

Inside the Bottle

New Hope Natural Products Insider
NETWORK

From the front lines: Supplement industry gaps and opportunities

New research reveals underserved consumers' attitudes and behaviors about health and supplements

The last three years have been an exciting, albeit bumpy, ride for the U.S. supplement market. After supplements jumped 14.5% during the first year of the pandemic, growth dropped to a meager 1.9% in 2022. Midway through 2023, the numbers tell another story: Although sales in the natural channel have flattened, sales across all channels are returning to stronger growth. The overall market is projected to rise 2.6% to \$62.66 billion by the end of this year.¹

Changing consumer attitudes and preferences factor heavily in this roller coaster moment. In 2022, more people reported taking supplements than prior to 2020.² Today, as people return to shopping at brick-and-mortar stores and face rising totals at checkout, some consumers are questioning the efficacy and value of supplements in their health regimens.

Non-regular supplement users represent the biggest opportunity and challenge for the industry. In May 2023, to better understand why consumers >>

IMAGES: JENNIFER OLSEN PHOTOGRAPHY. STYLING BY ALLISON BARTHOLOMEW/ONYXAE.COM

Our 2023
partners:

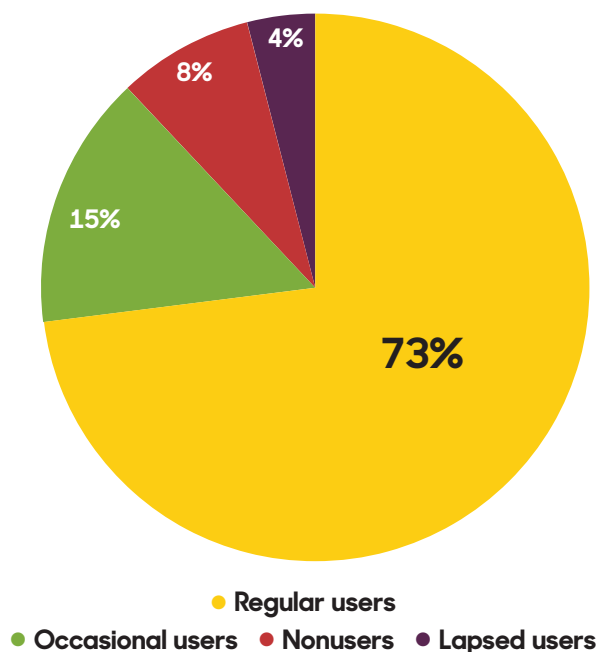


>> choose not to take supplements regularly—and the key factors currently influencing their purchasing habits—New Hope NEXT Data & Insights in partnership with Inside the Bottle conducted a study that surveyed 1,506 U.S. adults.³ Of those surveyed, approximately 73% take supplements regularly (three or more times per week); 27% do not.

For the approximately one-third who are not regular supplement users, the study aimed to uncover why. Which factors influence potential supplement users most? What deters them altogether or prevents occasional supplement users (less than 1–2 times per week) from taking supplements more regularly?

Efficacy concerns and price aren't the only factors. This report's results elevate the industry's understanding of consumers not usually focused upon: people who don't use supplements on a regular basis. It covers predominant factors influencing supplement use—and important opportunities for the supplement industry to reach non-regular supplement users and overcome barriers to supplement use. >>

Percentage of consumers supplementing⁴



NON-REGULAR SUPPLEMENT USER PROFILES⁵

Occasional/ sporadic users

– have used
within 30
days

55%

- Younger (51% are GenZ/Millennials)
- Most satisfied with their health (63% checked the top two boxes for health satisfaction)
- Higher income (42% make \$40–99K a year; 26% make \$100K+)
- Educated (38% are college grads)
- Suburban (48%)
- Consider themselves knowledgeable about supplements, rely on doctor recommendations but don't prioritize supplement use
- Skew slightly female (56%)

Nonusers

29%

- Older (47% are Boomers)
- Satisfied with their health (60% checked the top two boxes for health satisfaction)
- Lower income (44% make under \$40K a year)
- Less educated (26% are high school graduates)
- Urban (33%)
- Are not knowledgeable about supplements, not health motivated and don't feel comfortable at natural product stores
- Skew male (54%)

Lapsed users

– have not
used in over
30 days

16%

- Older (65% are Gen X/Boomers)
- Most dissatisfied with their health (25% checked the bottom two boxes for health satisfaction)
- Lower income (44% make under \$40K a year)
- Less educated (30% have some college/tech school)
- Rural (28%)
- Not confident about supplement knowledge
- Skew female (58%)



ChildLife Essentials: Providing extra support for kids

ChildLife Essentials was founded by doctor and father Dr. Murray Clarke, with the mission to ensure all kids get optimal nutrition. "Just eating healthy and drinking a lot of clean water is not enough in today's world," says Clarke. "ChildLife Essentials offers all of the important vitamins, minerals and antioxidants to give children the extra support and protection their developing minds and immune systems need." The company's core values are quality, integrity, efficacy, and trust.

