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Vitamins, Minerals & Supplements: The Role of the Physician

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INTRODUCTION

Sales of vitamins, minerals and supplements (VMS) have been steadily increasing since 2008, making the category by far the largest in OTC (over-the-counter) healthcare market. This growth has been fueled by an overall increase in consumer focus on health and wellness—with Americans being more health conscious than ever before and in spite of skeptics questioning category effectiveness. In the interest of leading healthier lifestyles, vitamin users are more likely than the average adult to exercise, eat healthy and visit their physician regularly.

There is growing interest in understanding physician recommendations for VMS and the influence physicians wield over VMS selection. This report will review findings of a study designed to explore both physician and consumer perceptions of VMS, the sources for VMS information and VMS purchase drivers among health-minded consumers.

METHODOLOGY

AccentHealth commissioned Encuity Research to conduct an online survey with physicians on their panel who are members of AccentHealth's media network. The final sample consisted of 150 physicians: 91 Primary Care Physicians and 59 Specialists. Consumer research was conducted via an online survey with AccentHealth's *Consumer Connections* panel. *Consumer Connections* is a panel of approximately 8,000 viewers who have opted in to participate in research with AccentHealth following exposure to media in the doctor office waiting room. The final sample consists of 914 consumers.

Research was conducted in March 2014. Both the physician and consumer surveys took approximately 20-25 minutes to complete, and all participants were compensated for their time.

KEY FINDINGS

Healthcare practitioners are the most trusted source for VMS information (42%)–more than three times the next closest source and out-ranking friends, family, pharmacists and websites–and remain the most trusted source across all age groups surveyed.

The vast majority of physicians (80%) indicate they recommend vitamins and supplements to their patients.

Patient requests carry sway with physicians, as 63% of physicians surveyed indicate that **patients are influential to their VMS recommendations**, and 94% indicate that they typically agree and recommend specific products requested by patients.

Among those consumers who have received a recommendation, 84% and 72% typically comply with their doctors' suggestions and purchase the recommended vitamin or supplement, respectively.

Despite consumer price sensitivity, data indicates that **consumers are not necessarily trending toward lower-cost options** within the VMS market and contradicts consumer sentiment that private label and branded products are interchangeable.

The majority of parents surveyed (8 in 10) indicate that their child's pediatrician has recommended a VMS product, and if their child's doctor recommends a VMS, 82% of parents report they are likely to give the product to their child.

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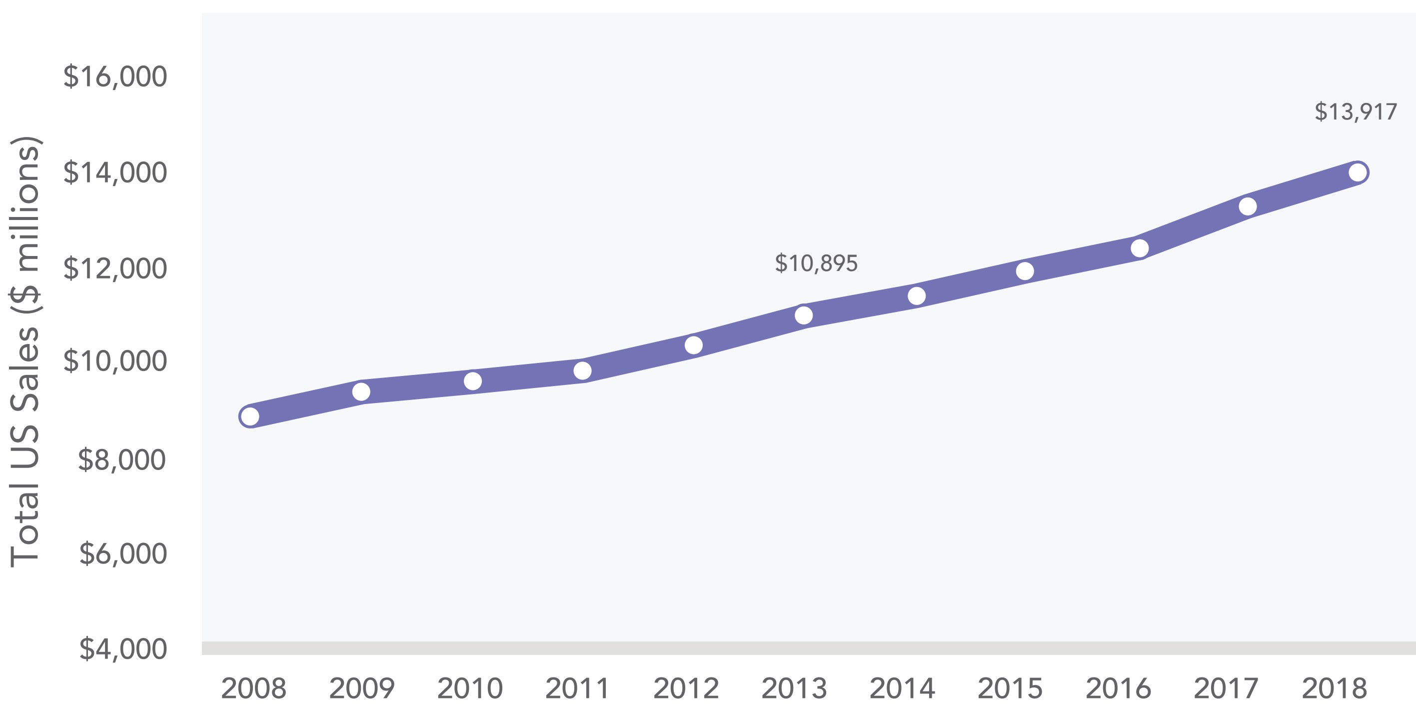
STUDY FINDINGS

