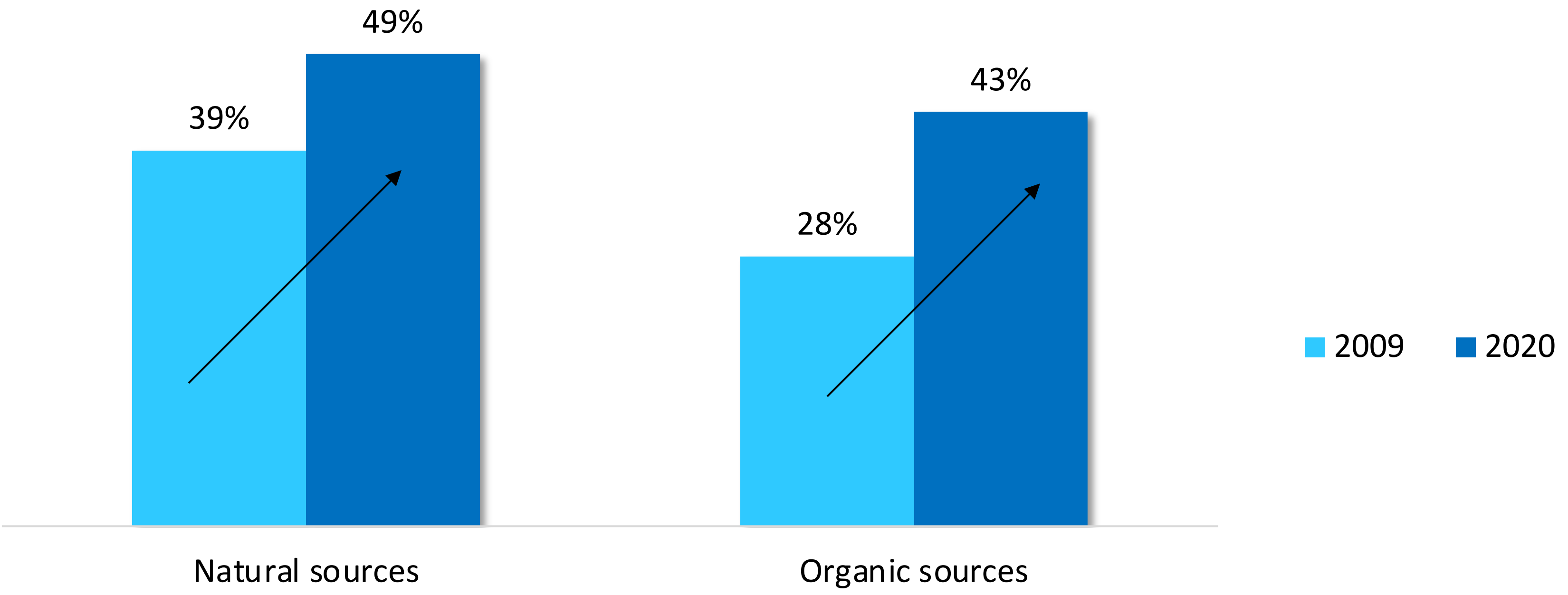
# But overall, there is a clear growing trend toward a preference for supplements that are derived from natural and organic ingredients

## % Supplement Users who completely/somewhat agree…

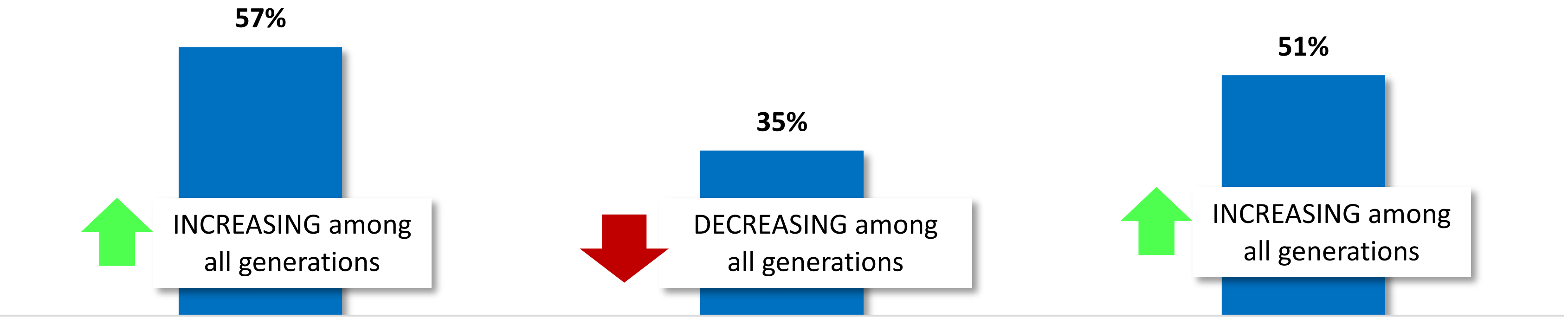
*"I prefer to buy dietary/nutritional supplements that are derived from…"*