Two decades ago, Murray Clarke, DNM., D.Hom., L.Ac. founded ChildLife Essentials, the first complete line of nutritional supplements for infants and children. Convincing parents their children needed nutrients was much harder. "Over time, people began to understand the importance of supplementing throughout childhood," he says. Today, half of parents (52%) say their child regularly takes a supplement, according to the C.S. Mott Children's Hospital National Poll on Children's Health.¹⁸

In March, ChildLife Essentials announced the launch of its new Organic Liquid Elderberry supplement. The formula is specifically designed to support kids' immune health. The elderberry extract is sourced from organic, non-GMO European black elderberries, and is free of artificial colors, flavors, and sweeteners.¹⁹

ChildLife Essentials' Organic Liquid Elderberry utilizes only 100% organic European elderberries, and is certified NSF Gluten-Free, Non-GMO Project Verified, kosher, and USDA Organic, a formula that stands apart from other kids' immune system boosters on the market today.

ChildLife Essentials is committed to creating safe and effective nutritional supplements that help support the health and well-being of children. The Organic Liquid Elderberry joins a range of other ChildLife Essentials products, including multivitamins, probiotics, omega-3 supplements, and their innovative SoftChew Gummies. Unlike traditional gummy supplements, SoftChew Gummies are sugar-free, fun, and easy for kids to take.

Top barriers to regular supplement use

>> This study found that non-regular users of supplements focus elsewhere when it comes to maintaining their health. Getting enough sleep, eating fresh fruits and vegetables, and taking time to relax/relieve stress take the top spots among total respondents—all of which are important for health, but they are not looking to supplements for added support or optimization.

For the 27% of consumers who do not take supplements regularly, price, efficacy and trust are among, but certainly not their only, concerns. About one-third (28%) of nonusers reported being affected by rising costs, the need to save money, or the affordability and worth of supplements, while 22% say they believe that health claims on supplement packaging are untrustworthy and/or that supplement companies are dishonest about what's in their products. >>



REASONS FOR **NOT TAKING SUPPLEMENTS**^{6*}

66%

Answered 'not at all,' 'not very,' or 'neutral' when asked how confident they are about their level of knowledge about supplements.

39%

Cannot easily access healthy food and/or supplements at grocery stores in their communities.
Natural/health food stores are not easy to get to.

28%

Decreased supplement usage due to rising costs or needing to save money/reduce expenses.
Don't believe that dietary supplements are affordable or worth the money.

22%

Don't believe that health claims on supplement packaging are trustworthy.
Believe that supplement companies are dishonest about what's in their products.

20%

Don't feel welcome in natural channel retail stores.
Don't believe that natural or health food products are made with them in mind.

15%

Decreased supplement usage because they were not helpful enough.
Don't believe that dietary supplements are effective for either general health or for a specific condition.

*Percentage of nonusers who hold these beliefs.



Helping purpose-driven brands stand out in the market

PLT Health Solutions is a purpose-driven company with a 70-year history in discovering, developing and marketing of high-quality, scientifically supported ingredient solutions for natural products, food and beverage, animal nutrition and cosmeceuticals markets.

PLT is constantly scouring the globe for technologies that deliver experiential and functional benefits to help our customers differentiate their products from the competition. PLT's highly experienced team is the foundation for its innovation, scientific, regulatory, marketing and operational expertise.

Today, PLT delivers solutions across a broad range of health and wellness platforms that address important consumer needs. PLT offers more than 30 proprietary branded ingredient technologies that are considered either market or scientific leaders in their categories—as well as a broad range of high-quality and functional materials that support the development of customers' formulated products.

PLT Health Solutions' **People+Planet™** Initiative was launched in 2021 with both environmental and humanitarian aims. On the 'people' side, PLT supports groups dedicated to UN Zero Hunger and Good Health and Well-Being Sustainable Development Goals (SDGs). Goals for the initiative include providing 1 million meals to needy families, helping to bring new educational opportunities to more than 1 million children, and providing essential vitamins and minerals to more than 1 million women and children by 2030 in partnership with Vitamin Angels.