I. Vitamins & Supplements Use

Sales of vitamins, minerals and supplements (VMS) have been steadily increasing over the past five years. In 2013, VMS sales reached $10.9 billion—a 6.1% increase year over year. This rate of growth outpaces other health-related product markets and is forecasted to reach $13.9 billion by 2018.[1] Comparatively, according to the IMS Institute for Healthcare Informatics, spending on pharmaceuticals reached $329.2 billion in 2013 — a slightly lower increase of 3.2%.

Growth in the VMS category is driven by an aging U.S. population and greater emphasis on preventative care among consumers. According to Mintel, "The proactive mindset of consumers when it comes to their health will fuel sales in this [VMS] market. Additionally, new formats and claims, such as beauty from within, will also help to drive growth. Usage is prevalent among older consumers, so an aging population will also contribute to growth in the market."[2]

Total U.S. Sales & Forecasts for VMS (2008-2018)



2014+ are forecasted. Based on Information Resources, Inc. InfoScan Reviews; US Census Bureau, Economic Census; Nutrition Business Journal/Mintel

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90% of consumers surveyed report having taken vitamins and/or supplements, with 6 in 10 reporting that they are *regular* users—taking vitamins and supplements "always" or "often". Women are more likely to drive VMS usage due to a greater inclination for healthy living as compared to their male counterparts. However, men who are proactive about their health and visit their doctor are more likely to be vitamin users than the average male.

Multivitamins are the most commonly reported VMS product taken by respondents, with oral nutritionals, cholesterol reducers, calcium supplements and probiotics rounding out the top five types of products consumed. Additionally, single-letter vitamins are used by approximately half of consumers.

VMS Usage Frequency

Top 5 VMS Categories

(Among survey respondents)

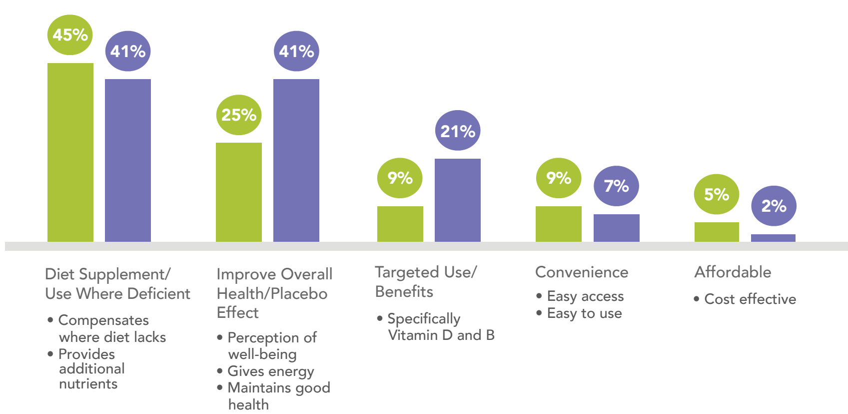
While the traditional VMS pill (to be swallowed) remains the most commonly used form by consumers (71% of respondents), gummies or soft chews rank second and are experiencing the largest growth among formats in the category. According to a recent *DrugStore News* article, gummies made up one third of the VMS category growth dollars in the six months prior. Due to past success and in anticipation of the format driving future growth, large players in the category have launched "adult gummies" over the past few years.[3] Approximately one-third of vitamin users report an interest in trying a gummy/soft chew product.[2] In addition to format preference and taste, gummy vitamins are a practical alternative form for older adults that have difficulty swallowing, with adults aged 55-64 express greatest interest in trying gummy vitamins.[2] This level of interest coupled with the rise of the aging boomer population signal that the migration of VMS users from oral solids to gummies will continue to fuel the market.

II. Dual Perspective: Advantages and Disadvantages of VMS Usage

Physicians and consumers alike recognize the benefits of vitamins and supplements due to their contribution to one's health and well-being. The chief advantage of VMS products–as reported by both audiences–is their role as a dietary complement, particularly where nutrition is deficient. Second in importance is VMS products' ability to invoke an overall feeling of well-being—though this benefit is mentioned by consumers significantly more than physicians. Other advantages mentioned include the products' aid with specific conditions, convenience and affordability.

VMS Benefits

Physician Consumer



Reported Benefits

Consumer Reported Benefits

"Provide additional energy and a good supplement for our stressful lifestyle."

