

WEBINAR

PURE (branding)

Your Brand and the Post-Pandemic Supplement Consumer

April 10, 2024

1:00pm ET



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We transform science-driven supplement companies into *beloved brands* through smart strategy, research & activation.

| We advise supplement brand leaders

LEGACY BRANDS



EMERGING BRANDS



HEALTHCARE PROFESSIONAL BRANDS



| Today's presenters



Yadim Medore

Founder
& CEO



Samantha Brewster

VP, Growth Marketing
& Account Management



Peter Littell

Director of Research
& Strategy

2020

2021

2022

2023

2024

The Research That Fueled Today's Insights

| U.S. PureSegmentation™ Research

- **U.S. Supplement Consumer PureSegmentation™ Research**
 - 1st study – 2020 Q1
 - 2nd study – 2024 Q1
- **Objective & Approach:**
 - Understand U.S. supplement shopper through a census-balanced market-sized segmentation analysis
 - Through a combination of attitudinal, behavioral and demographic factors, designed to fuel brand strategies with actionable insights that identify, attract and engage a brand's target consumers
- **Powered by 2,300+ quantitative interviews** of census-balanced U.S. supplement consumers for a +/- 2.0% margin of error

Defining a supplement user



To be considered a supplement user, respondents needed to have purchased one of these seven categories within the past year.

11. Which of the following items have you used or purchased within the past year? Select all that apply. *

- Detox products
- Cosmetics
- Herbal or botanical supplements
- Camping equipment
- Alcohol
- Dairy products
- Frozen meals
- A Bengal tiger
- Vitamins or supplements
- Meal replacement shakes
- CBD supplements
- Over-the-counter or prescription medicines
- Dog food
- Toothpaste
- Protein powder
- Greens or superfood powders
- Probiotics
- None of the above

| Supplement users in the U.S.

80%

of the census-balanced
respondent pool identified
as supplement users

2,332

Census Balanced
+/- 2.0% margin of error



**\$206.8
Million**

Supplement users
over age of 18 years
in United States*

**\$62.7
Billion**

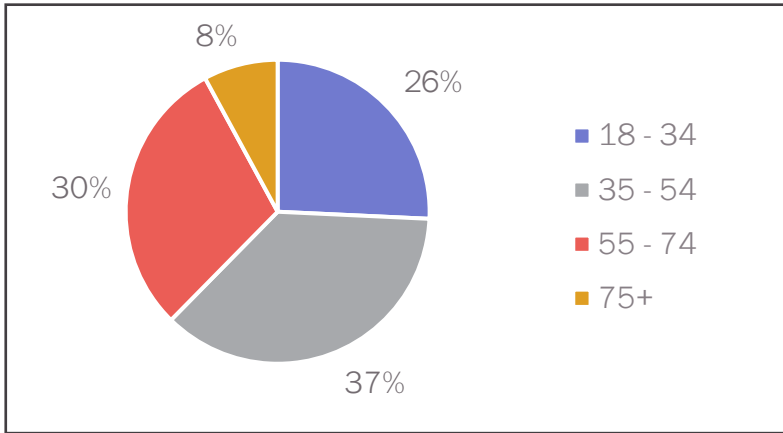
Dietary supplement
industry**



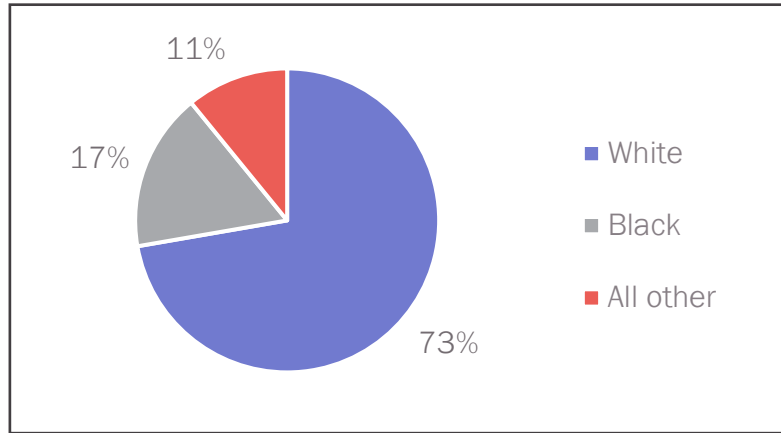
*Based on 2020 U.S. Census Data.
**NBJ Market Overview 2023

Demographics

AGE



ETHNICITY



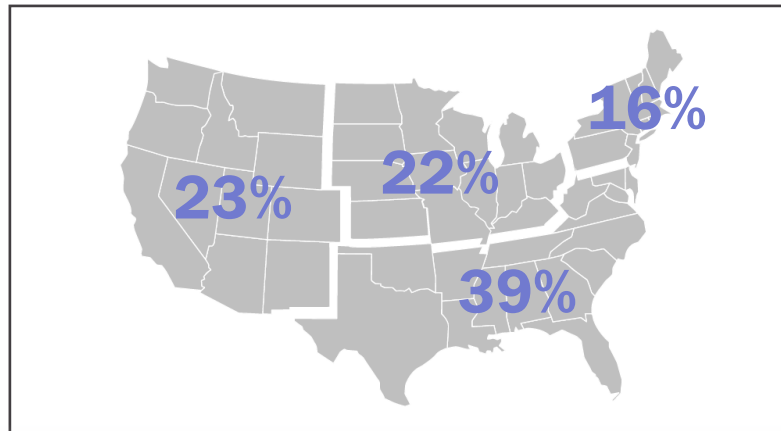
HOUSEHOLD INCOME

\$79,160
Average Household Income

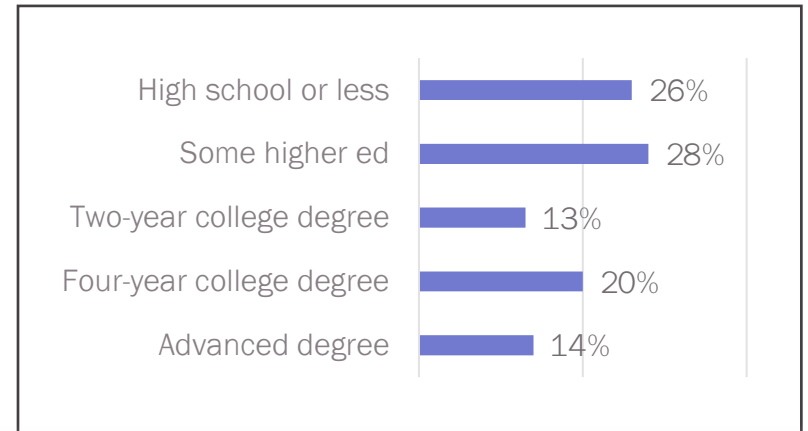
GENDER





LOCATION



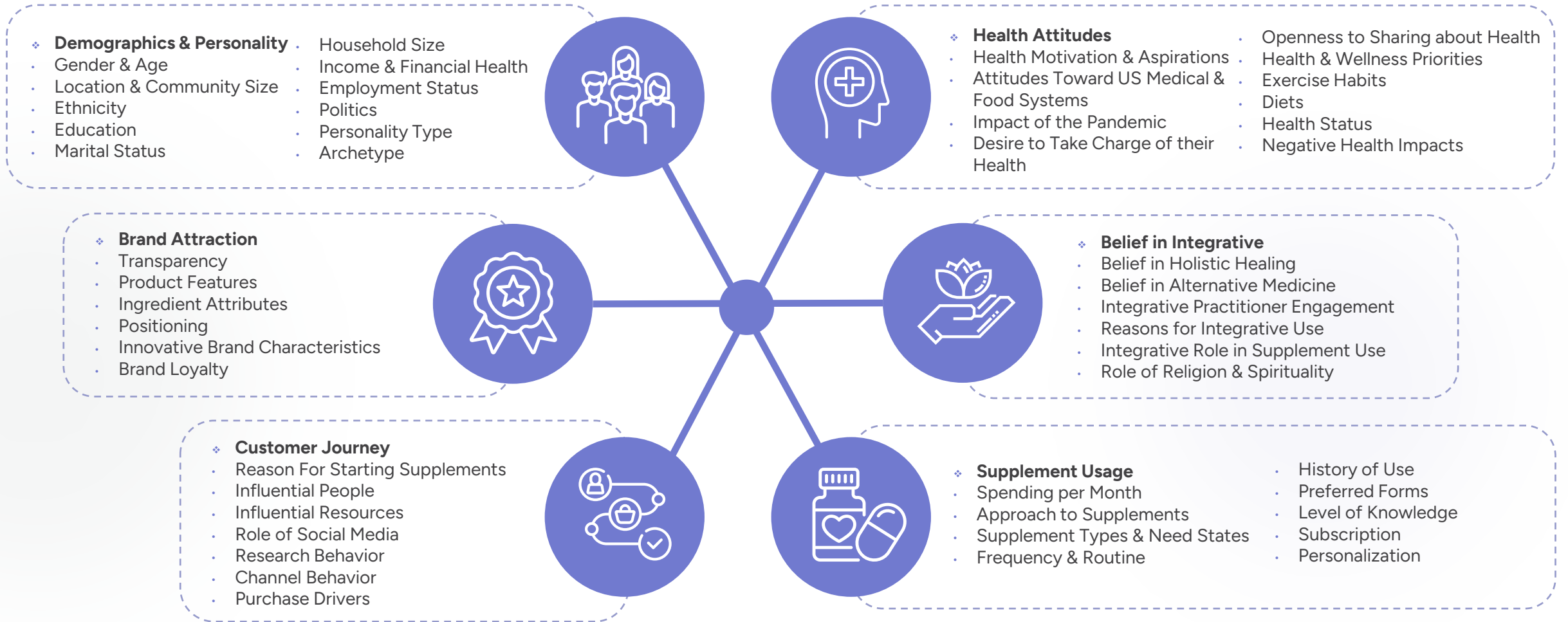
EDUCATION



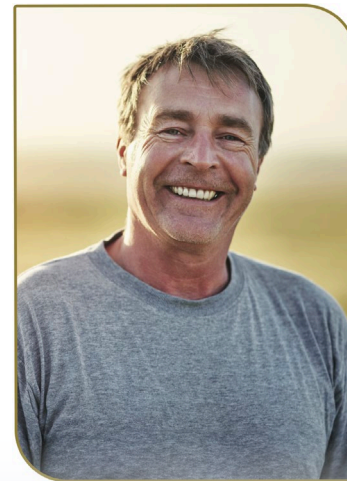
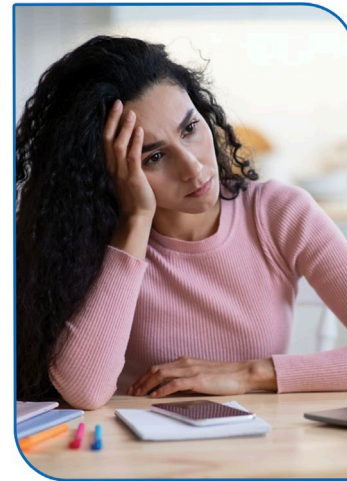
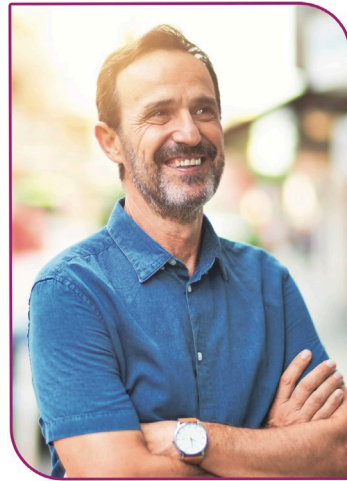
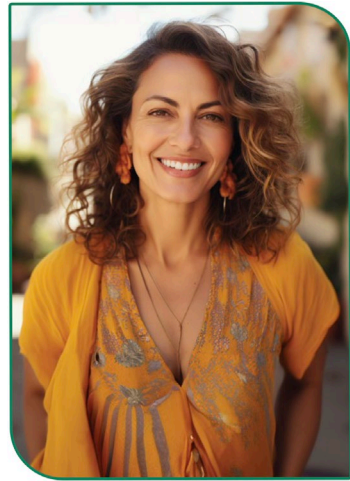
Not all  **Gen Z**
Millennials
Gen X
Boomers  are alike