As a part of the company's social responsibility initiative, PLT Health Solutions partners with Vitamin Angels to provide nutritional support to underserved communities, with a particular focus on malnutrition, which threatens the health, well-being, and future of mothers and children. Vitamin Angels delivers life-changing vitamins and minerals to at-risk populations around the world, including pregnant women, new mothers and children under five.²¹

>> Just 15% say they decreased supplement use due to supplements not helping enough or questioning the effectiveness for general health or a specific condition. More concerning? A lack of knowledge about supplements and poor access to healthy foods and supplements in their communities.

Barrier #1: The knowledge gap

Looking at the data, one barrier rises far above the rest: A lack of knowledge about supplements was the most cited reason for not taking supplements (66%), with respondents answering, "not at all," "not very," or "neutral" about their supplement knowledge. This confidence gap may be feeding into those other concerns.

This finding correlates with those in the *ITB Consumers Today: Attitudes & Behavior* study conducted in 2022, which found that consumers don't fully understand what dietary supplements are or how they can help with the health issues they are facing, no matter what their stage of life. The study also found that, even when consumers have access to information, they may not be finding the information they need. They are not always confident about the supplements they are taking.

In the latest surveys, consumers who report a lack of knowledge about supplements are likely to be older (37% are Boomers/Silent Generation). Nearly half (45%) are

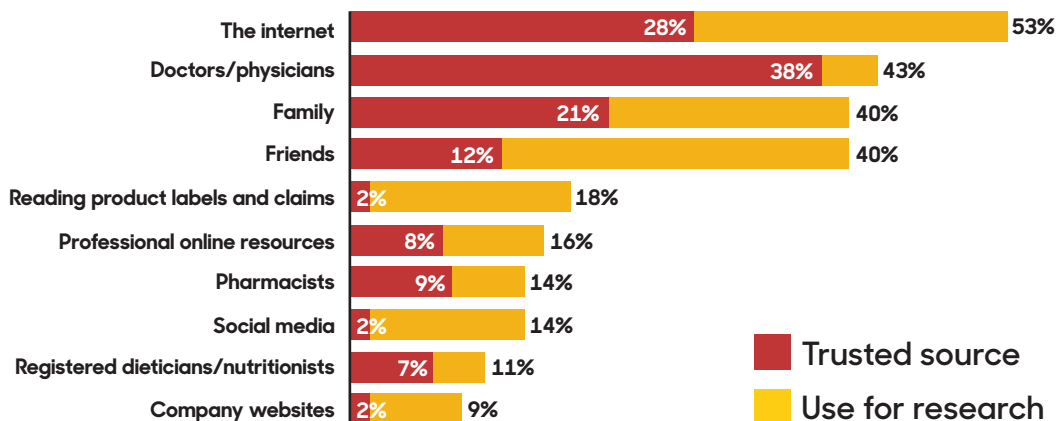


occasional users of supplements, but they are a little less likely than younger consumers to feel supplements are working for them (32% vs. 39%).

For non-regular supplement users, a lack of knowledge feeds into every other concern that they have. Among consumers who cite a lack of access to supplements or who report feeling uncomfortable in the natural channel, 71% and 73% respectively don't feel they are knowledgeable about supplements. For consumers with concerns about supplements' value, 59% also doubt their knowledge of supplements. And over half of respondents who report a lack of trust in the industry or who have concerns about supplement efficacy also report a confidence gap in their supplement knowledge. Is more education the answer? Possibly.

Non-regular supplement users trust doctors and physicians more than other sources of information about supplements. They tend to think about supplements like pharmaceuticals—as alternative "cures" versus choices that help them prevent health issues and maximize wellness. Unfortunately, the communication spaces supplement >>

Consumers rank supplement resources⁷





Radicle Science: Validating efficacy and empowering consumers

Radicle Science is on a mission to ensure all stakeholders, including consumers, retailers and health care providers have easy access to premium-quality supplements that are proven effective. People need proof that products work—it's that simple. As a health tech B-Corp, Radicle Science is on a mission to make generating rigorous proof easy and affordable. Radicle Science uses virtual, AI driven, D2C crowdsourced trials to generate clinical proof at a fraction of the cost and time.

Co-founded by Dr. Jeff Chen, M.D./MBA (founded and led UCLA's natural products research center) and Pelin Thorogood, MBA (tech entrepreneur, INC200 Female Founder, Trustee and Treasurer UC San Diego Foundation), the broader Radicle team includes luminaries ranging from Peter Diamandis (named in

Fortune's "50 Greatest World Leaders") to Dr. Jonathan Fielding (Professor, UCLA Fielding School of Public Health, White House advisor).