Physician Reported Benefits

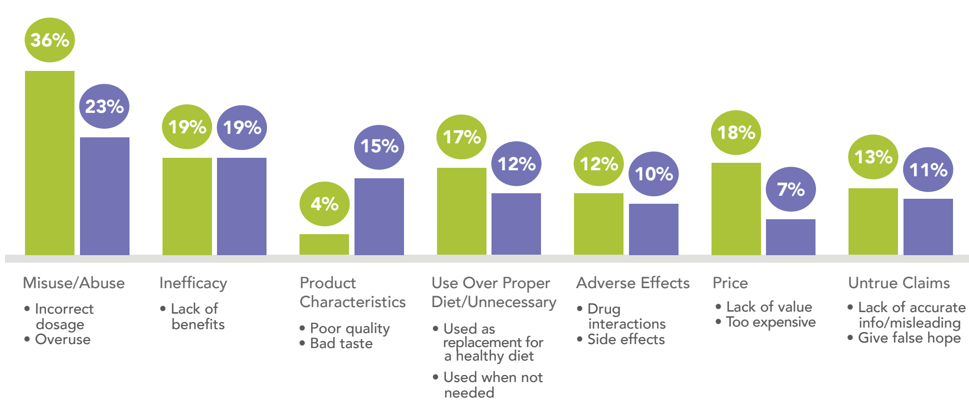
"Vitamins and antioxidants offer a convenient method of supplementing a patient's health, but we only recommend trustworthy companies."

Consumers and physicians were also surveyed as to drawbacks associated with VMS usage. Overuse or misuse of VMS products is noted as a potential negative—more frequently by physicians—followed by perceived inefficacy of the products. Besides price, physicians also cite their concern of patients taking vitamins and supplements as a substitute for eating a proper diet. Physicians recognize that VMS products are useful in supplementing diets, but caution that this is only when necessary. Consumers question product safety as well as other product characteristics (such as quality and taste).

Despite reported concerns, the positive benefits outweigh any negative attitudes towards VMS, with 8 in 10 consumers and 7 in 10 physicians surveyed reporting they perceive the category favorably overall.

VMS Negatives

Physician Consumer



Reported Negatives

Consumer Reported Negatives

"Possible over-dosage, or not getting medical help for serious health issues."

Physician Reported Negatives

"Can take too much of something they don't need or feel they don't have to eat correctly because they can just take a vitamin or supplement."

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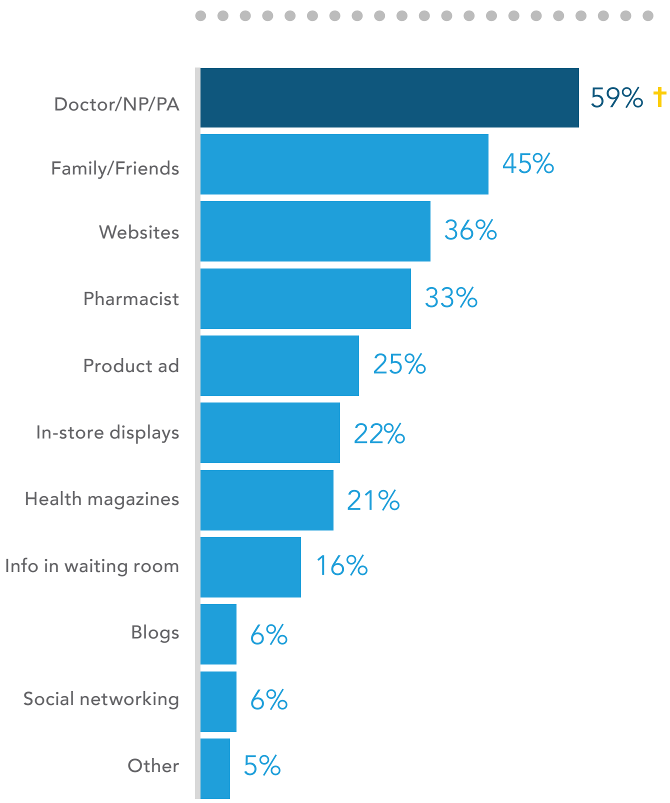
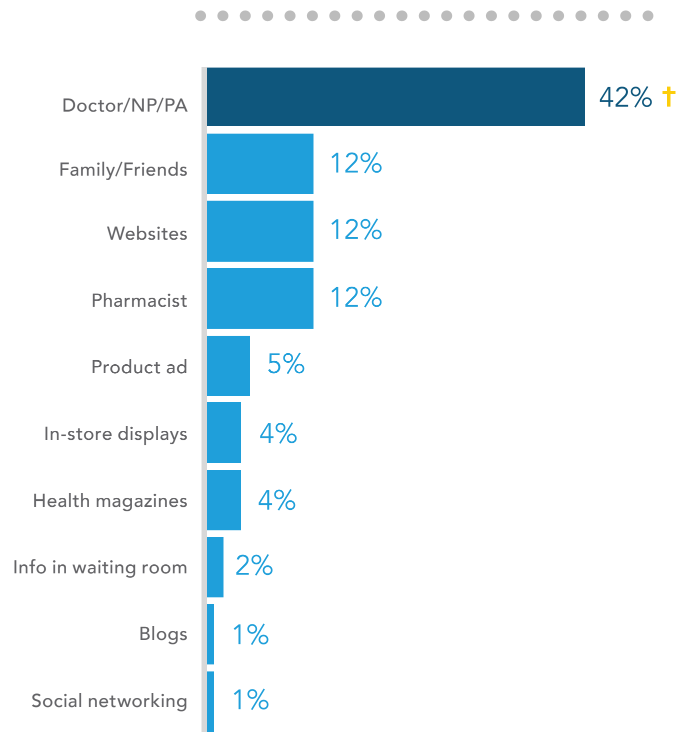
III. Sources of VMS Information