**What are the biggest gaps in
your organization's knowledge
about your **target customer**?**

360° view of your target US consumer



Census-balanced PureSegments™



2020

2021

2022

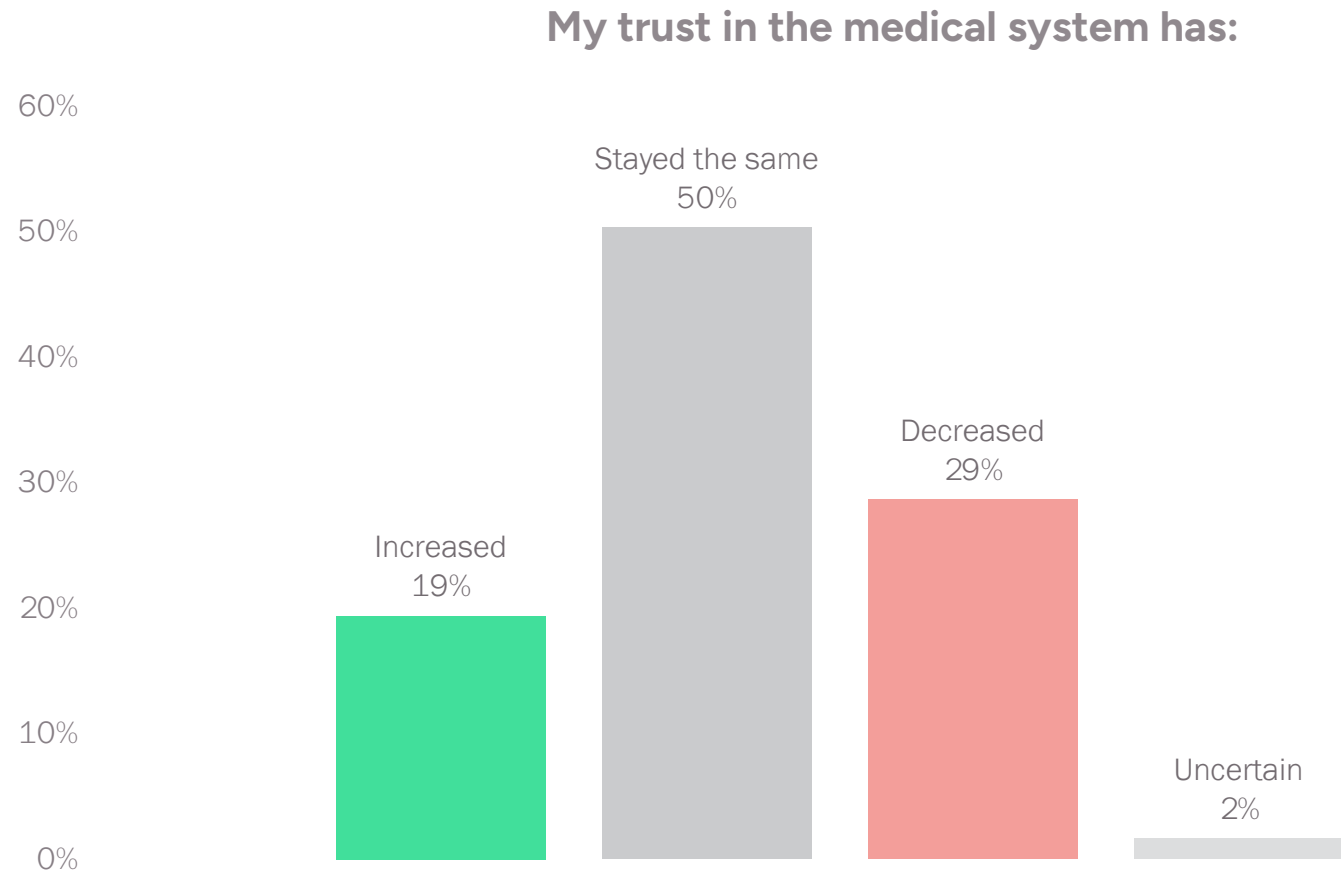
2023

2024

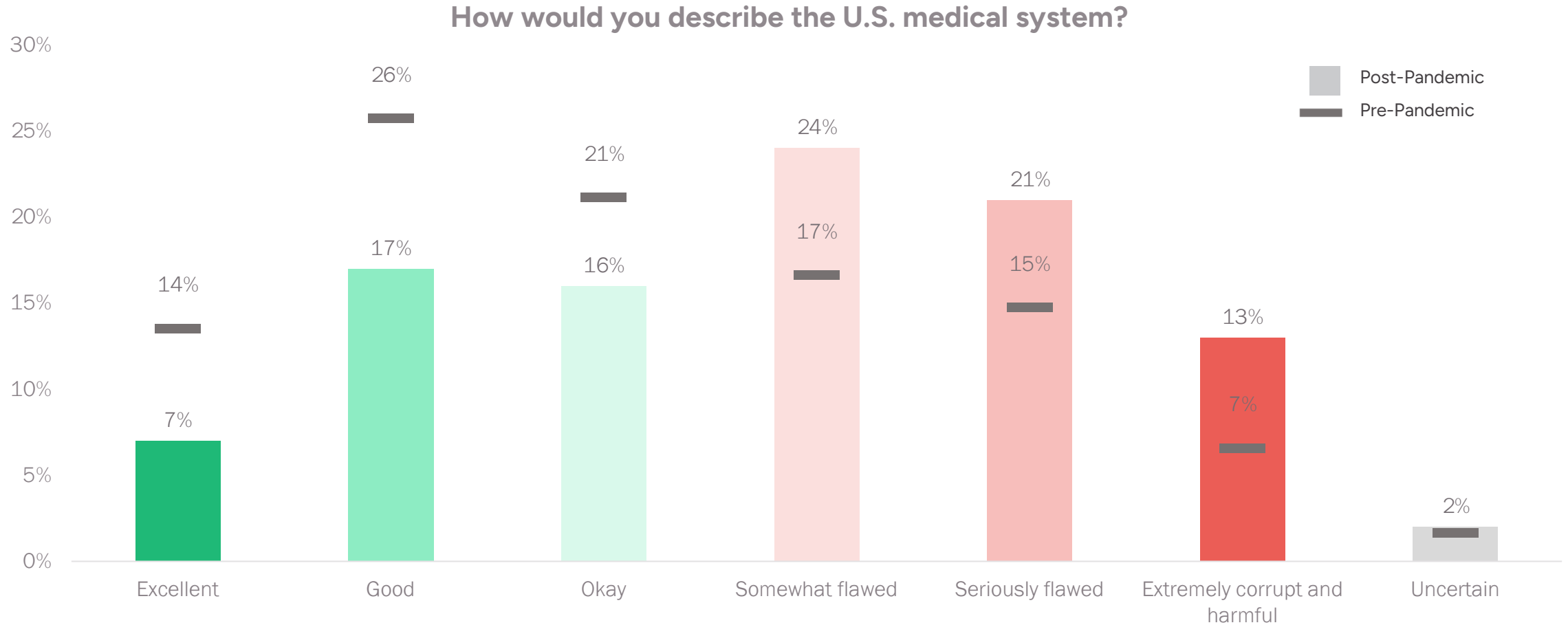
Understanding the Pandemic's Impact on the Supplement Consumer

Trust in medical system & interest in holistic health

| Trust in the medical system has decreased

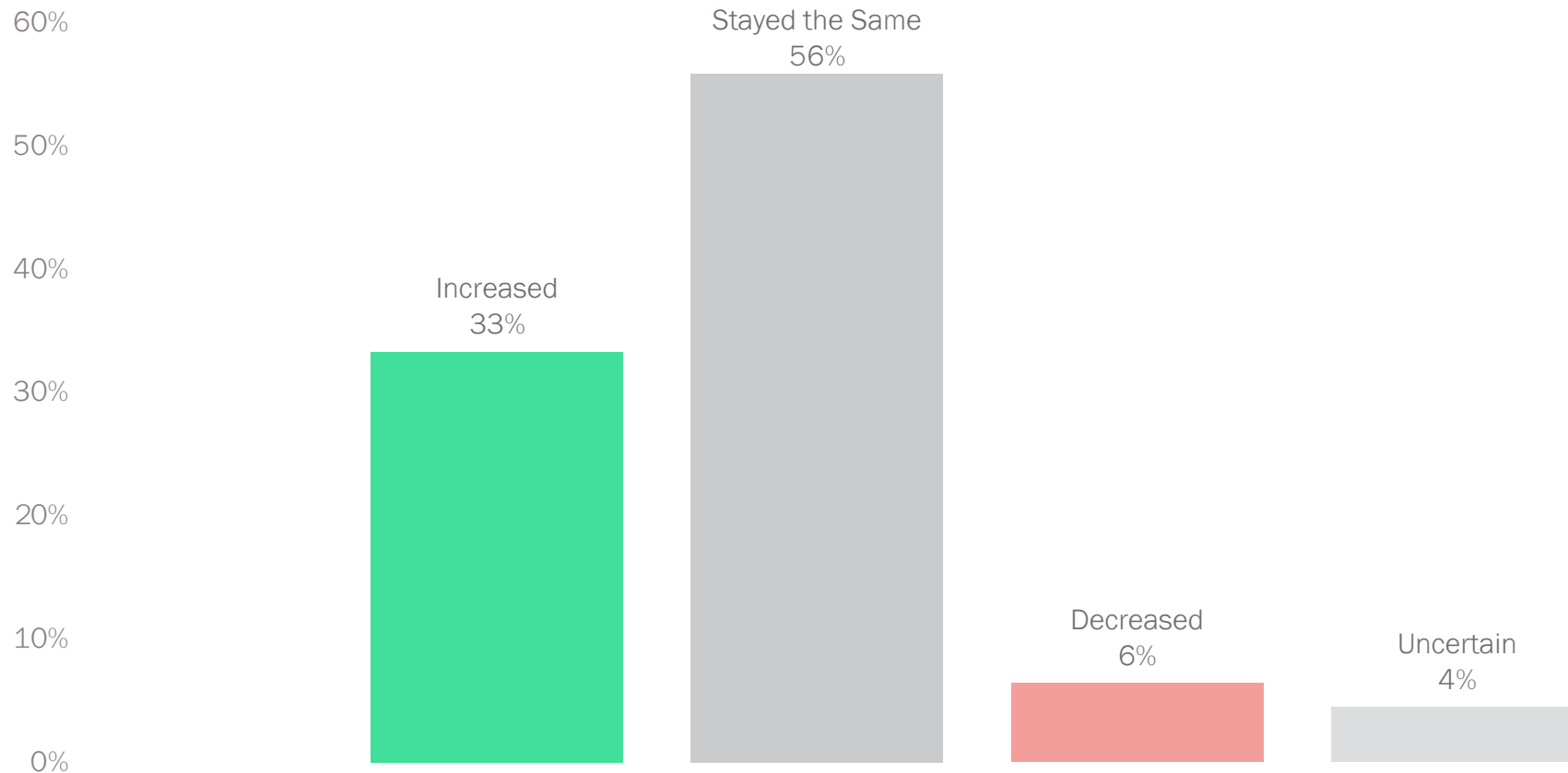


Dramatic negative shift in perception of the U.S. medical system

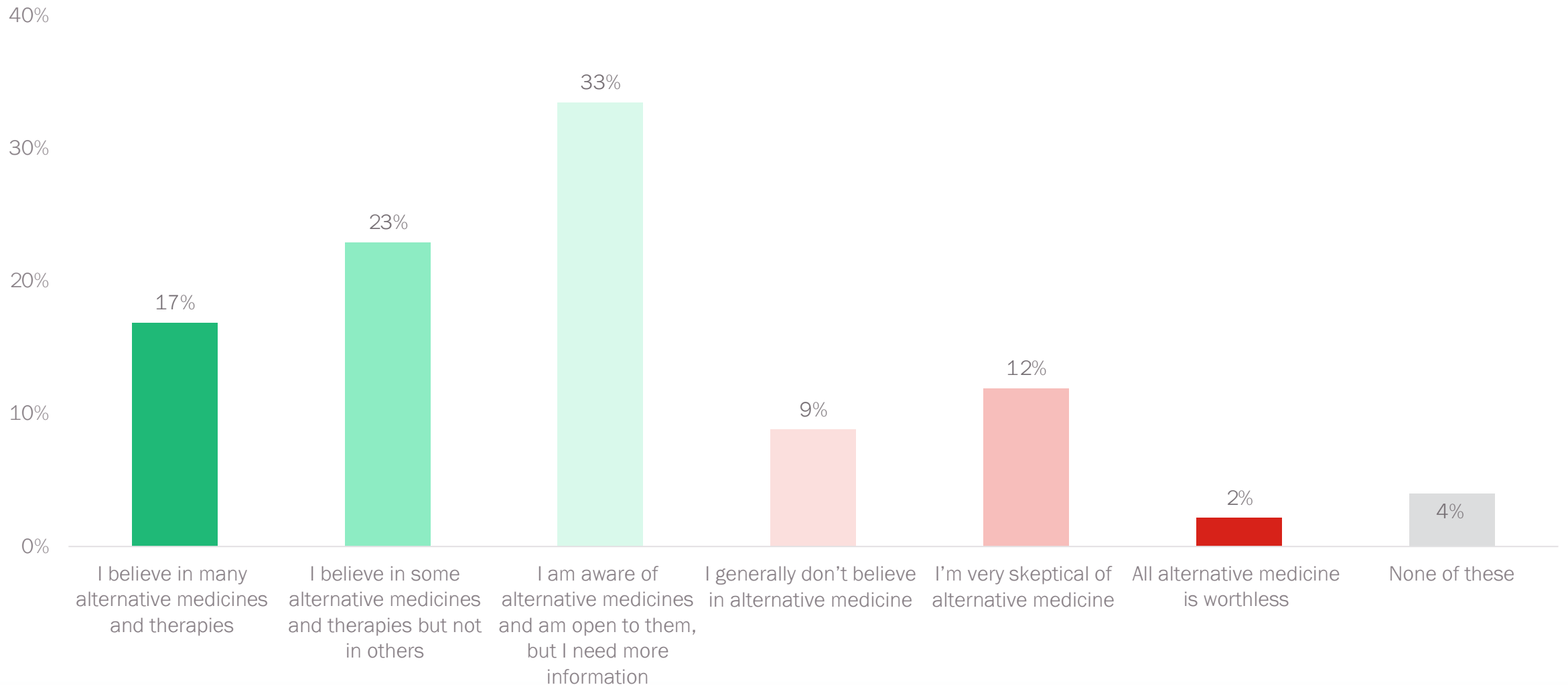


Belief in a more holistic view of medicine has increased

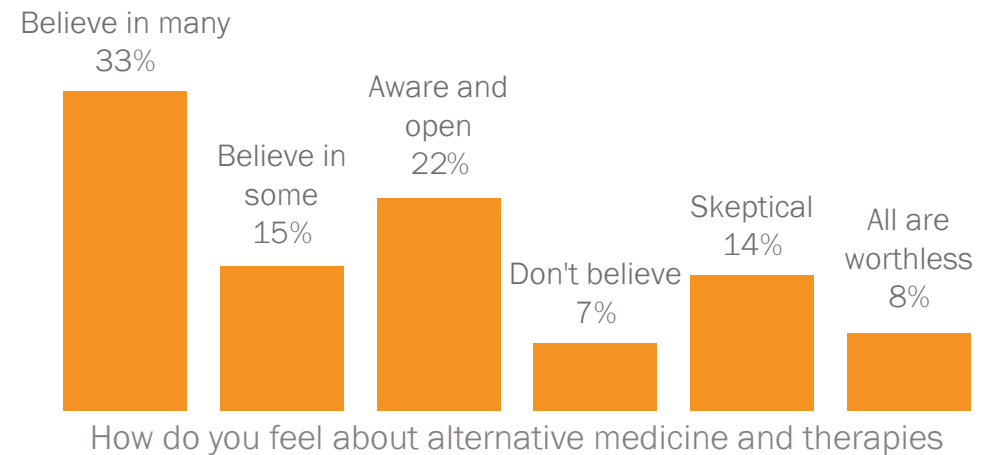
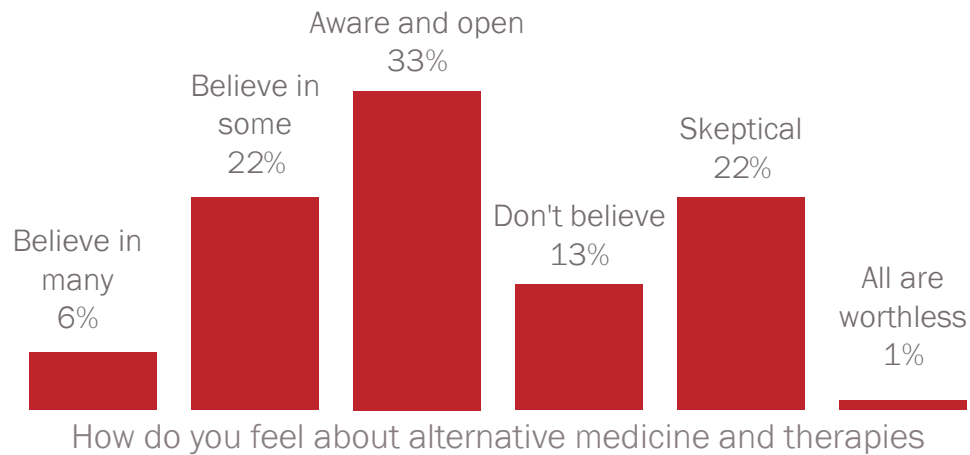
My belief in a more holistic view of medicine and healing (body, mind, spirit) has:



Most have openness to alternative medicine



Supplement behavior by PureSegment

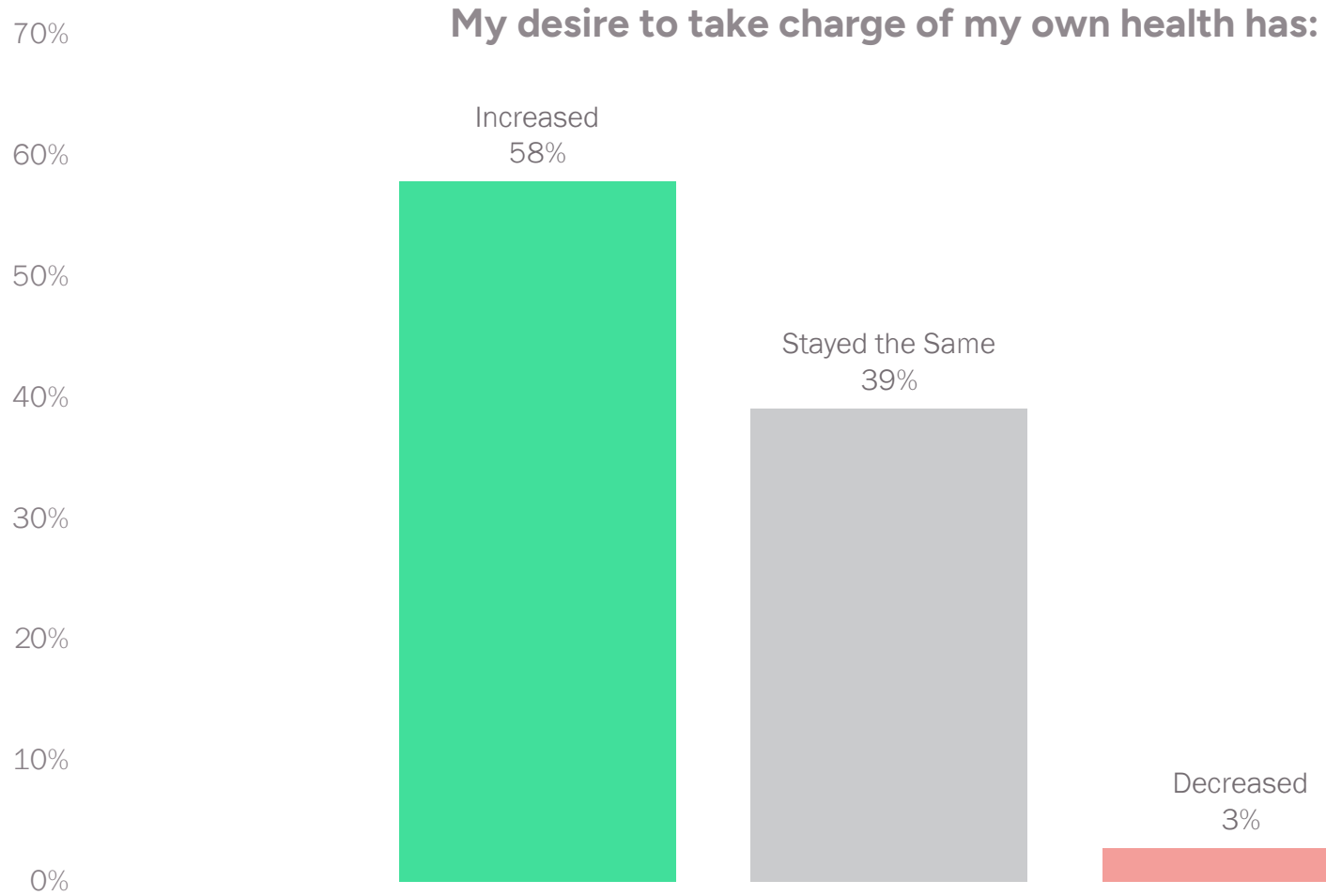


| Brand Takeaways

- Brands should recognize their consumers may hold a deep distrust in the conventional medical systems (e.g., big pharma) and growing interest in holistic and alternative approaches to healthcare.
- As brand leaders, you might adopt a whole view of your customers' health – considerate of not just their physical but also their mental and spiritual well-being. This could manifest in how you design your personalization programs, build your advisory boards, inform your content strategy or affect how you talk about your bigger brand mission and values.