Radicle Science is dedicated to not just proving supplement efficacy, but also to empowering consumers with the data to make better health decisions for their unique bodies and conditions. The company believes that health claims should not only be rigorous but also ensure research population diversity to drive better public health policies and move us further toward personalized medicine. Through volunteer recruitment, strategic partnerships with nonprofits and community health centers, and other targeted initiatives, Radicle Science aims to bring the benefits of proven wellness supplements to everyone, including historically underserved communities.

Which products consumers categorize as supplements

>> brands have control over aren't high on these consumers' radar as trusted resources.

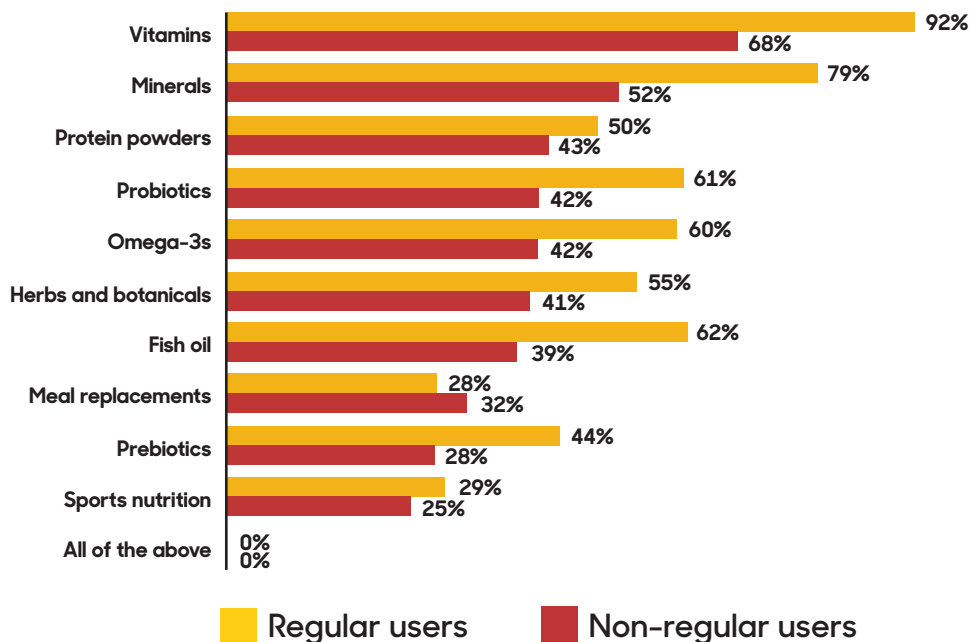
Additionally, brands, retailers and manufacturers should consider that supplement users and nonusers alike don't think about supplements the way that the industry does. While most consumers put vitamins and minerals in the "supplement" bucket, less than half of nonusers label protein powders, probiotics, omega-3s, herbs and botanicals, fish oil, meal replacements, prebiotics or sports nutrition products as "supplements." Neither group categorized all product types listed as supplements.

Barrier #2: Lack of access

A lack of access to supplements was the second most common issue for nonusers. Nearly 40% of nonusers report that they cannot easily access healthy food and/or supplements at grocery stores in their community. And 20% report that they don't feel welcome in natural channel retail stores, and that they don't believe that natural or health food products, including supplements, are made with them in mind.

Although ethnicity/race does not seem to be a barrier to usage attitudinally, historically underserved communities are more likely to be challenged when it comes to accessing healthy foods and supplements in their communities. Of respondents from historically underserved communities, only 58% say they can easily access supplements at grocery/retail stores in their communities. As little as one-third of the same group say they feel products at natural/health food stores were made with them in mind.

People who struggle to access healthy food or supplements in their communities may find themselves discouraged from trying to find alternative channels. They may be disillusioned with or skeptical of dietary



supplements in general. These shoppers tend to have lower incomes (43% have a household income under \$40K a year), are more likely to be older (33% are Boomers/Silent Generation), are less frequently engaged in activities to manage health, and are less likely to seek out information about supplements.

Barrier #3: Value

Occasional supplement users (the largest subset of nonusers) represent the greatest potential for converting to more regular supplement use. Occasional supplement users, in addition to lacking confidence in supplement knowledge (the top barrier), are more likely to reduce or stop using supplements when they decide they aren't getting enough value out of them.

Reducing expenses and saving money were important to 53% of occasional users. Another 29% reported supplements were "getting too expensive." A third (36%) also report forgetting to take supplements. Only 17% and 18% report that supplements weren't helping enough generally, or for specific health concerns, respectively.