Because vitamins and supplements are intended for use where diets are deficient, it is not surprising that consumers turn to their physicians as a source of information on VMS and name their physicians their “most trusted” advisor—out-ranking family and friends, pharmacists and online resources 3 to 1.

All Sources for VMS Product Information



Most Trusted Source for VMS Product Information



† = significant at the 95% confidence level.

IV. The Doctor-Patient VMS Discussion & Doctor Recommendations

With physicians playing a key role in the education of consumers, it is found that vitamins and supplements are often a topic of conversation during office visits. 6 in 10 consumers report that they discuss VMS products with their physician. Additionally, patients play an active role in driving VMS discussions during appointments. Approximately 8 in 10 physicians and patients report that the patient has a part in initiating VMS discussions.

Due to the volume of VMS discussions taking place, it is not surprising that conversations often result in physician recommendations to use VMS products. Nearly 80% of consumers indicate that their physician has recommended a vitamin or supplement product following a discussion, with 31% reporting their physician always or often recommends vitamins and supplements.

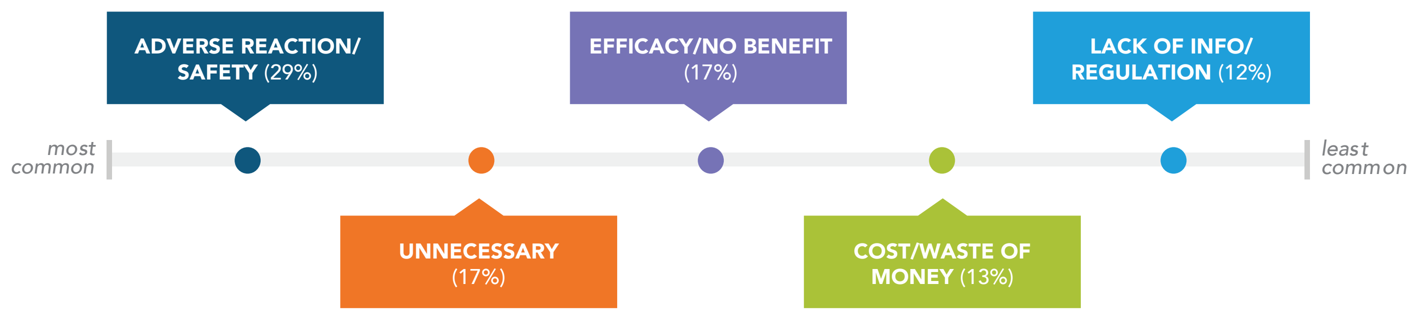
Nearly 80% of consumers indicate that their physician has recommended a vitamin or supplement product following a discussion.

Further, study findings show that recommendations are often consumer-driven:

- 6 in 10 consumers indicate their physician agrees with the VMS products that the consumers themselves suggest.
- Physicians agree that patient requests carry sway, as 63% indicate that patients are influential to their VMS recommendations and 94% indicate that they typically agree and recommend specific products requested by patients.

When denying a VMS request from a patient, physicians most commonly cite safety concerns—specifically adverse reactions. Other reasons include perceived lack of necessity, inefficacy, cost and lack of regulation. Furthermore, some physicians surveyed express concerns that patients come to the conversation with inaccurate information on and/or a lack of understanding of the product.

Top Reasons Physicians Would Not Recommend VMS Referenced by Patient



The vast majority of physicians surveyed (80%) recommend VMS products in their practice. Vitamins and supplements are often recommended to consumers for ongoing management of their health. 62% of physicians surveyed agree that they recommend VMS products for long-term treatment plans—as opposed to periodic usage. Additionally, with safety top of mind for physicians, 9 in 10 indicate that they consider all medications a patient is taking and their health conditions before recommending a VMS product.