(Q.46 – Please indicate your level of agreement or disagreement with the statements)

# Supplement Users increasingly realize that all supplement brands are *not* the same and seek out quality brands which they can be confident in and loyal to, with fewer Users basing their supplement purchase mostly on price

## % Supplement Users who completely/somewhat agree…




| | Not all brands of supplements are the same; I base my purchase decision on **product quality** | Most brands of supplements are the same; I base my purchase decision **mostly on price** | I am **loyal to the supplement brands** I use and regularly buy the same brand |
|---|---|---|---|
| Millennial Users | 61% | 37% | 54% |
| Gen X Users | 56% | 33% | 45% |
| Boomer Users | 56% | 34% | 51% |
| Mature Users | 60% | 31% | 63% ***Most loyal*** |

**(Q.46 – Please indicate your level of agreement or disagreement with the statements)**

# Supplement Users cite a range of issues which may highlight opportunities for both research and development as well as messaging; efficacy is the primary concern

| % Supplement Users indicating what some of their issues or concerns are when taking supplements | All Supplement Users | Index vs. All Supplement Users | | | | |
|---|---|---|---|---|---|---|
| | | iGen Users | Millennial Users | Gen X Users | Boomer Users | Mature Users |
| I can't determine if the supplements are **doing what they are supposed to do** | 44% | | | | | |
| I'm **not sure what nutrients my body actually needs** to function at its best | 37% | | | | | |
| I **don't get the desired results** | 32% | | | | | |
| I'm **not sure I am taking the correct type(s)** of supplement(s) for my needs | 30% | | | | | |
| I'm concerned about **the interaction between** supplements and the Rx I take | 29% | | | | | |
| I'm **not sure I am taking the correct dosage** for my needs | 28% | | | | | |
| They are sometimes **difficult to swallow** | 28% | | | | | |
| I'm concerned about the **interaction between different supplements** I take | 27% | | | | | |
| I don't feel they break down and **get absorbed** by my body | 22% | | | | | |
| There is an **unfavorable smell/taste** to my dietary/nutritional supplements | 21% | | | | | |
| I **have to take too many supplements** to get the nutrients I feel I need | 20% | | | | | |
| I sometimes find it challenging to make sure I **don't run out** of the supplements I take | 19% | | | | | |
| I have to take different supplements at **different times throughout the day** | 19% | | | | | |

Green shading denotes high index (≥ 120); Pink shading denotes low index (≤ 80)

**(Q.52 – Which of the following, if any, are issues or concerns you currently have when taking supplements)**

# QUESTIONS?

## *WHAT* – THE PRODUCT

*Know the Landscape Inside and Out*

- What is maturing/declining?
- What's next and upcoming?
- New delivery system/formats
- Disruptive innovation forces
- Commoditization impact

## *WHO* – CONSUMPTION

*Boosting Consumption*

- Increase compliance among Users
- Address barriers for Lapsed Users
- Establish trial for Non-Users
- Continually educate All Users


## *HOW* – BRAND

*Building & Keeping*

- Efficacy of benefi
- Safety, sourcing,
- Sourcing, manufa
- The role of natur

## *WHERE* - BUYING DYNAMICS

*Pathways to Purchase*

- Channel migration/blurring
- Private label impact
- Price, price, price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# THANK YOU for attending


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