Non-regular users doubt whether supplements are worth the cost. Although 32% of occasional supplement >>

>> users agree that supplements are worth the money (vs. 27% of total respondents), almost half of them (45%) are neutral on that subject. Even 35% of those who consider themselves knowledgeable/confident about supplements are neutral on the subject. The #3 reason for decreasing supplement usage (cited by 28% of total respondents) was they "kept forgetting to take the supplements."

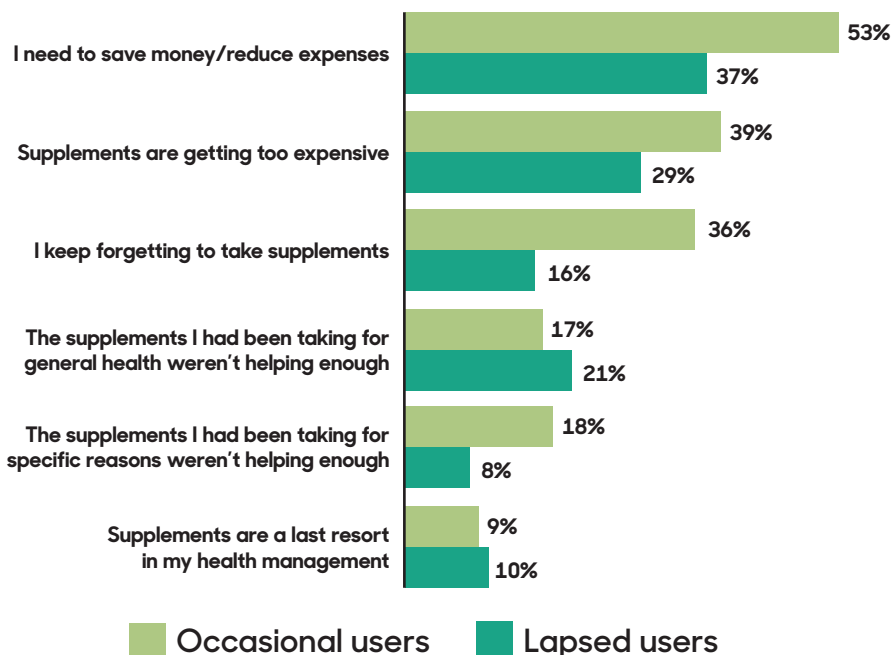
Barrier #4: Efficacy and trust

Low levels of trust for the industry are very likely impacting sales and depressing growth. Trust is dangerously low among dietary supplement users, and almost non-existent among nonusers. According to 2019 ITB research, only 38% of regular supplement users and 10% of non-supplement users considered the industry "trustworthy."¹⁰

In 2023, concerns about supplement efficacy, as well as some distrust of the supplement industry, underly many consumers' decisions about whether to invest in a regular supplement regimen. A sizable number of respondents were neutral, perhaps even undecided, as to whether supplement companies are dishonest about what's in their products (56%), or whether health claims on supplement packaging are trustworthy (46%).

Consumers who question supplement efficacy may be less engaged in their health overall. Most also struggle to find the information they feel they need regarding which supplements they should be taking. Many of these are occasional users of supplements and tend to have higher income (29% make \$100K+ annually), are more likely to live in the suburbs (48%), and skew younger (22% are Gen Z; 30% are Millennials). They learn about supplements from many sources and over-index on utilizing most sources presented, including the internet, doctors, friends and family, as well as pharmacists (15%) and social media (12%). >>

Why occasional users stop/reduce supplements⁹





SGS: Upping the quality game in testing, inspection and certification

SGS is committed to providing the supplement industry with testing, inspection and certification services that meet increasing consumer expectations and regulatory requirements. The company's interdisciplinary team of food chemists, microbiologists, auditors, and regulatory and advisory experts helps ensure ingredients and finished products are safe for all consumers.

SGS recognizes the importance of analytical data of the highest quality and the continuous improvement in all areas of operation. The company's North American laboratories are staffed with experts in raw, ingredient and finished product testing. Their microbiology and chemistry laboratories are ISO 17025:2017 accredited, performing AOAC, USP, U.S. FDA BAM, Compendial, and USDA official methods. SGS's R&D team works directly with companies to develop specific methods and testing solutions to guarantee that products are of the highest quality and safe for the consumer.

SGS's Harrisburg, Pennsylvania, laboratory is staffed with scientists and analytical equipment to test ingredients

and products for vitamins, heavy metals and minerals. They also offer everything from ongoing educational webinars to professional training and can provide knowledge to help professionals stay updated with ever-changing technical standards and comply with current legal and regulatory obligations.

SGS is committed to enabling a better, safer, and more interconnected world. With more than 98,000 employees, operations around the world, an extensive global supply chain and services provided in all sectors, SGS is determined to make positive, long-lasting impacts along the entire value chain through its **Sustainability Ambitions 2030**.

