

CLAIMS CONFUSION – THE CALL FOR TRUTH & TRANSPARENCY

Beauty and personal care buyers—especially those Gen Z age and younger—demand authenticity and transparency from brands. Proof of efficacy, in the form of substantiated product claims, has always mattered to buyers and most are insistent upon seeing these claims before handing over their credit cards. But what if the details of this proof of efficacy weren't so transparent? If a brand shows a consumer perception product claim and says it's a clinical result, do consumers notice the difference, or care? TBC's survey of more than 3,000 buyers revealed a resounding YES to that question. Not only do consumers demand to know which claims are from a nationwide consumer study, and which are from a clinical lab with panelists living close by—but they want the skinny on the number of panelists, whether the study was by a third-party independent research firm (never the brand itself!), and if the retailer has vetted products touting these claims as well. Correctly citing substantiated product claims has become the new yardstick in the way consumers judge, feel about, and trust, brands.



Capturing Her Attention Through Claims

- **88%** notice claims in the marketing of beauty and personal care products
- **66%** actively seek out claims when learning about or buying a specific product
- **53%** say product claims are more influential in her purchase decision than they were 2 years ago



Why Claims Are Important

- **94%** helps me understand what benefits the products promise to deliver
- **87%** helps me understand who the product is for
- **80%** influence my decision to purchase a product
- **31%** would be dissuaded from buying a product if they couldn't find consumer perception claims

Claims Confusion & Doubt

- **86%** believe some brands make product claims without proper claims substantiation
- **66%** have become more skeptical of claims on packaging or at point of sale in the past 2 years
- **Nearly 1 in 3** respondents attest they have difficulty understanding the difference between a clinical claim and a consumer perception claim

When shown a series of real advertisements...

...respondents were unable to properly differentiate a clinical claim from a consumer perception on average **50%** of the time

When shown which ads had consumer perception claims and which had clinical claims...

...**46%** of panelists said consumer claims labeled as clinical results felt misleading



Clearing the Confusion Through Transparency



- **90%** say all product claims should include **visible disclosures** about how the claim was substantiated (i.e. number of people in the product study, clinical vs. consumer perception)
- **88% expect transparency** in how the product claims are derived
- **60%** say advertisers should specify whether the claims in an ad are based on consumer perception or a clinical study

Respondents believe brands should be required to disclose the following when publishing claims results on packaging, ads or at point of sale:

- **92%** number of participants in the study
- **92%** if study was conducted by a third-party research firm or lab
- **91%** if panel testers have the same issues that the product was trying to address
- **87%** if any form of recognized testing standard were followed for these tests
- **87%** if results are statistically significant
- **80%** if study participants were paid for their participation in a clinical and/or consumer test
- **76%** if study was conducted on a national panel or regional/local panel
- **74%** if participants of a clinical study also participated in a add-on consumer questionnaire

Setting the Standard

- **95%** agree brands should conduct claims testing on their products by an independent third-party research firm to prevent bias
- **81%** agree consumer and clinical studies should be conducted in **multiple geographic** locations, ensuring the results represent consumers from across the country
- **77%** agree consumer perception studies should be independent of clinical studies, using different testing subjects



What Makes a Claim Credible?

1. When the brand provides study details (i.e. # of participants, length of the test, etc.)
2. When the claims test is conducted by a third-party research company, not the brand itself
3. If the test includes people from all over the US rather than a regional area (i.e. within 12 miles from a lab)
4. The claims panel has a significant number of panelists

78%

wanted to see claims derived from a consumer study with 100 or more people



Retailer Responsibility

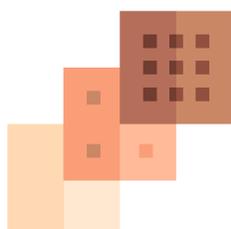
- **84%** believe **retailers should have an established standard for claims displayed** at point of sale or on their product pages, it must meet a threshold for the number of participants in the study, must be conducted by a third-party research firm/lab and must clearly disclose how the claim was substantiated
- **72%** believe **retailers should be responsible for vetting the claims** companies make on the products they carry
- **61%** would be likely to **join a class action suit** against the brand for false advertising if they purchased a product that claimed to provide a benefit that it did not deliver on
- **57%** believe consumers should have the right to **sue the retailer** if they carry a product that is marketed with false claims



BRAND OPPORTUNITY

It's All About Me! She Finds it Appealing to Search Performance Claims by Personalized Categories

- **97%** skin concerns
- **94%** hair concerns
- **94%** skin type
- **92%** hair type
- **82%** age
- **81%** skin tone



She's Looking for Claims on:

1. Packaging
2. Social media
3. Product pages