Calcium Supplements, Adult Multivitamins, Cholesterol Reduction, Oral Nutritional Supplements and Probiotics rank among the most commonly recommended VMS sub-categories (measured by average weekly recommendations).[4]

VMS CATEGORY	PERCENT RECOMMENDING	NUMBER OF U.S. PHYSICIANS	TOTAL ANNUAL RECOMMENDATIONS (IN MILLIONS)
Calcium Supplements	83%	428,838	32.5
Adult Multivitamins	72%	391,278	24.1
Oral Nutritional Supplements	65%	367,192	15
Supplements for Cholesterol Reduction	55%	316,620	16.9
Probiotics	59%	274,033	9.8

Source: Symphony Health Solutions' ProVoice Survey, 12 Months Ending March 2014

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V. The Influence of Manufacturer-Supplied In-Office Tools

Physicians and patients agree that VMS product recommendations are highly influenced by patient-initiated discussions. However, manufacturer-supplied product samples and coupons—when available—are also reported to have an influence on physician recommendations. According to physicians surveyed:

- 7 in 10 physicians consider giving a VMS product sample to a patient the same as recommending that product.
- 6 in 10 physicians indicate that when they have product samples available, they most often recommend that brand to patients.

65% Influenced by Samples

57% Influenced by Coupons

37% Influenced by Literature

While manufacturer-supplied tools are valued and used by physicians, patients report samples and literature to be of benefit to them as a consumer. 7 in 10 consumers indicate that they:

- Like receiving VMS product samples from their physician
- Trust VMS product samples their physician provides them
- Read brochures given to them by their physician

While availability of VMS product samples in doctor's offices appears limited (1 in 5 physicians have samples on-hand), interest levels in distributing and receiving by physicians and consumers, respectively, suggest an opportunity for manufacturers. Additionally, high rates of VMS adoption are reported when sample distribution does occur. Among those physicians having samples on-hand, nearly all (95%) report they distribute to patients. Among consumers who have received a VMS sample or exposure to select promotion materials (like literature), three-quarters report they purchase the sponsoring product.

Physicians

21% of physicians surveyed have VMS samples on-hand

Among physicians with access to samples, **95%** distribute

Consumers

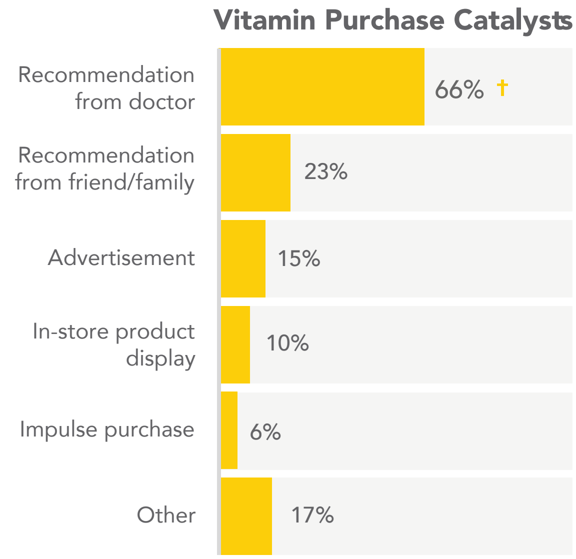
23% of consumers surveyed indicated having received a product sample, coupon, or literature

Of those who received, **74%** purchased the product

VI. VMS Treatment Selection

Consumers report that their decision to purchase a vitamin or supplement is most commonly triggered by their doctors' recommendations. A doctor recommendation as a catalyst for purchase is more than three times that of recommendations from friends and/or family (23%)—the second most important recommendation source.

Physicians and patients think alike and agree on 4 of 6 product attributes that are drivers of VMS recommendations: indication is top of mind, followed by efficacy, safety and availability. However, consumers place heavier emphasis on VMS product form—likely due to the growing gummy format trend—and report price to be as important to them as indication when making a purchase decision. Conversely, only 30% of physicians considered price a factor when recommending a product.