Sustainability Ambitions 2030 aims to measurably contribute to the United Nations' Sustainable Development Goals (SDGs). "Our Corporate Sustainability Ambitions 2030 set the roadmap for SGS to raise the bar of sustainability performance further. They will generate a positive impact throughout our entire value chain, enabling a better, safer and more interconnected world," says Frankie Ng, Chief Executive Officer of SGS.

Key opportunities

>> Occasional supplement users—those who take supplements sporadically or as needed, no more than 1-2 times per week—offer the greatest potential for converting to more regular supplement users. They are the largest group of non-regular supplement users (15% of the total, but 55% of the nonuser population). The other 4% have stopped taking supplements recently, and 8% have never taken them.

According to this ITB study, almost half (48%) of occasional users are “always looking for ways to be healthier,” and 47% report their supplement usage over the past 2-3 years has remained unchanged. Compared to other segments, these consumers skew younger (51% are GenZ/Millennials), have higher incomes (42% make \$40-\$99K a year; 26% make \$100K+), are suburban, and are likely to shop the natural channel. Nearly a third of this group (31%) identifies as people of color. These occasional users report being health motivated and generally satisfied with their health.

What’s more, consider that efforts to better engage occasional users may have a ripple effect on other subgroups, including regular supplement users,



SPOTLIGHT ON ONLINE SHOPPERS

Online purchases of supplements are driven by convenience—**61%** of total respondents cited that as their #1 reason, increasing to **67%** among Gen Xers and **68%** among college graduates. *Better prices (41%)* and *greater assortment (39%)* are also cited for e-commerce purchasing preference.

because occasional users express many of the same concerns as other groups. Addressing the needs and concerns of occasional supplement users may very well bolster confidence and change purchasing habits among other user subgroups.



Remember that, as found in recent attitudes and behavior research,¹¹ every individual is trying to live a healthy life or

healthier lifestyle. The pillars of health generally include physical activity, a healthy diet, sleep, spiritual or mental health and community. Many include dietary supplements in their regimens to offset perceived health weaknesses and help them in their quest for balance.

Life transitions are likely to encourage people to consider dietary supplement use. These include the transitions from home to college, from college to work life, the transition to parenthood, and getting older. Attention to healthy aging starts as early as after the 20s. As people enter their 40s, they are playing both defense >>



Soft Gel Technologies: A science-first ingredients and manufacturing specialist

Soft Gel Technologies has manufactured soft gelatin capsules exclusively for the dietary supplement industry for more than two decades. Headquartered in Los Angeles, California, Soft Gel employs state-of-the-art equipment and its professional team to help companies meet high volume demands as well as accommodate smaller jobs for soft gelatin capsule manufacturing.

Soft Gel provides high value-added products. Specifically focusing on ingredients that are difficult to absorb, difficult to encapsulate, or fragile to work with, Soft Gel has developed an array of proprietary technologies that allow products to deliver superior results. Soft Gel has earned many U.S. patents, most of which are for significant technological breakthroughs in nutrient bioavailability.

Given the increasing globalization of the multilayered supply chain, Soft Gel understands the challenges of identifying safe and pure ingredients. Soft Gel verifies ingredients with extensive testing, supplier qualification and ingredient traceability. The company's quality control team provides testing through all stages of production,

from incoming raw material testing and identification to in-process quality checks and final product testing for potency and quality of the products. Soft Gel also uses independent third-party testing laboratories for unbiased analytical testing to support the quality of products and meet customer requirements.

Soft Gel supports products through clinical studies, extensive marketing and educational efforts, and the company is committed to helping customers effectively communicate the benefits of their products and be a reputable source of information.

To ensure supplement quality, Soft Gel recommends considering the following eight factors carefully when choosing a manufacturer: depth of industry experience; certifications supported (including USP, NSF, Informed Choice, and NPA); standards and practices of lab and research facilities; product stocking and order fulfillment; order turnaround time; packaging, shipping and storage options; minimum order requirements; and availability of custom formulations. Read more on the [Soft Gel blog](#).

>> and offense when taking supplements.

Based on these findings, Inside the Bottle researchers have identified four key opportunities for industry companies:

Key opportunity #1: Close the knowledge gap

Through as many touchpoints as possible, the supplement industry can help customers close their knowledge and confidence gaps. Consumers desire easy-to-access, approachable information on the uses and types of supplements, as well as information about their value. Although many rely heavily on doctors, friends and influential individuals for information, consider that every communication touch point—from packaging to social media—is an opportunity to inform those influential sources.