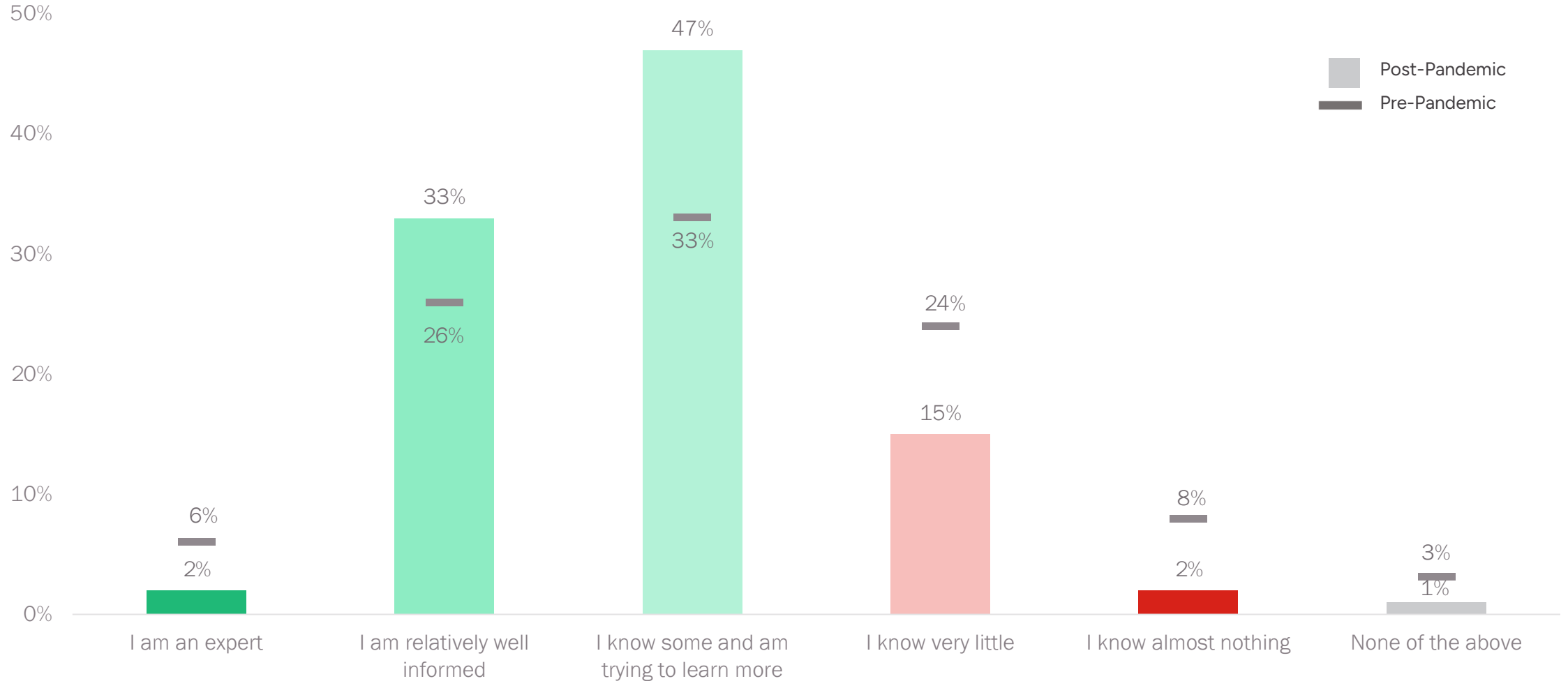
Taking charge of your health

Desire to take charge of health has increased

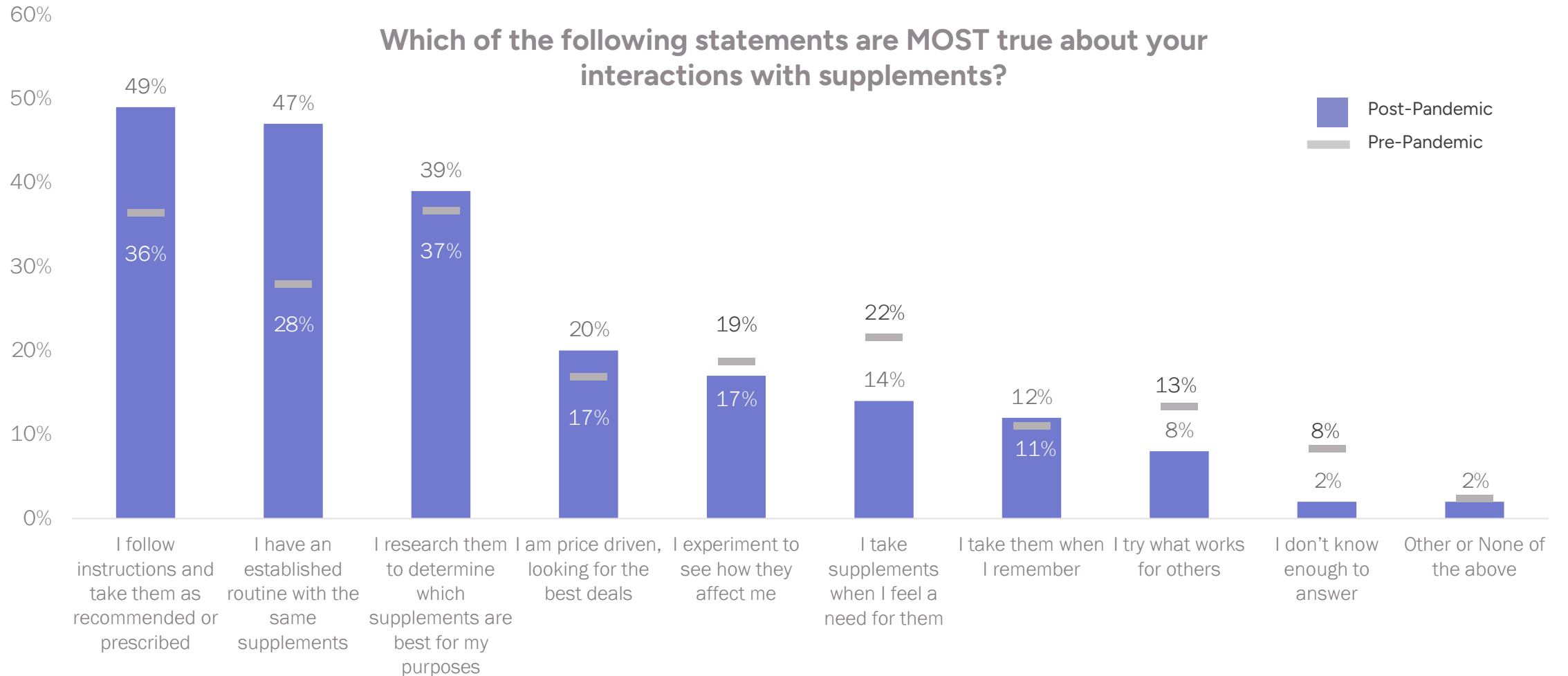


Knowledge of supplements has increased

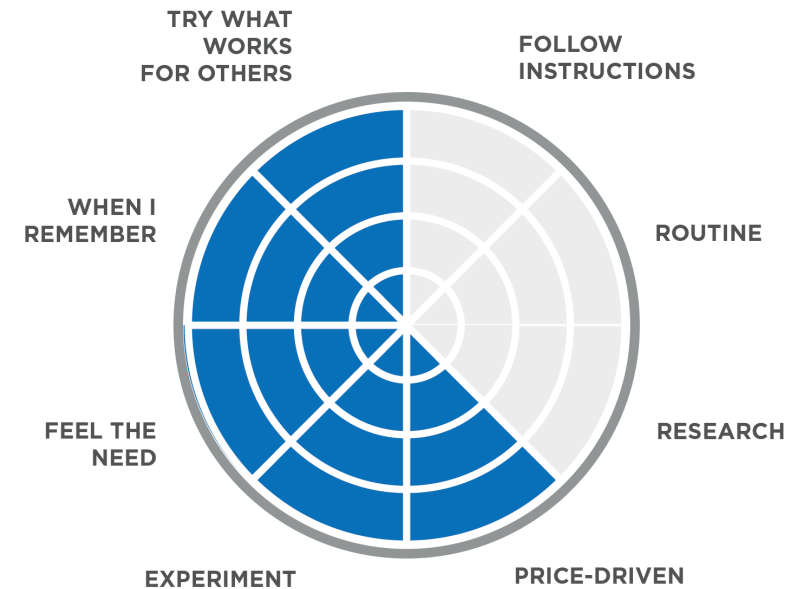
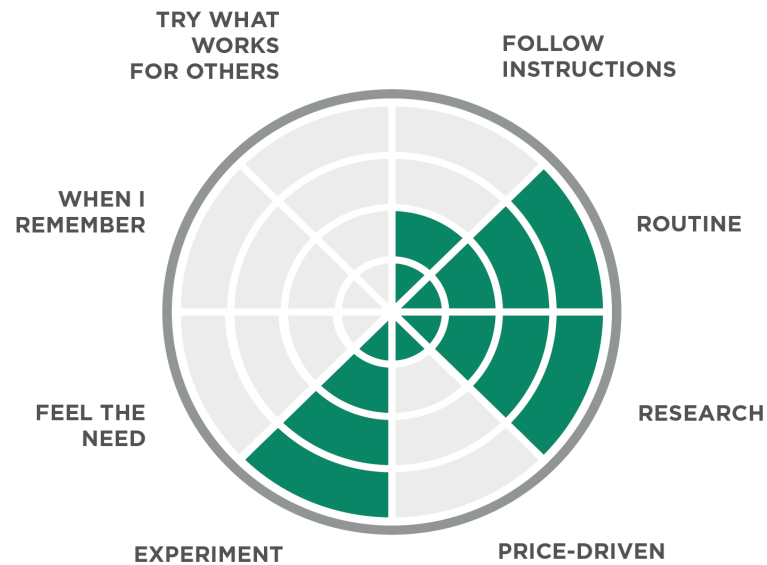
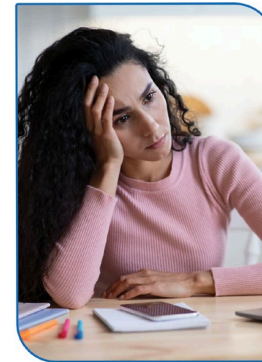
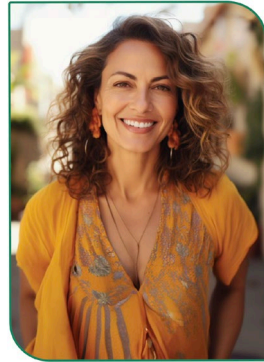
How would you describe your level of knowledge of supplements?



Following instructions & establishing a routine have increased



Supplement behavior by PureSegment



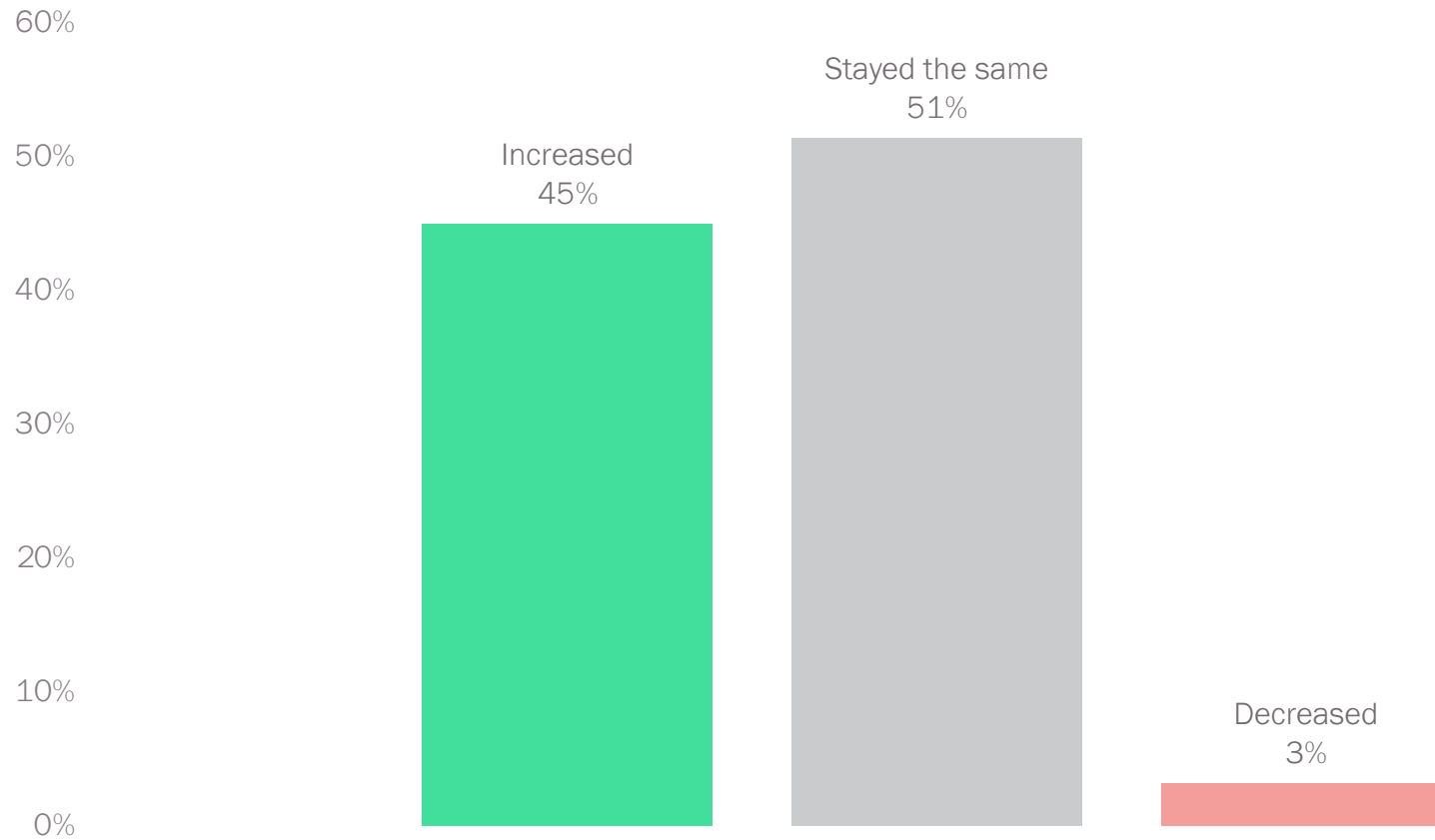
| Brand Takeaways

- Supplement consumers are taking a more active role in their health. Brands can provide them with the right resources to inform their decision-making. Consumer segments that are well-informed are going to be deterred by brands who “talk down” to them. An accurate understanding of your customers’ level of knowledge should permeate your marketing and engagement strategies.
- While consumers are more knowledgeable and have an increased desire to take charge of their health, the #1 behavior to “take as recommended” reveals to us that they’re not necessarily doing it alone. They’re working with practitioners and they’re learning from brands. The quality of your brand’s recommendation engine and subscription offerings can provide today’s consumer with what they’re looking for: clear recommendations and tools for creating their routine.
- Supplement consumers are reporting more established routines, which means stronger retention and lifetime value potential.

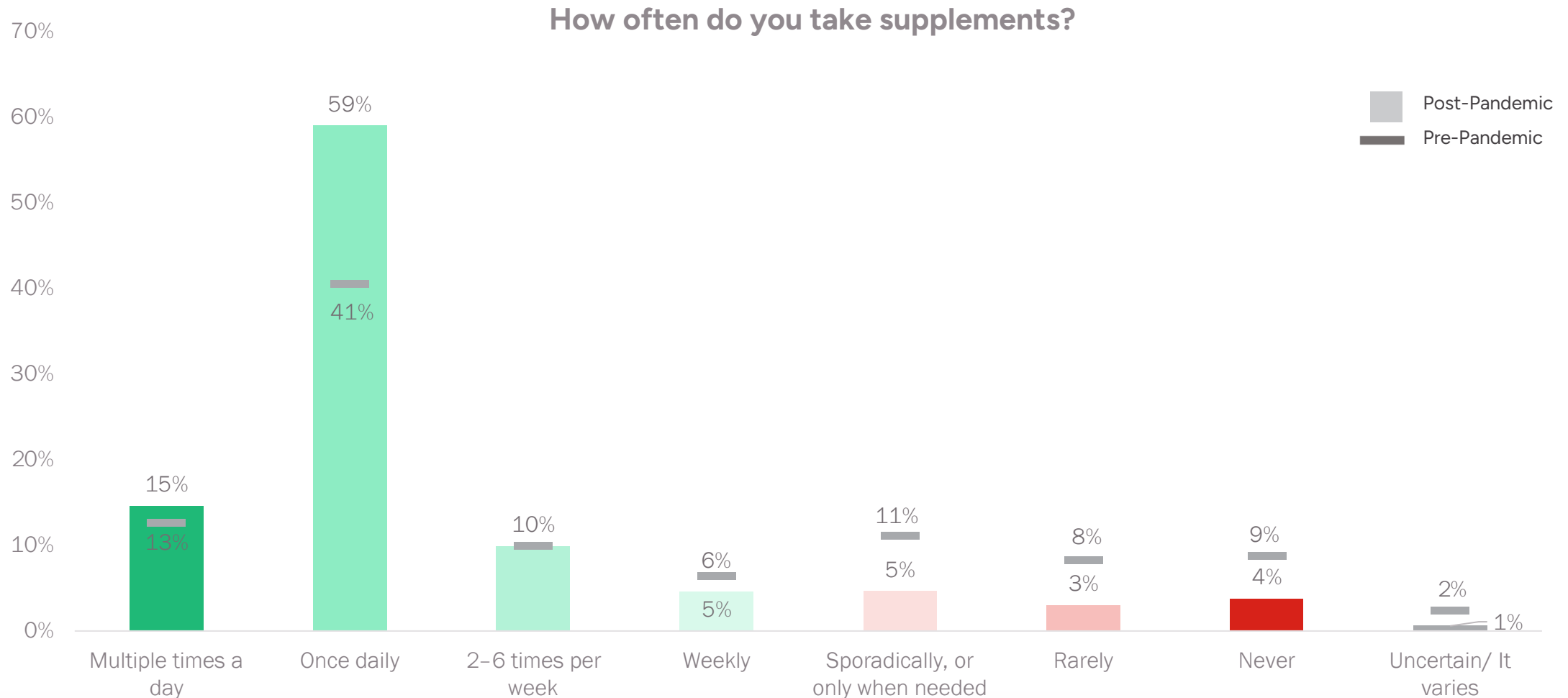
Shifts in shopping behavior & loyalty

Personal use of VMS has increased

My use of vitamins and supplements has:

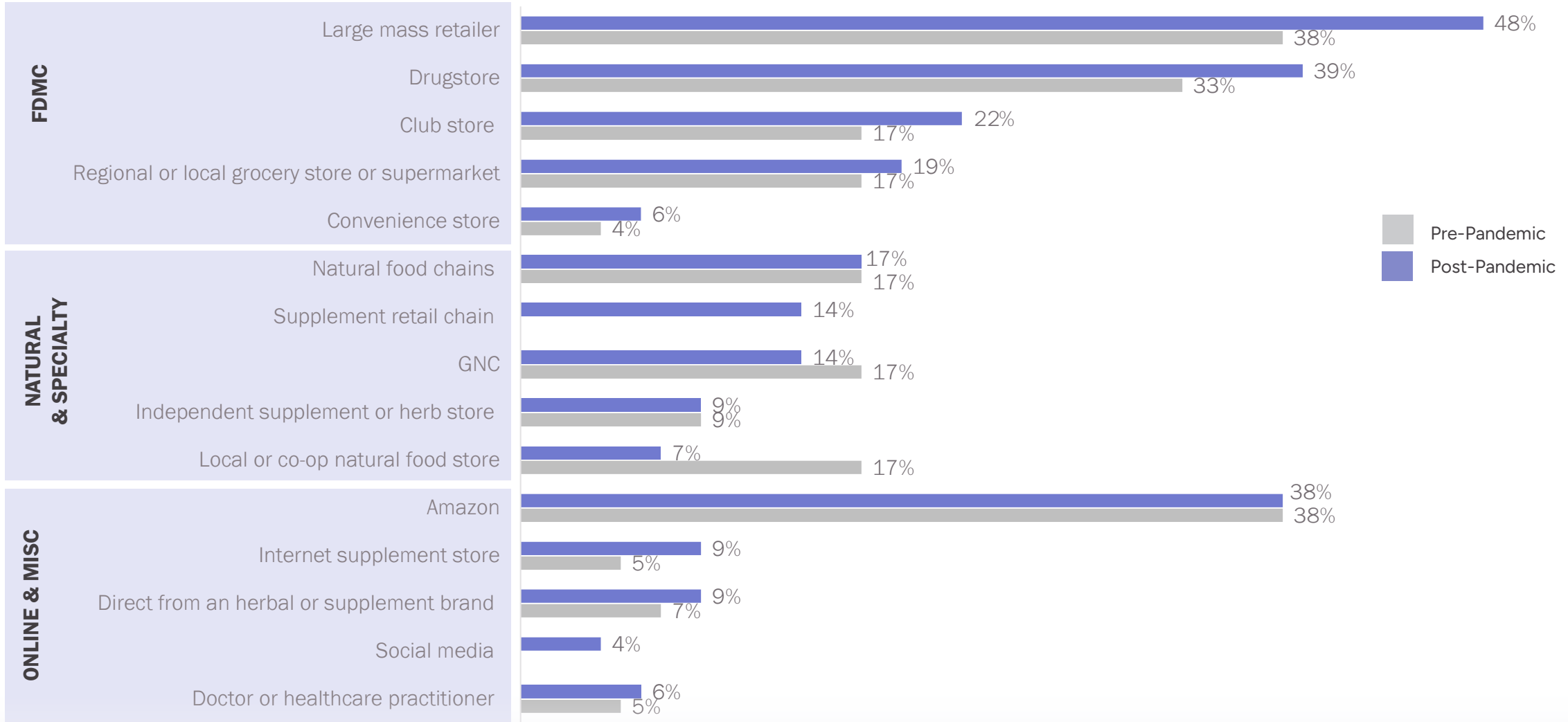


Daily use has increased significantly



Growth at FDMC

Where do you (or the person who shops for your household) buy most of your supplements?