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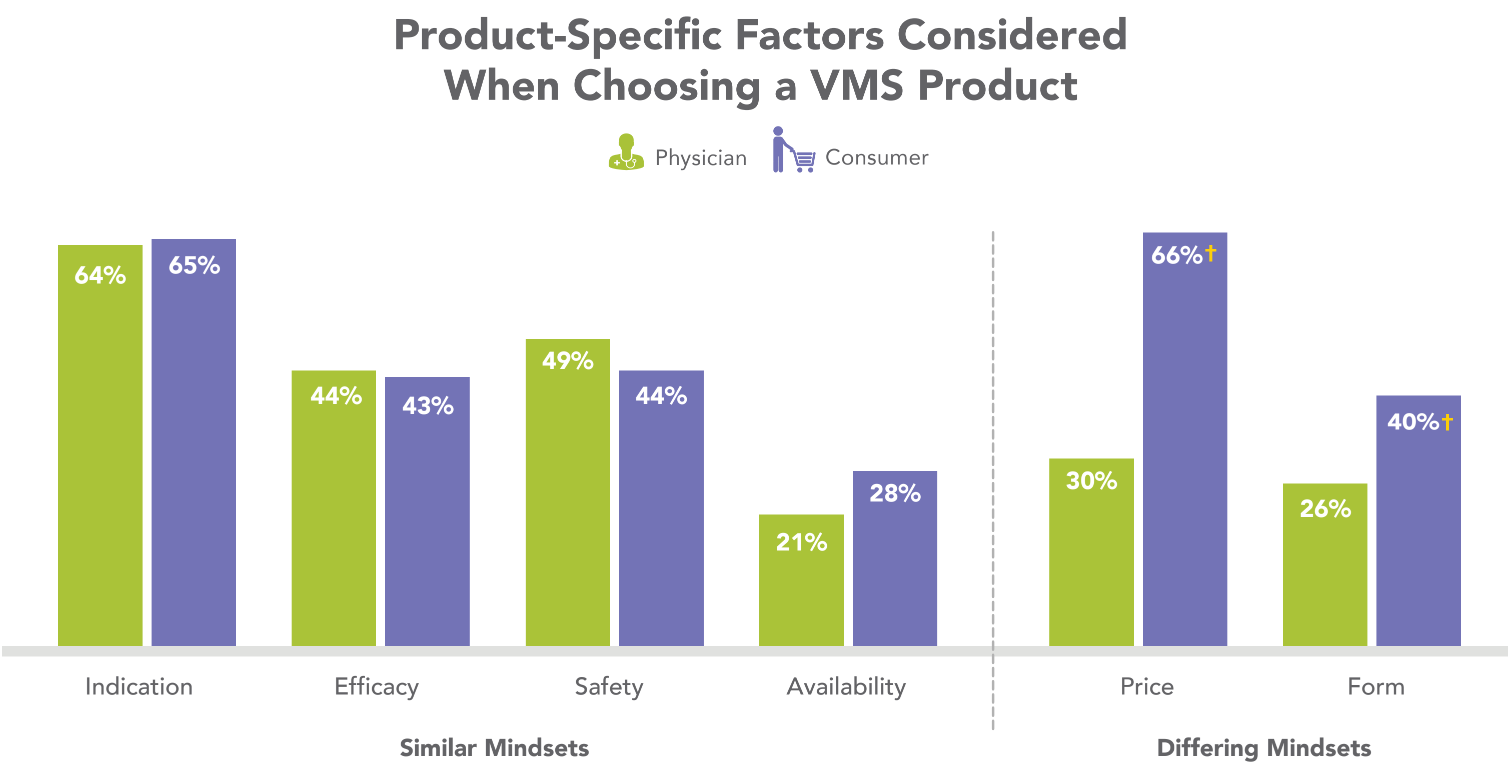

† = significant at the 95% confidence level.

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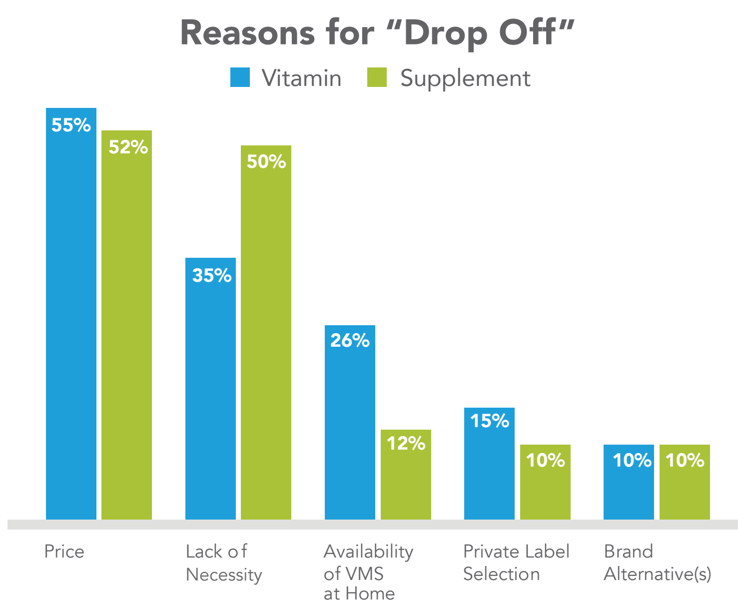
While price is reported as a key consideration when consumers make a purchase decision, data indicates that consumers are not necessarily trending toward lower-cost options within the VMS market. This contradicts consumer sentiment that private label and branded products are interchangeable, as well as results in a lesser threat of private labels to the branded VMS marketplace. Sales of branded VMS products increased at a faster rate compared to private labels in 2013.[2] While half (54%) of consumers surveyed indicate that they believe there is no difference between private label and branded VMS products, only a small percent of consumers indicate switching from branded to private label vitamins and supplements. In fact, about 4 in 10 consumers indicate that they never or rarely switch to private label alternatives and agree that they typically take branded VMS products.

While 4 in 10 consumers and physicians agree that private label VMS products offer the best value– since price is still a consideration—the sentiment is not very strong; only 11% of consumers and 2% of physicians strongly agree with this fact.

VII. Patient Adherence with VMS Recommendations

8 in 10 consumers report receiving a vitamin recommendation from their physician, and 6 in 10 report receiving a supplement recommendation. Among those consumers who have received a recommendation, 84% and 72% typically comply with their doctors' suggestions and purchase the recommended vitamin or supplement, respectively. Generally speaking, physicians are less optimistic in their assessment of patient adherence, with 37% believing patients "always" or "often" follow their recommendations.