Recognize that people have unique challenges based on their stage of life. Many people are trying to avoid taking pharmaceuticals. Look for opportunities to provide welcoming, personalized advice and recommendations for supplement products that meet specific life-stage needs. These needs may translate into greater interest in supplement types outside of recognizable vitamins and minerals, such as botanicals or protein supplements in non-capsule, food and beverage, or beauty product formulations. Educating consumers about the benefits of such products helps underscore the value while helping them meet their specific needs.

Remember that non-regular users may be researching supplements as if they were medicine and comparing



SPOTLIGHT ON ORGANIC SHOPPERS

Regular supplement users are also more likely to be organic consumers. Receptiveness to organic products is consistent across income levels. More than 1 in 3 of respondents say they are interested in learning more about organic products (36%), and 26% indicate they are willing to pay a premium for organic products.¹⁵

them against pharmaceutical solutions. Non-regular users also don't categorize certain natural industry products as "supplements." It's worth exploring what language they do use, and how to tailor positioning and messaging to better match their mindset.

Key opportunity #2: Reach underserved markets

As the research shows, historically underserved communities are no less interested in supplements; however, they are less likely to feel that supplements and other natural products are made with them in mind, and they don't feel as welcome in natural channel retail outlets. >>



SPINS: Providing market intelligence for natural products brands

For over 20 years, **market data firm SPINS** has been on a mission to increase the presence and accessibility of natural and better-for-you products that help people live their healthiest and best lives and drive sustainable production practices in North America. From its founding in 1997 to now, SPINS data has helped brands communicate their growth to retailers to scale their distribution, and to understand and maintain their points of difference. Based on the latest data, SPINS recommends paying attention to the following trends in 2023 and beyond.

Hot categories and ingredients.²⁰ Protein and meal replacement categories have shown promising growth, bucking the trend of declines in other vitamin and mineral categories. In the natural channel, some of the highest growth ingredients include saffron for mood support, berberine for weight loss, algae for brain and heart health, and inositol for joint and cellular health. And the greens

category has seen steady growth, driven by the increasing popularity of alternative weight control methods and incorporation of greens into diets.

Emphasize value-oriented products. As the rise of value-oriented consumers continues, focus on offering products that align with their values, such as sustainability, clean label, and healthfulness. Clearly communicate these attributes on product packaging and in marketing materials to appeal to this growing segment of conscious shoppers.

Monitor social media trends. Social media platforms like TikTok can significantly impact consumer preferences. Stay vigilant in monitoring emerging trends and viral content related to your products. Consider partnering with influencers to amplify positive messages about your brand and products.

>> The result? The industry is missing an opportunity to reach a significant number of consumers and effectively leaving dollars on the table.

First, consider how product messaging—from packaging to product trial programs and other education efforts—could help address this gap. Next, look for ways to efficiently expand distribution into underserved markets. Consider broadening geographical distribution, as well as seeking channel opportunities to better reach underserved consumers.

Key opportunity #3: Demonstrate value

Consumers who cut back on supplements often frame it as a cost-driven decision. Consider whether that means brands need to focus on reducing costs/prices, or on helping consumers understand and receive their full >>



Common health needs by age group^B

22-34: As of 2022, this cohort is struggling mentally and physically. Most are in a time of transition. They don't always associate products such as "melatonin" with dietary supplements. They are not sure where they can learn about supplements—in part because they are not clear what defines a supplement.

- They take multivitamins because they did as kids and usually their parents still take them.
- The entryway to this group is through sports nutrition, diet/protein powders/meal plan or sleep.
- Some are curious about magnesium.
- Women are starting to think about or are taking prenatal vitamins and folate in this age group.
- They prefer gummies and powders.

35-55: This group is more likely to come to dietary supplements through the recommendation of a friend or doctor. They shop at stores where they trust the curation of products and/or salespeople, such as Whole Foods Market or independent natural products stores. They are still trying to find balance and are more connected to family and community. They seek to avoid taking pharmaceuticals.

- They are starting to solve for specific ailments such as arthritis or digestive issues.
- They are focused on healthy aging.
- Movement is important, especially to counter time spent in front of a computer or as energy wanes.
- The majority take sleep supplements or have sleep issues.
- Women are taking supplements to manage hormones.
- They deal with stress and anxiety.
- They seek help with energy and are curious about cognitive supplements.
- They are interested in magnesium.





Vitalogy Wellness: Leading the way to modern wellness with trusted legacy brands

On January 11, 2022, Natrol and Jarrow Formulas, two leading vitamin and supplement brands, officially came together under our new company name, Vitalogy Wellness. Jarrow Formulas and Natrol have been helping consumers achieve their wellness goals for more than 85 years and are recognized as trusted, long-standing leaders in the vitamin and supplement industry.