Note: Social media, supplement retail chains not included in 2020 study

Multichannel shoppers drive market share

FDMC ONLY

% Dollar Market 2020

16%

% Supplement
Population 2020

31%

% Dollar Market 2024

3%

% Supplement
Population 2024

28%

FDMC MULTICHANNEL

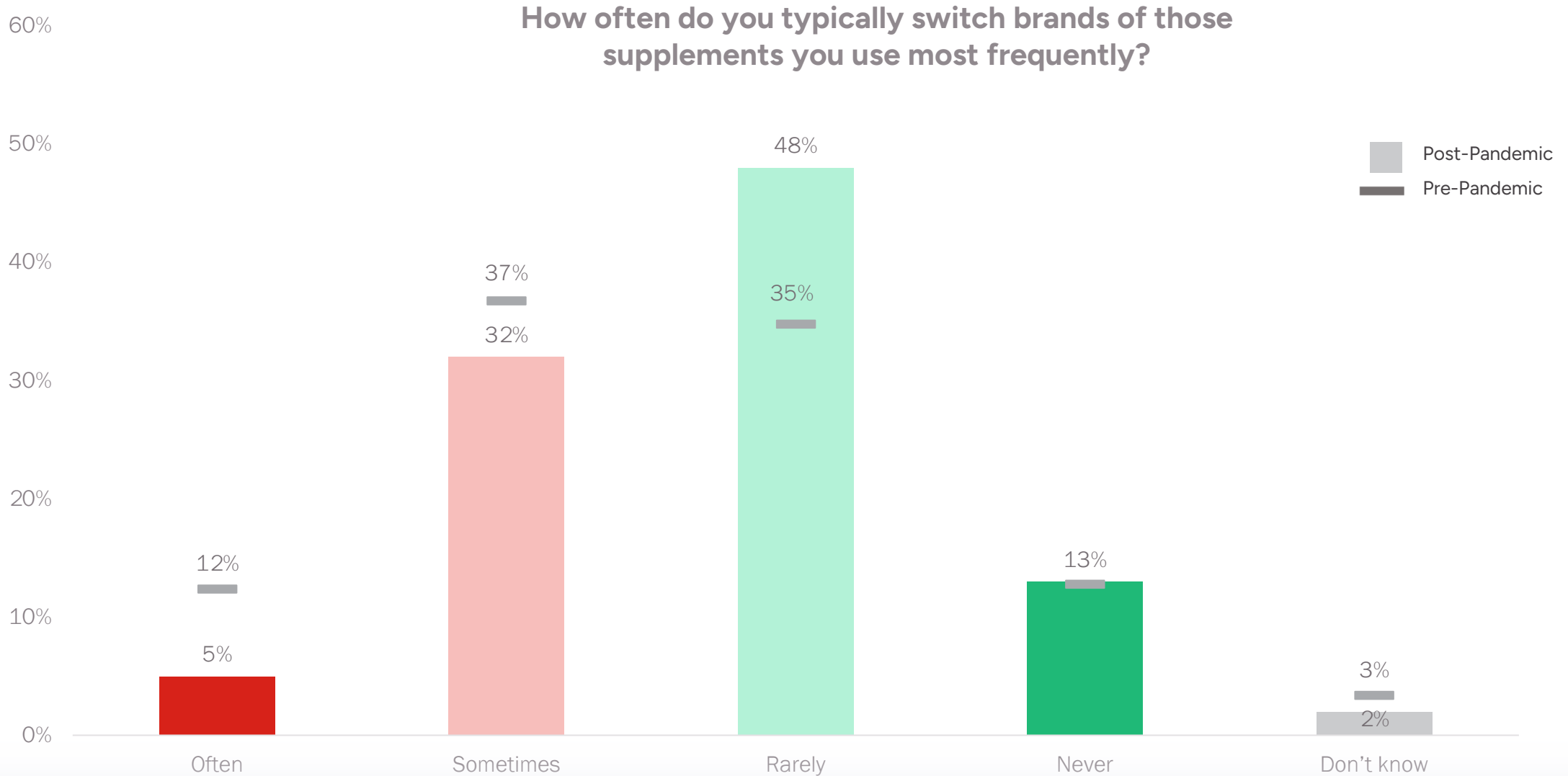
% Dollar Market 2024

46%

% Supplement
Population 2024

58%

Brand loyalty has increased



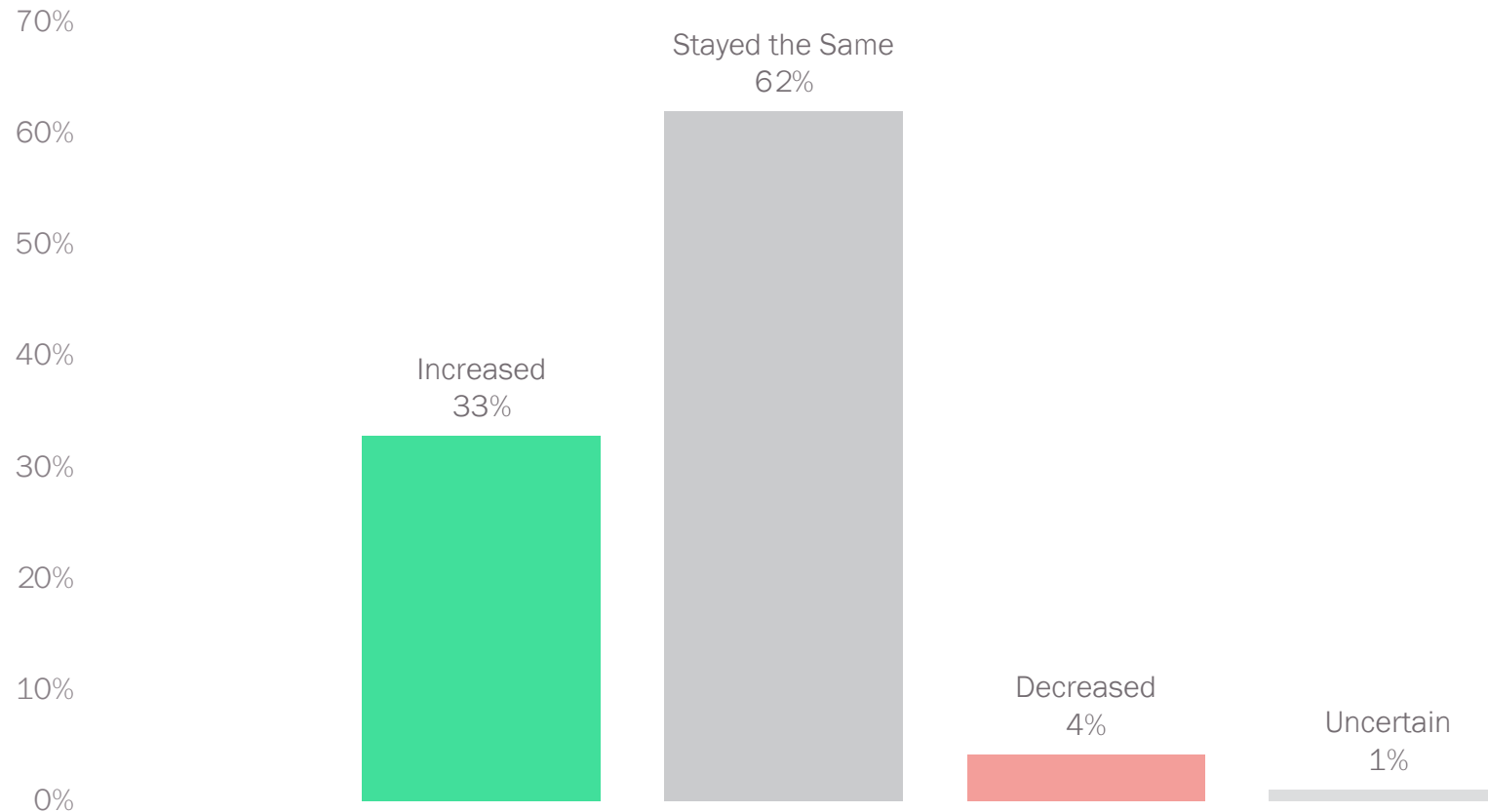
| Brand Takeaways

- People are taking supplements daily at much higher rates. People prioritized supplements and got into a daily routine during the pandemic – and these habits stuck!
- There's been a meaningful shift in FDMC shopping for supplements, which should alter your perspective on where your target consumer might be browsing and the brands you consider your competitors.
- The supplement market is driven by multi-channel shoppers. Knowledge of your customers' shopping behavior should inform your digital media tactics, your promotion strategy and your retail distribution.
- Omnichannel shopping reinforces the need for a strong brand; your competitors are no longer just the players in your "lane."

Industry trust & transparency

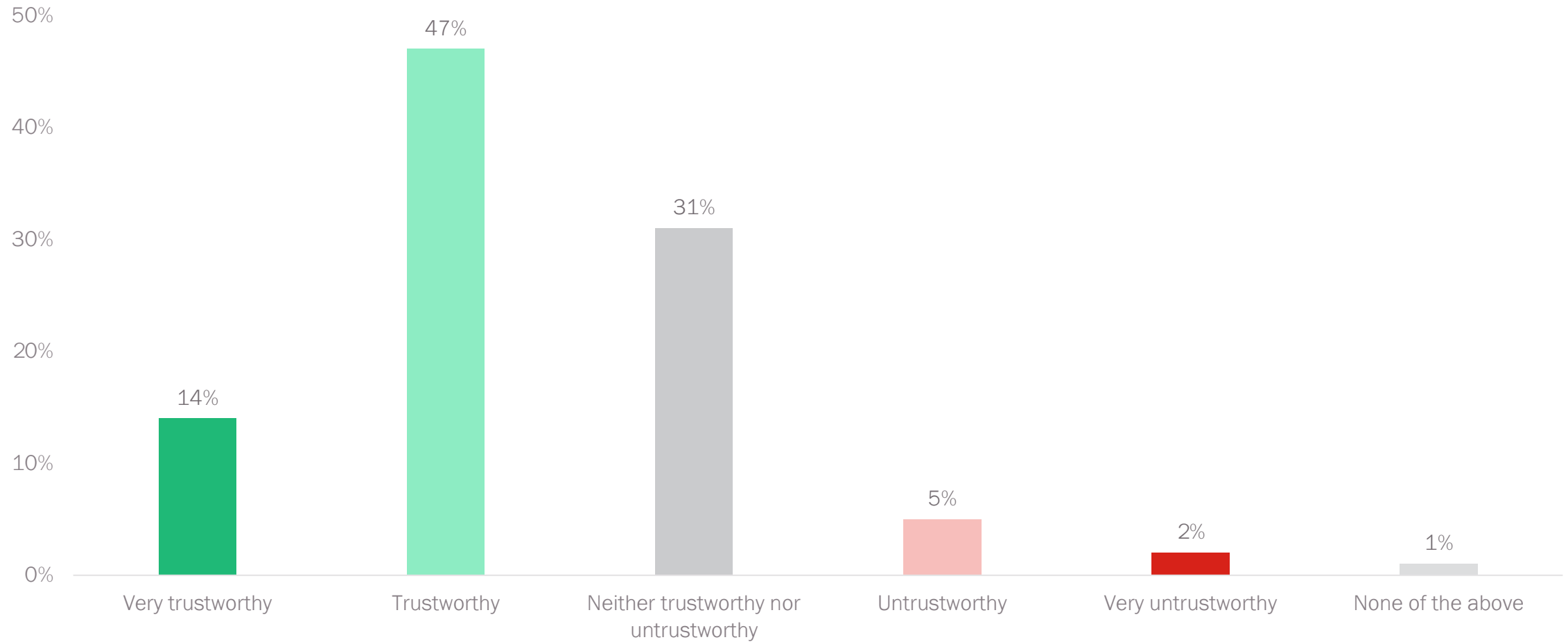
| Trust in VMS efficacy and safety has increased

My trust in vitamins and supplements, their efficacy and safety has:



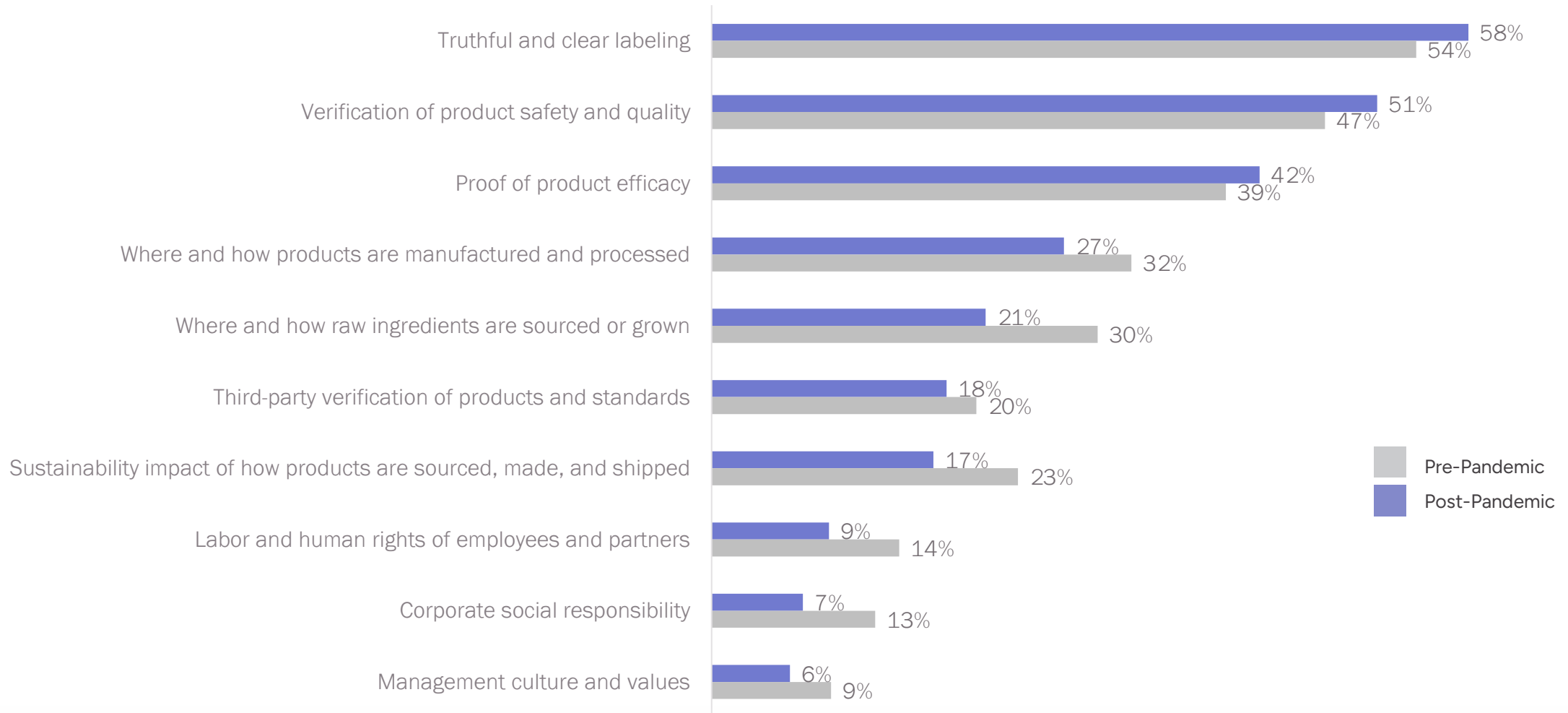
Trust in VMS industry is strong

In relation to trustworthiness, indicate your perception of the vitamin and supplement industry:

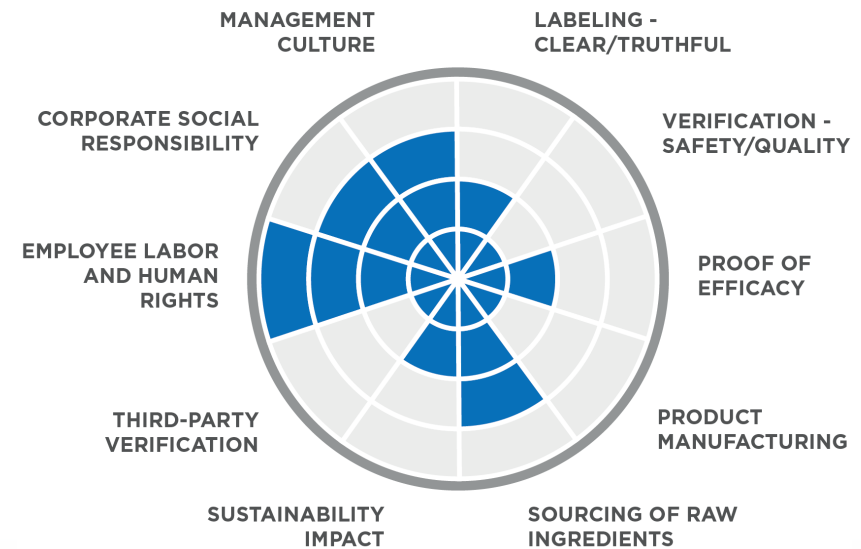
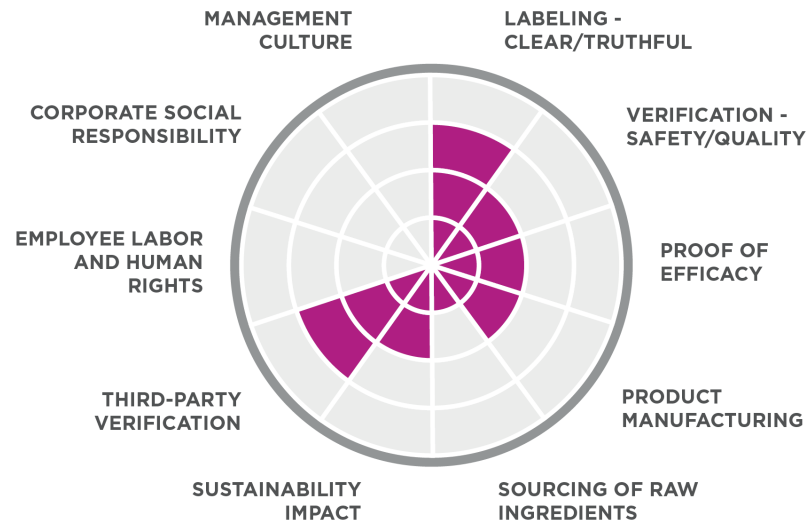
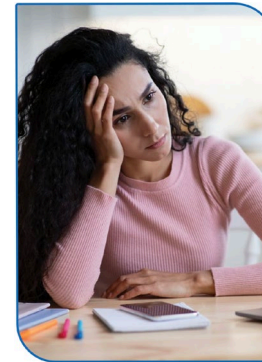
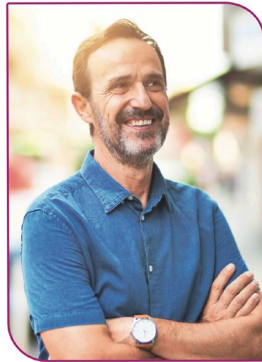


Transparency factors remain unchanged

What's most important to you when you consider the transparency of a supplement company?

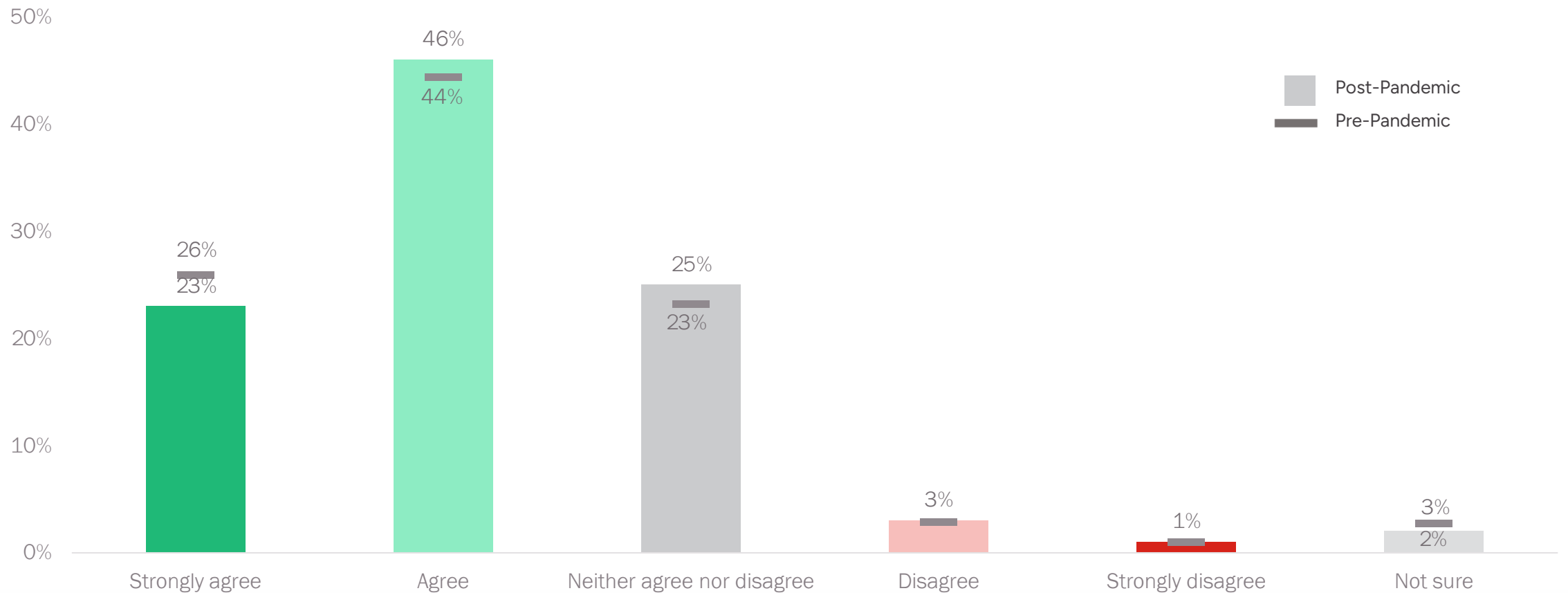


Transparency factors by PureSegment



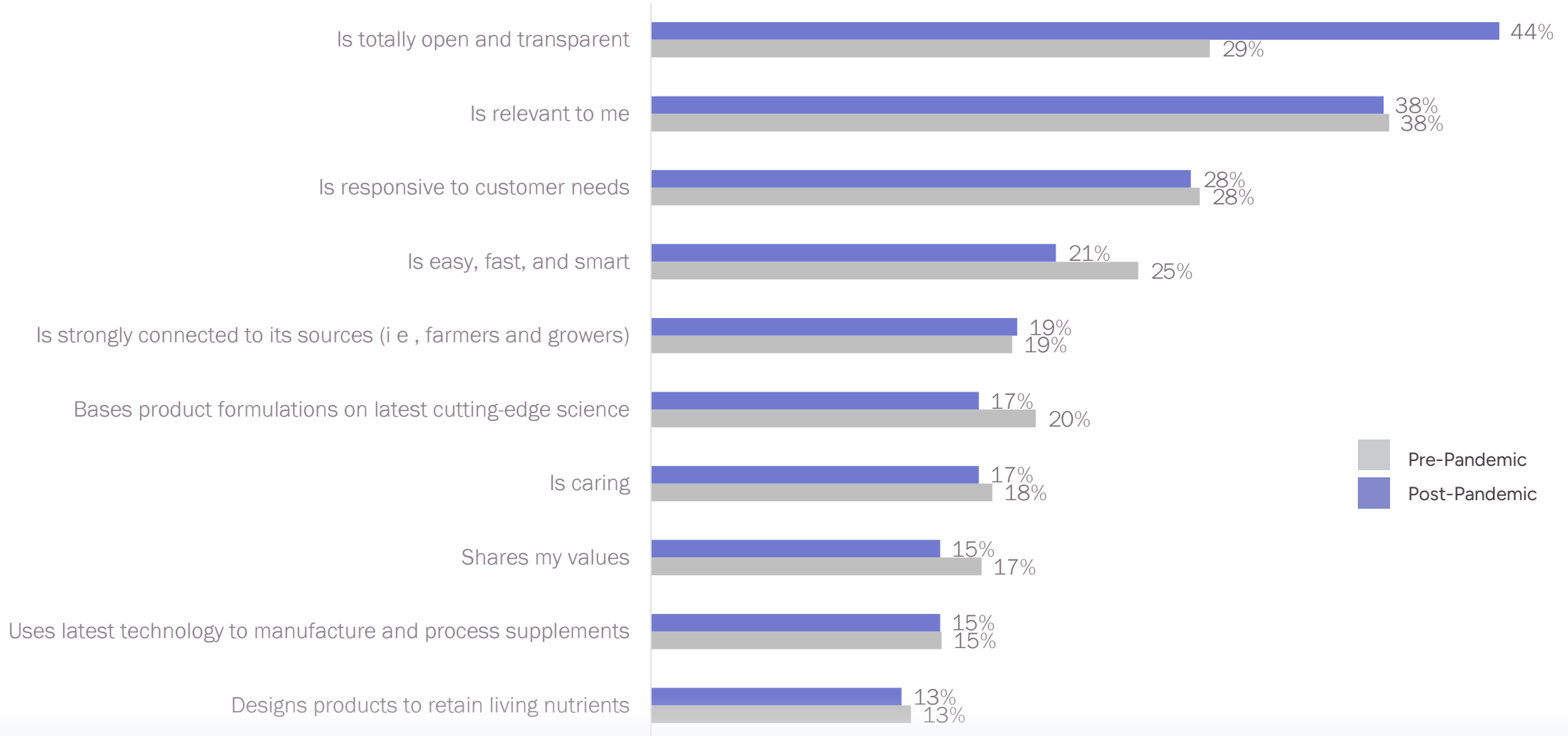
Association between transparency and perception of efficacy remains strong

“Generally, I believe that the more transparent a supplement company is, the greater the efficacy of its products.”



Transparency more strongly connected to innovation

Which of the following company attributes would you MOST want from an innovative supplement brand?



| Brand Takeaways

- Even if consumers generally trust the industry, you still need to earn the trust of people who want to trust you. They are still buying individual brands and if they lose your trust, they believe that there are plenty more options out there. And regaining lost trust, that's a tough task.
- In a market where everyone says they are transparent you need to reinvest more into your transparency programs and connect your transparency to your innovation and your storytelling. This is important so your consumers will pay attention to your commitment to transparency, and that will feed into their belief in your products' efficacy.