Among those consumers who are non-compliant, price is reported as the primary reason for drop off by about half—similar to trends observed with non-compliance in other OTC categories. Other reasons cited include lack of necessity (more common for supplements than vitamins) and availability of other VMS products already at home. Selection of a private label alternative ranked fourth, making private label influence on VMS selection of significantly less importance when compared to its influence on OTC selection.[5]



Among those consumers who have received a recommendation, 84% and 72% typically comply with their doctors' suggestions and purchase the recommended vitamin or supplement, respectively.

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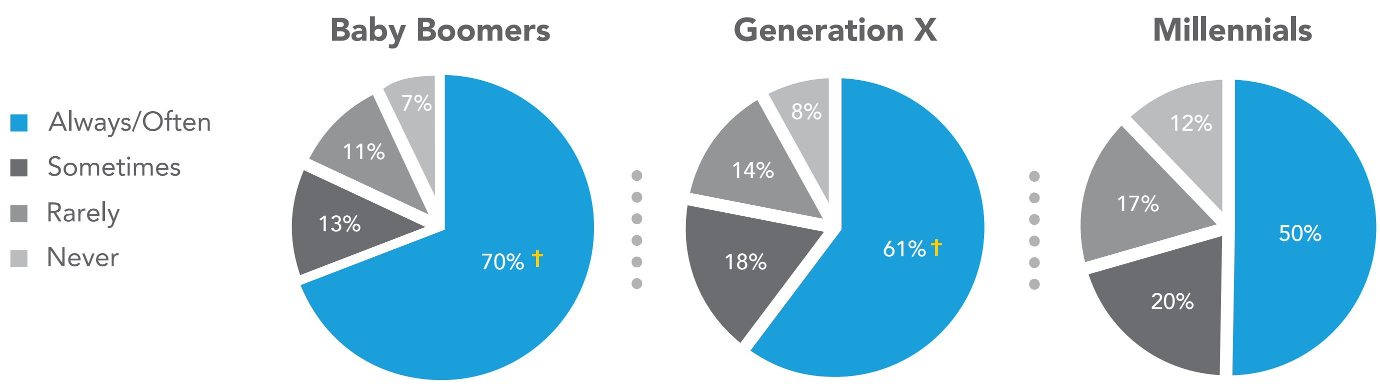
VIII. Generational Influence on VMS Use and Product Selection: Baby Boomers, Generation X and Millennials

All consumers–regardless of age–report having taken vitamins/supplements. However, regular usage is significantly higher among Baby Boomers (50+) compared to Millennials (18-34), with a nearly 20% point difference in use (70% vs. 51%). Baby Boomers are also significantly more favorable toward VMS products in general compared to Millennials (88% vs. 80%).

VMS Usage by Generation



† = significant at the 95% confidence level over Millennials.

The type of VMS taken varies by generation–likely due to other health conditions present. Millennials are significantly more likely than Boomers to take multivitamins. This younger generation is typically more health conscious and known to take extra steps to promote their wellness. Taking multivitamins weekly is a habit of Millennials who strive toward healthy living, along with other activities such as eating whole grains and exercising.[6] Conversely, Boomers are significantly more likely than younger generations to take vitamins for specific health reasons, such as calcium supplements, cholesterol reducing supplements and glucosamine.

Despite differences in usage by generation, there is little differentiation when it comes to product attributes acting as selection drivers for VMS purchases. While Baby Boomers are more likely to focus on product safety compared to Generation Xers and Millennials, product form, cost, efficacy, indication and availability all carry similar weight across generations when making a VMS purchase. Interestingly, lack of pricing sensitivity when purchasing VMS among Millennials contrasts with reported cost consciousness when buying OTCs.[5]