Vitalogy Wellness values quality and integrity, accountable to the highest standards of excellence to conduct business ethically and build an environment of trust amongst employees and consumers. The company combines a passion for invention with a commitment to high standards, experimenting and iterating with a purposeful goal of making each product work better and better.

"We are excited to begin a new chapter as **Vitalogy Wellness**. While our name has changed, our commitment to our amazing customers, brands and products has not. We remain passionate about being the choice for our consumers every day and night," says Nina Barton, Chief Executive Officer, Vitalogy. "Fueled by our drive for

invention and a commitment to the highest standards, we look forward to leading the way for modern wellness in the vitamin, minerals and supplement category."¹⁶

Vitalogy strives to bring a vibrant energy to life every day. Its mission is to be a modern wellness company that fuses science and quality ingredients into highly efficacious products that make a transformative impact on consumers' lives. By pushing the limits of what's expected and relentlessly pursuing innovation, the company is laser-focused on exceeding expectations. It creates vitamins, minerals and supplements that respond to consumers' demands of today, while anticipating their needs of tomorrow.

"We're thrilled to bring these two incredible brands together as Vitalogy Wellness," says Peter Luther, Executive Chairman, Vitalogy. "Natrol and Jarrow Formulas have individually cultivated large and loyal consumer followings by providing efficacious, high-quality supplements for decades. Together, they are even better positioned to set the course for modern wellness."¹⁷

>> value. Education efforts (**see "Key opportunity #1."**) can help consumers focus on value and overcome a purely cost-benefit mindset that may lead them to downgrade product choices or reduce or stop supplement use altogether.

Look to improve how, and what, information is communicated to consumers: what's inside the bottle, what it's for, and how to get the value they need out of using the product. Consumers may be more likely to recognize the value of a product if it addresses specific health concerns, such as healthy digestion, mental focus or sleep. See "**Common health needs by age group.**"

Key opportunity #4: Focus on efficacy and safety

Economic pressures may have only exacerbated the preexisting distrust of supplements that many consumers feel. Consumers want to be confident in what they are buying. They want to feel a sense of trust and security. Issues with adulteration and finished goods testing have had a negative impact on the industry and weakened consumer trust and willingness to engage with the category.

According to 2019 ITB research, adulteration is a top concern, as well as genetic engineering and synthetic ingredients, pixie dusting, unsubstantiated disease claims and unclear sourcing.¹² It's imperative that companies provide concrete evidence of the effectiveness of supplements, supplement ingredients and specific formulations. It is critical to demonstrate that products are safe, reliable and regulated, and finally, make it easier for consumers to remember to take products safely, as directed.

The final word(s)

Knowledge, access, perceived value, safety and efficacy. Whereas the industry itself may "hold these truths to be self-evident," communication gaps to consumers remain. We believe the top industry priority is to connect the dots to consumers. By clarifying the gaps, together we can build strategies, inside the bottle, on-label and more, to support optimal consumer health and sustain a healthy industry.





FOOTNOTES

- 1 NBJ Supplement Business Report 2023
<https://www.dropbox.com/sh/p835ow6uc4xh3jf/AAA2a1ilyTVZz3RMxBGmAdfOa?dl=0&preview=2023+Supplement+Business+Report.pdf>
- 2 Supplement Consumers Today: Attitudes and Behavior About Supplements and Health (2022)
- 3 Inside the Bottle proprietary research 2023, New Hope Network Next Data & Insights.
- 4 Ibid.
- 5 Ibid., proprietary research 2023.
- 6 Ibid., proprietary research 2023.
- 7 Ibid., proprietary research 2023.
- 8 Ibid., proprietary research 2023.
- 9 Ibid., proprietary research 2023.
- 10 Inside the Bottle Industry Lightning Rod Research, July 2019
- 11 *ITB Consumers Today: Attitudes & Behavior* study 2022
- 12 Source: Inside the Bottle Research 2019, Nationally Representative Sample of U.S. Adult Consumers age 18 to 64, Prediction Market Question: Assuming the following topic becomes widely known by consumers will it be a primary concern negatively influencing their purchase decisions?
- 13 *ITB Consumers Today: Attitudes & Behavior* study 2022
- 14 Ibid., proprietary research 2023.
- 15 Ibid., proprietary research 2023.
- 16 <https://www.businesswire.com/news/home/20220111005474/en/Natrol-and-Jarrow-Formulas-Come-Together-Under-New-Company-as-Vitalogy-Wellness>
- 17 Ibid.
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