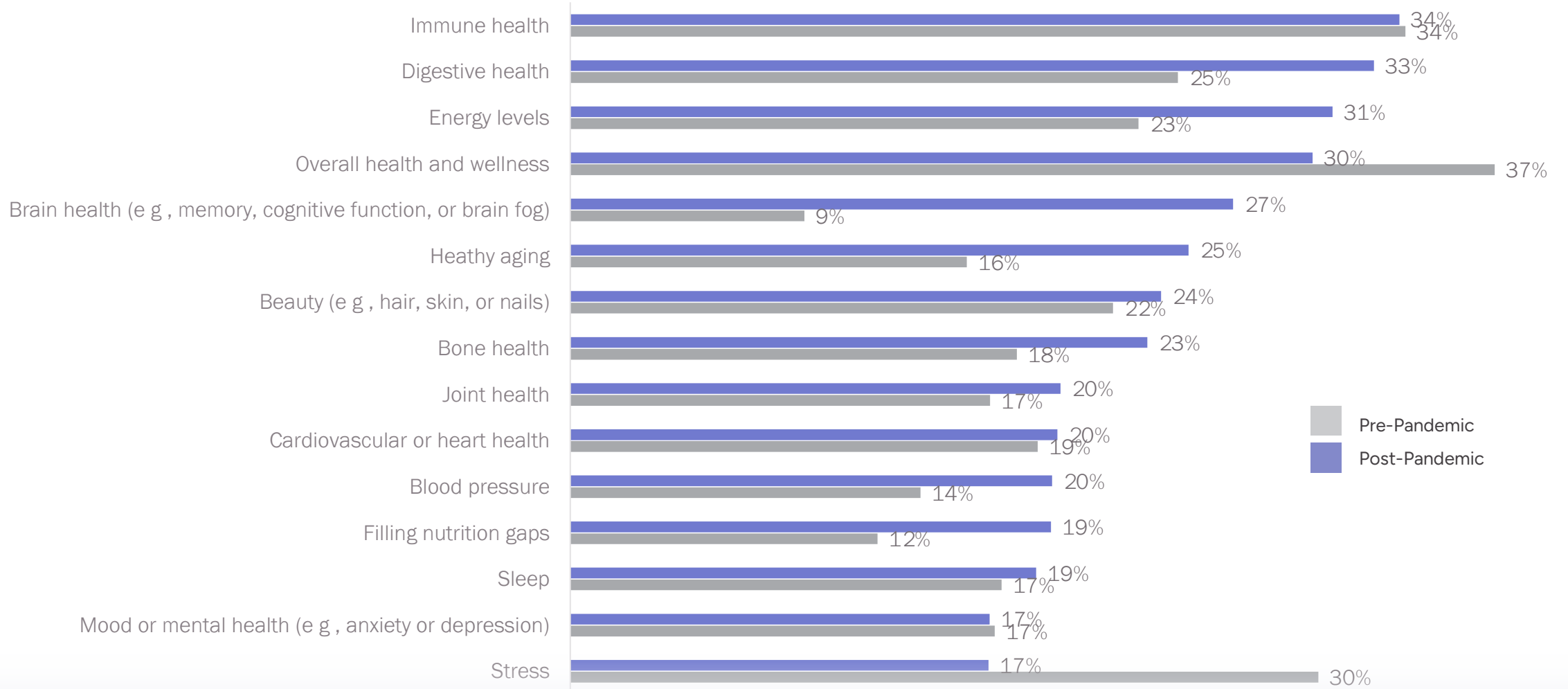
Segmentation in Action

| Consumers are inundated with needs-based marketing



Digestive, energy, brain and healthy aging all growth areas post-pandemic

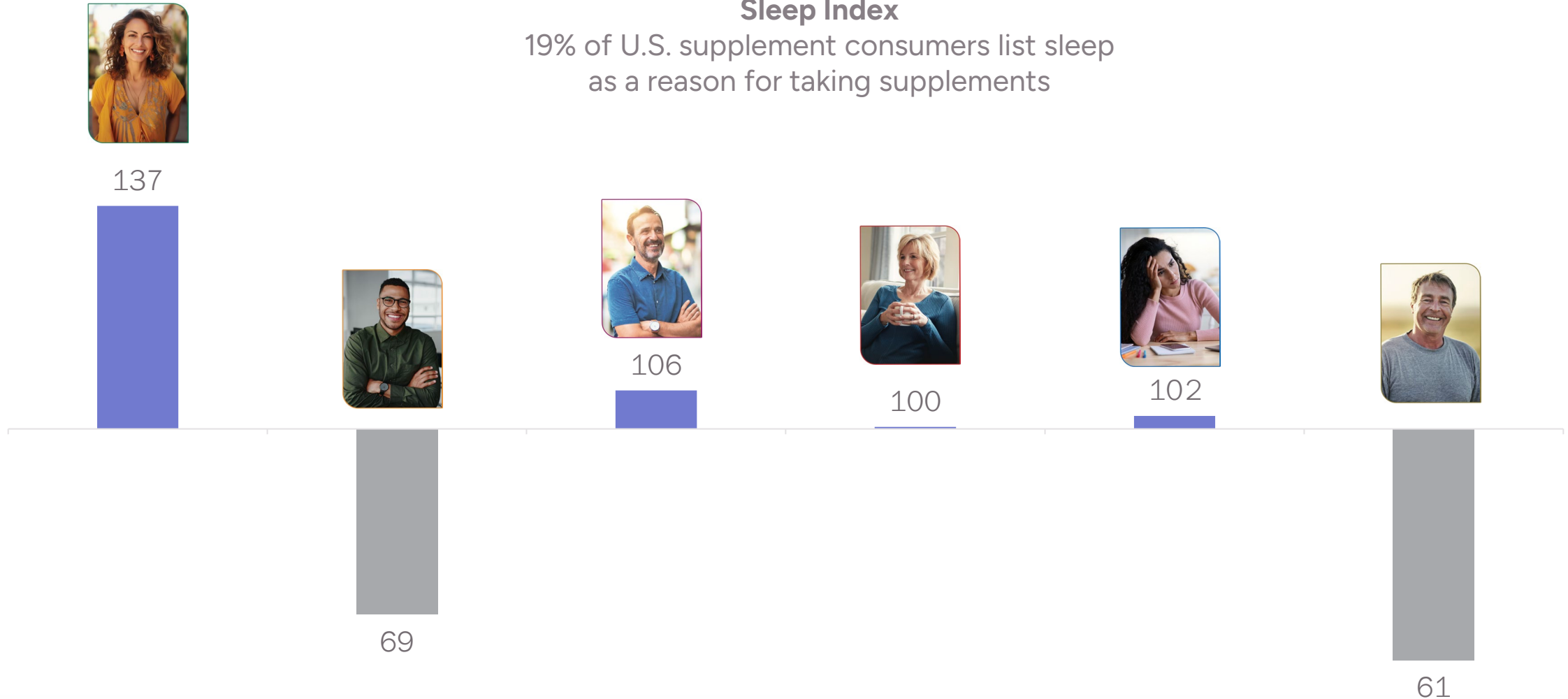
For which of the following health reasons do you use supplements regularly?



Supplement behavior by PureSegment

Sleep Index

19% of U.S. supplement consumers list sleep as a reason for taking supplements



| Assume the following:

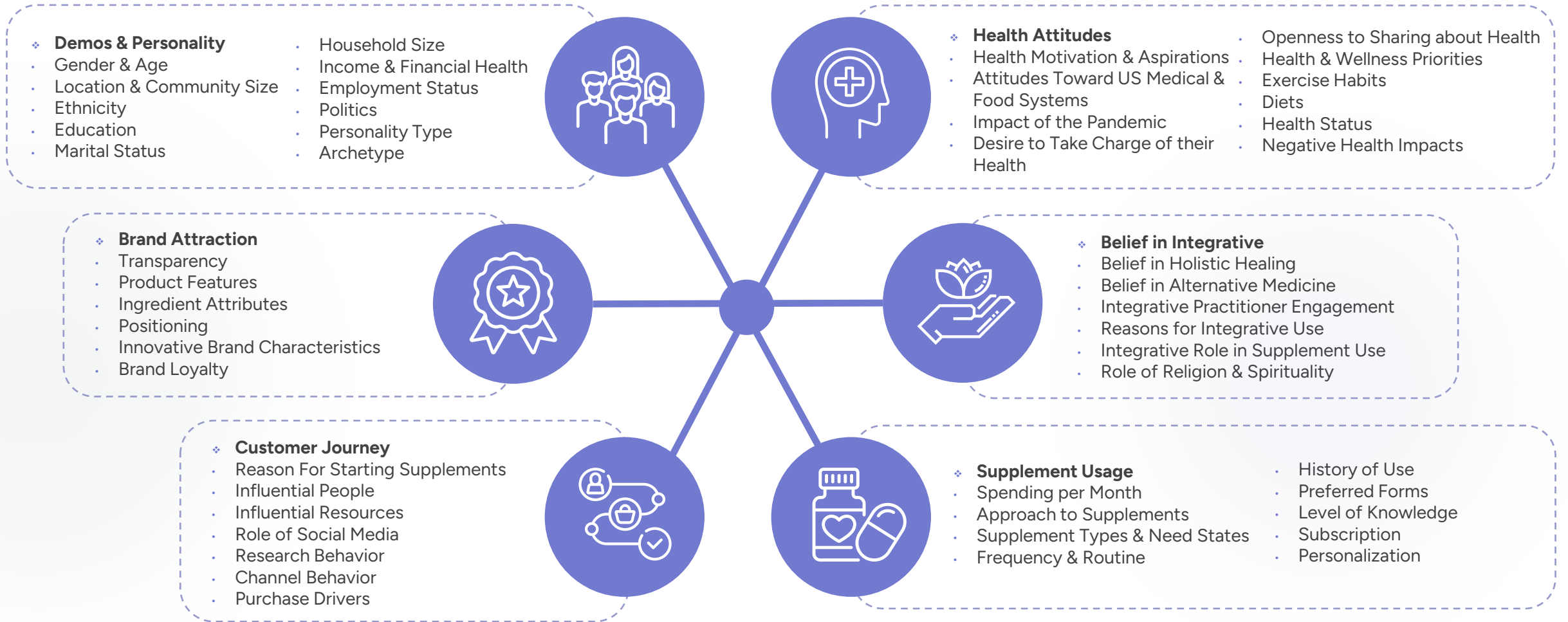
All sleep support supplements share similar structure function claims:

- Supports body's ability to adjust to **healthy sleep pattern**
- **Promotes relaxation** and supports restful sleep
- Promotes **tranquil sleep** environment
- **Reduces stress** for a more peaceful night's sleep
- Supports **uninterrupted sleep**
- Encourages healthy sleep patterns **without dependency**
- Promotes **balanced sleep cycle**

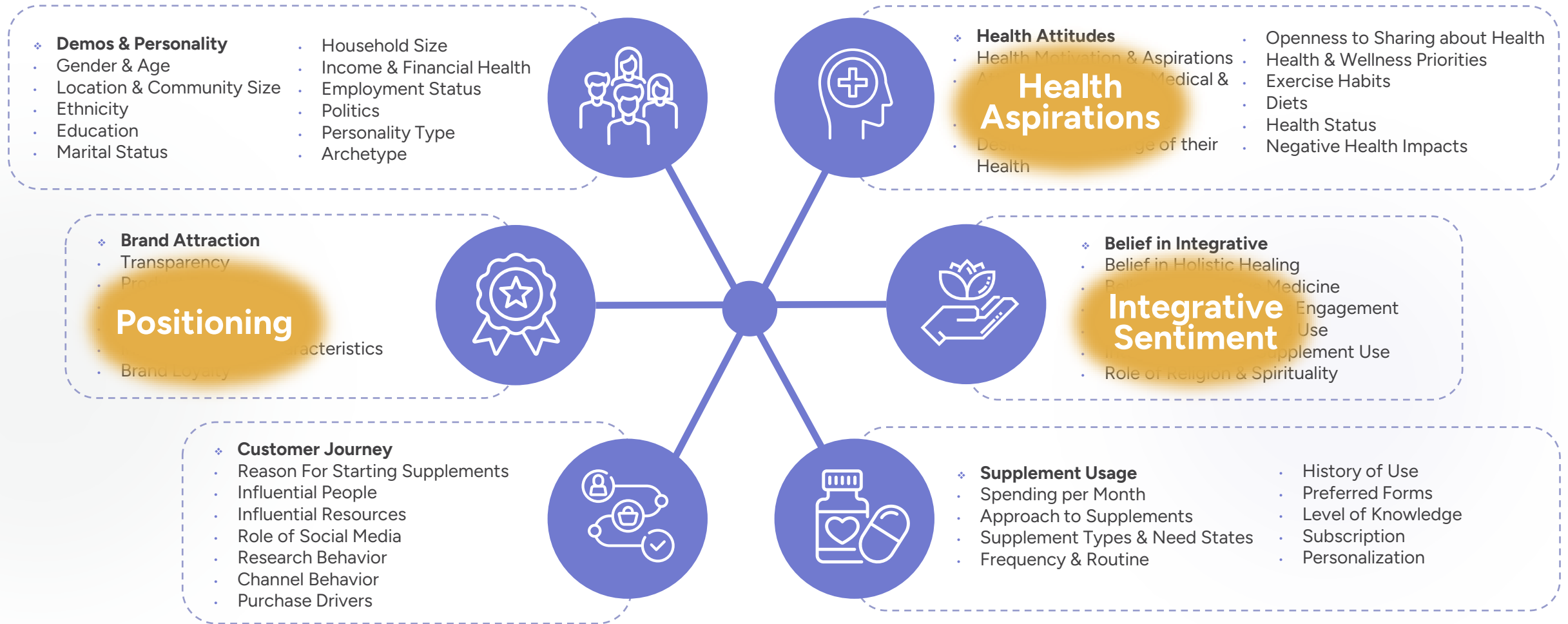
And all sleep support supplements are the **best, highest quality** and **most effective**.

Brands can grow by **connecting to what's important to their target segments.**

360° view of your target US consumer



360° view of your target US consumer



| Brand positioning

Transparent: Is transparent in all it does to assure proof of quality, trust, and safety

Pure: Uses only the purest ingredients while supporting the environment through its own practices

Proprietary clinical: Uses proprietary and clinically proven ingredients and formulas

Empowers: Inspires and empowers people like me, who want to take control of my health

Women's health: Focuses on solutions that address women's health issues because women face different challenges than men

One health issue: Specializes and has expertise on the one health issue that is most important to me

Sets standards: Sets the definitions and standards for supplements, from science to sustainability

Cutting edge: Is on the cutting edge of smart technology to deliver a remarkable experience for nutritional health

Men's health: Focuses on solutions that address men's health issues because men face different challenges than women

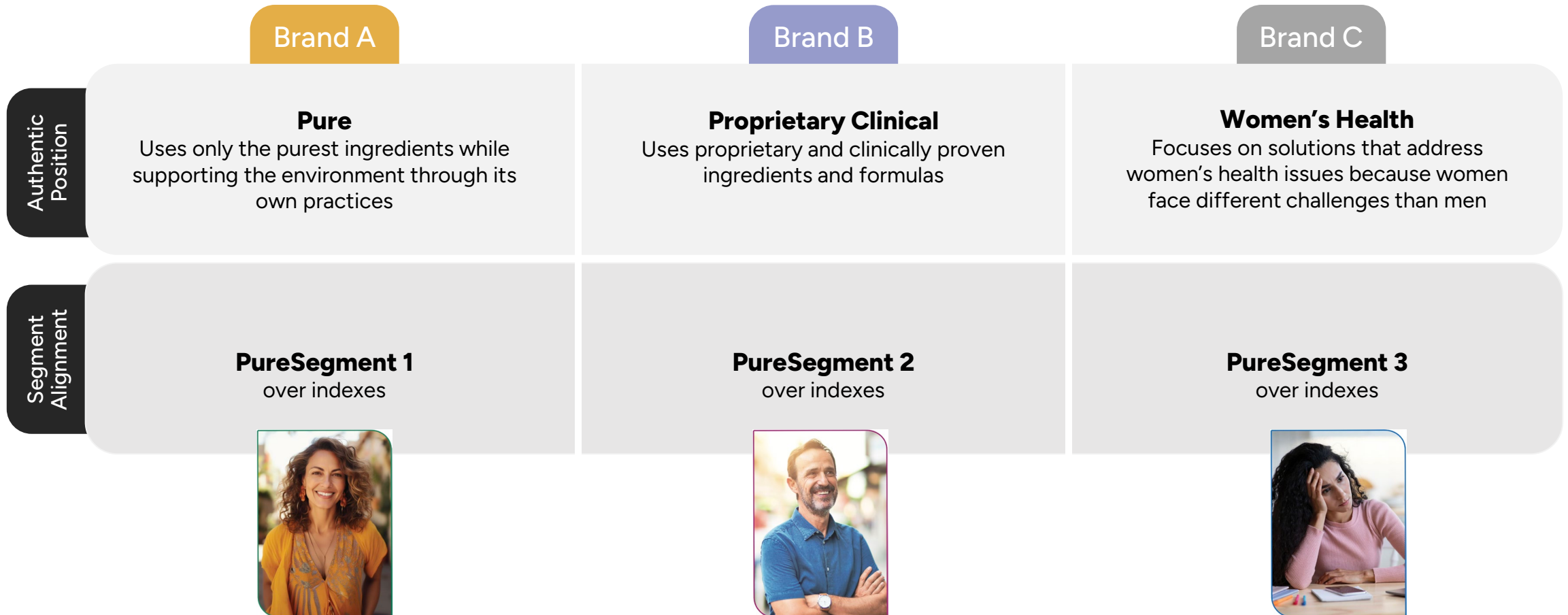
Activist: Is uncompromising and is not afraid to be a watchdog for the industry

| For Example:

3 Sleep Brands With 3 Different, Authentic Positions

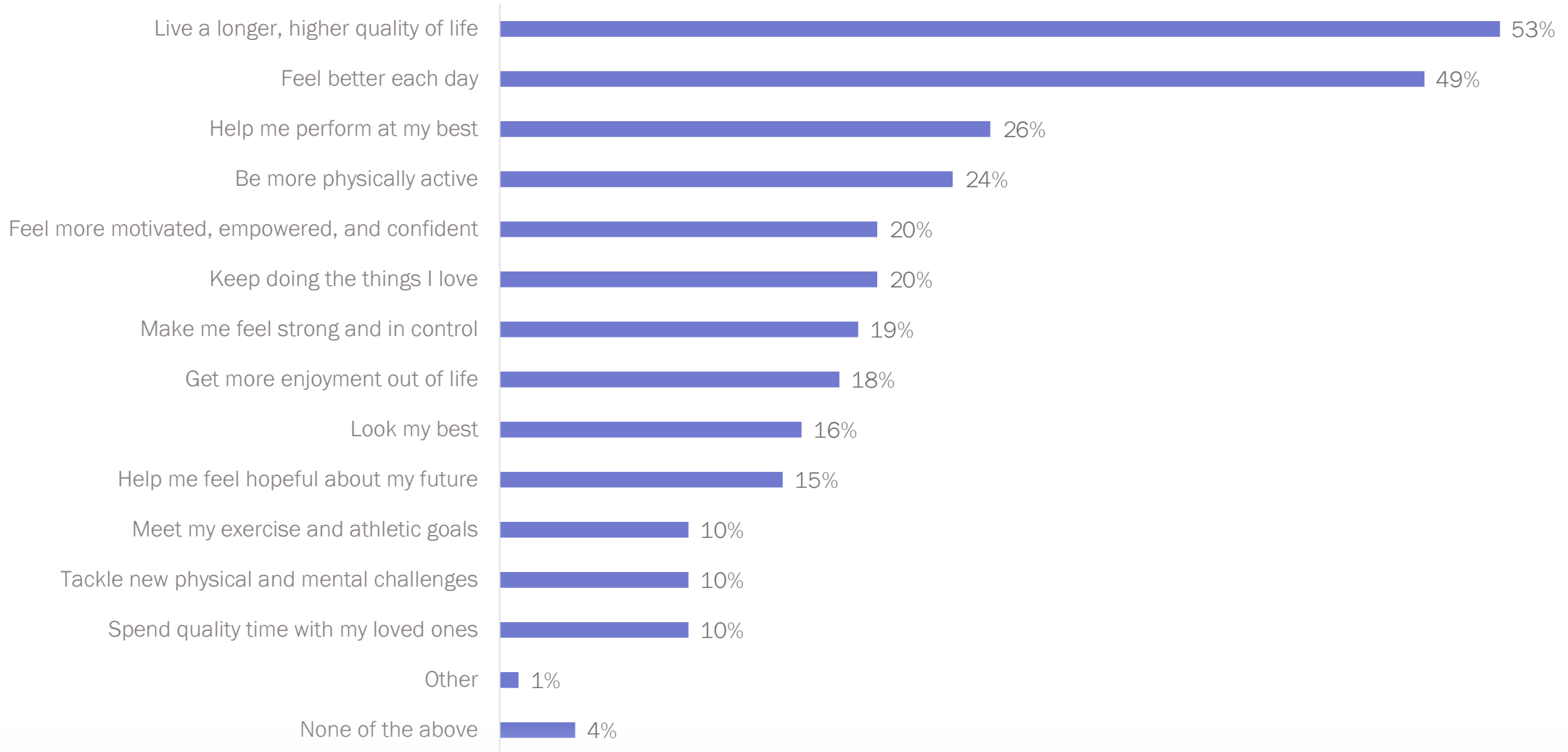


Opportunity to align with the PureSegment that most resonates with each authentic position



Beyond health reasons

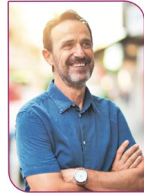
Beyond health reasons, which of the following are the most important reasons you take supplements?



Appealing to what motivates your target segment



Brand A



Brand B

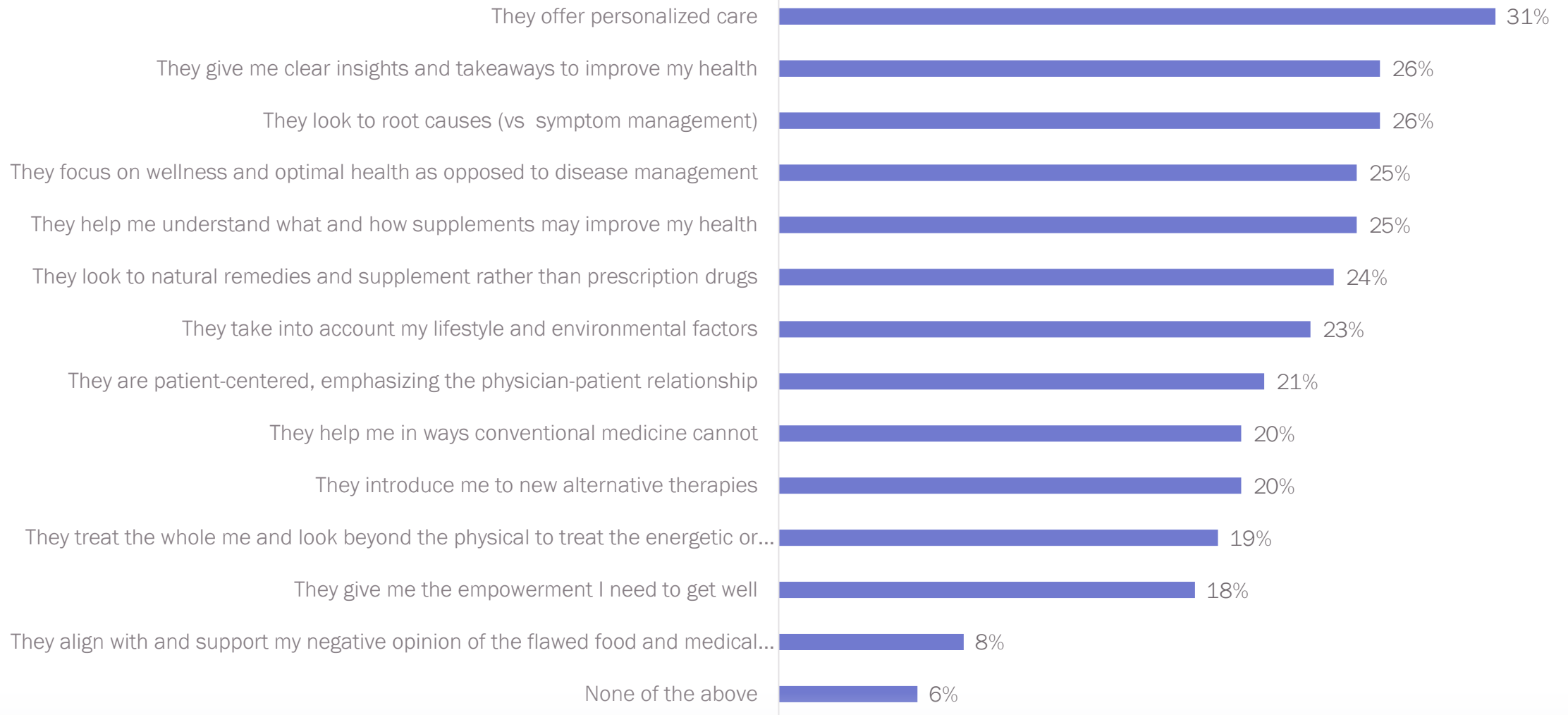


Brand C

Authentic Position	<p>Pure Uses only the purest ingredients while supporting the environment through its own practices</p>	<p>Proprietary Clinical Uses proprietary and clinically proven ingredients and formulas</p>	<p>Women's Health Focuses on solutions that address women's health issues because women face different challenges than men</p>
Segment Alignment	<p>PureSegment 1 over indexes</p>	<p>PureSegment 2 over indexes</p>	<p>PureSegment 3 over indexes</p>
Segment Motivations	<p>Over indexes for wanting their supplements to help them meet their exercise goals and be strong and in control</p>	<p>Over indexes for wanting their supplements to help them get more quality time with their loved ones</p>	<p>Over indexes for wanting their supplements to help them tackle new challenges and make them more hopeful about the future</p>

Integrative HCP appreciation

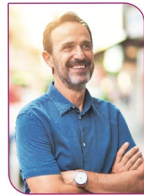
Which of the following do you most appreciate about your experiences with your integrative HCPs?



Aligning with your target segments attitudes



Brand A



Brand B



Brand C

	Brand A	Brand B	Brand C
Authentic Position	Pure	Proprietary Clinical	Women's Health
Segment Alignment	PureSegment 1	PureSegment 2	PureSegment 3
Segment Motivations	Strong and in control	More quality time with their loved ones	Tackle new challenges and more hopeful about the future
Segment Attitudes	Over indexes for an integrative experience that looks to natural remedies over prescription drugs and that focuses on wellness rather than disease management	Over indexes for an integrative experience that feels personalized and that looks to root causes rather than symptom management	Over indexes for an integrative experience that takes into account their lifestyle and environmental issues and that empowers them to get well

Three distinct sleep brands that resonate with their target PureSegment



Brand A

- Made with only the **purest ingredients**
- Get the sleep you need so you can be **strong and in control**
- It's time to transition to the **natural solution that puts you on the path to wellness**



Brand B

- Made with proprietary and **clinically proven ingredients**
- Get to the **root cause** of your sleeplessness
- You deserve a good night's sleep every night so you can spend more **quality time with your loved ones**



Brand C

- **Made for women** because they face different challenges than men
- Hope is on the way. Get the sleep you need so you can **tackle those new challenges**
- In a world filled with toxins and stress a **good night's sleep will empower you**

Access to PureSegmentation



US Supplement Consumer
PureSegmentation™

2024 Edition

PURE (branding)

A powerful tool for supplement marketers



- Deep consumer profiles that are the foundation for **cost-effective & actionable** custom research for supplement brand marketers
- **Census-balanced market-sized segmentation** powered by 2,300+ quantitative interviews of U.S. supplement consumers conducted in Q4 2023 with a +/- 2.1% margin error
- Designed for **rapid brand definition, positioning, innovation and growth**
- **Actionable research that fuels:**
 - Brand
 - Marketing
 - Sales

Pure Branding clients have used PureSegmentation research to fuel:

BRAND

- Brand development & market positioning
- Brand storytelling & campaign development
- Packaging design

SALES

- Pricing & promotion strategy
- Retail strategy and expansion into FDMC, natural, DTC or practitioner channels
- New product innovation & portfolio expansion

MARKETING

- Consumer journey design & lifecycle marketing
- Marketing channel mix & targeting
- Personalization programs
- Content strategy
- Transparency programs
- Product page and landing page design
- Influencer or advisory programs

| Investment options

PureSegmentation + Consulting Session

Gain insight into the **6 market-sized segments** and consulting support to interpret actionable application for your brand

PureSegmentation + Typing Tool

Uncover which consumer segment your **current customer base** falls into so you can more effectively reach, engage and retain that audience

Custom PureSegmentation

Uncover both your current customer and opportunity target segments, and **test responsiveness to positioning** that can drive brand growth

Starting at \$25K

Thank you!

“Indispensable Data for All Supplement Brands, Hands Down!”

— Robert Craven, Founder, ScalePassion;
Former CEO, MegaFood & Garden of Life



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