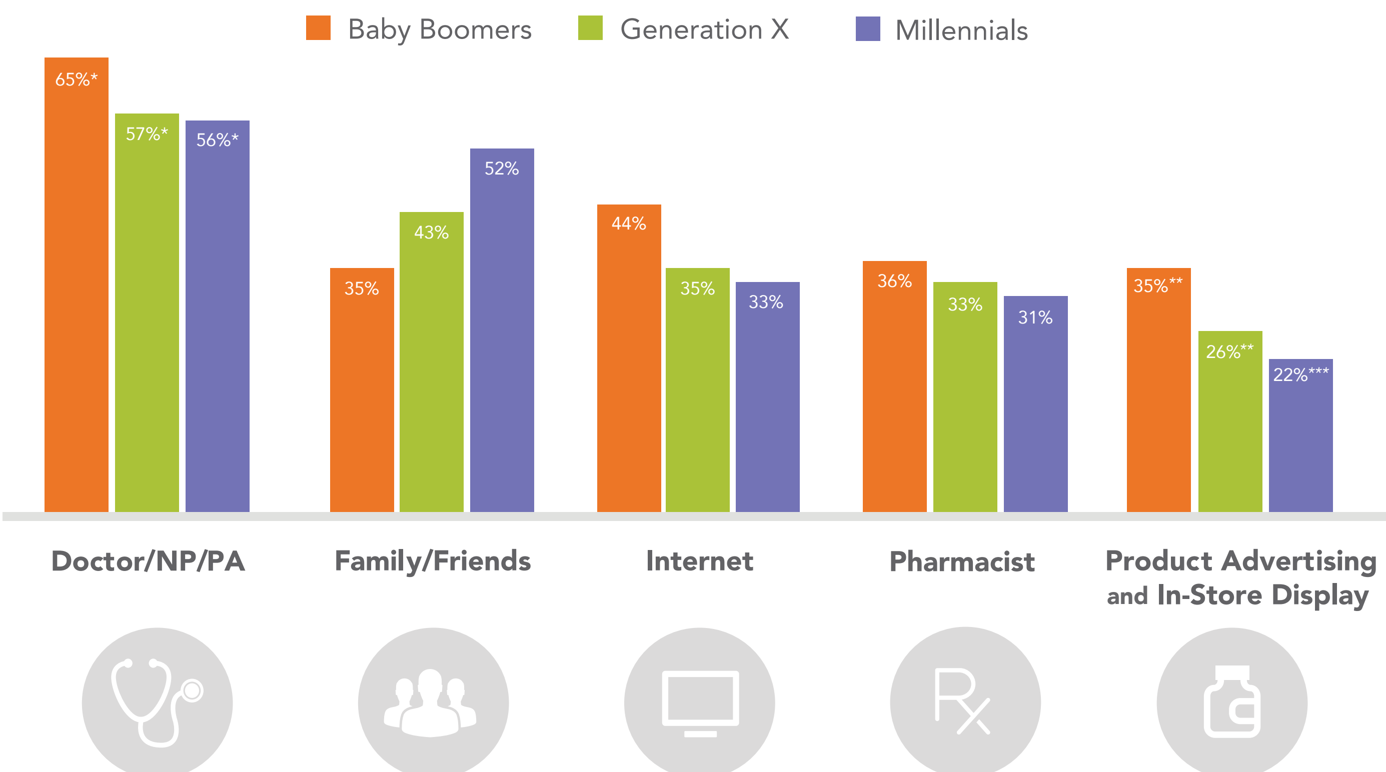
Just as Baby Boomers are more likely to be regular users of vitamins and supplements, Boomers are more likely to discuss VMS products with their physicians—68% of Baby Boomers discuss VMS with their physicians versus only 49% of Millennials. This is attributed in part to Baby Boomers' likelihood to visit their physicians more often than those in younger generations. That said, when a VMS discussion does occur during an office visit, approximately three-quarters of consumers from each generation report that they play a role in the discussion initiation.

Generation Definitions: Millennials are respondents aged 18-34; Generation X are respondents aged 35-49; Baby Boomers are respondents aged 50+

Baby Boomers report healthcare practitioners as a source for VMS information more often than other generations; however, all three generations rank healthcare practitioners first among all recommendation sources. Additionally, healthcare practitioners remain the most trusted source of information on VMS products across all age groups. Similarly, the likelihood to receive a VMS recommendation from a physician (4 out of 5) is the same across all age groups. The likelihood of the consumer purchasing a recommended VMS product increases among Baby Boomers (9 out of 10), but Generation Xers and Millennials still have a strong likelihood to purchase (8 in 10). Notably, Millennials are significantly more likely than older generations to rely on VMS recommendations from friends and family.

Baby Boomers report healthcare practitioners as a source for VMS information more often than other generations; however, all three generations rank healthcare practitioners first among all recommendation sources.

"Top 5" Sources of VMS Information by Age Group



**Among sources referenced, respondents choose Doctor/NP/PA as "most trusted source."*
***Product advertising is the 5th most used source of information by Generation X and Baby Boomers.*
****In-Store Display is the 5th most used source of information by Millennials.*

Generational differences are observed on two additional levels:

- **Brand Loyalty:** Baby Boomers and Generation Xers are more likely to be brand loyal than their Millennial counterparts, with 7 out of 10 agreeing that they typically purchase the same brands of VMS products (10 percentage points > than Millennials).
- **Exposure and Receptivity to In-Office Sampling and Literature:** Millennials appear to be a target recipient of in-office promotional materials, reporting they receive samples, coupons and literature more often than older generations. However, Generation Xers express the greatest favorability toward receiving VMS samples and are more likely, along with Baby Boomers, to read the brochures provided to them by their doctor—significantly more so than Millennials.

Who is the VMS Consumer?

Baby Boomers
(50+)

- Safety is top of mind
- Brand loyal
- More likely to rely on recommendations from their physicians
- More likely to discuss VMS with their physicians
- Favorable toward literature

Generation X
(35-49)

- Brand loyal
- "Middle of the Road"
- Favorable to promotional materials (samples)
- Favorable toward literature

Millennials
(18-34)

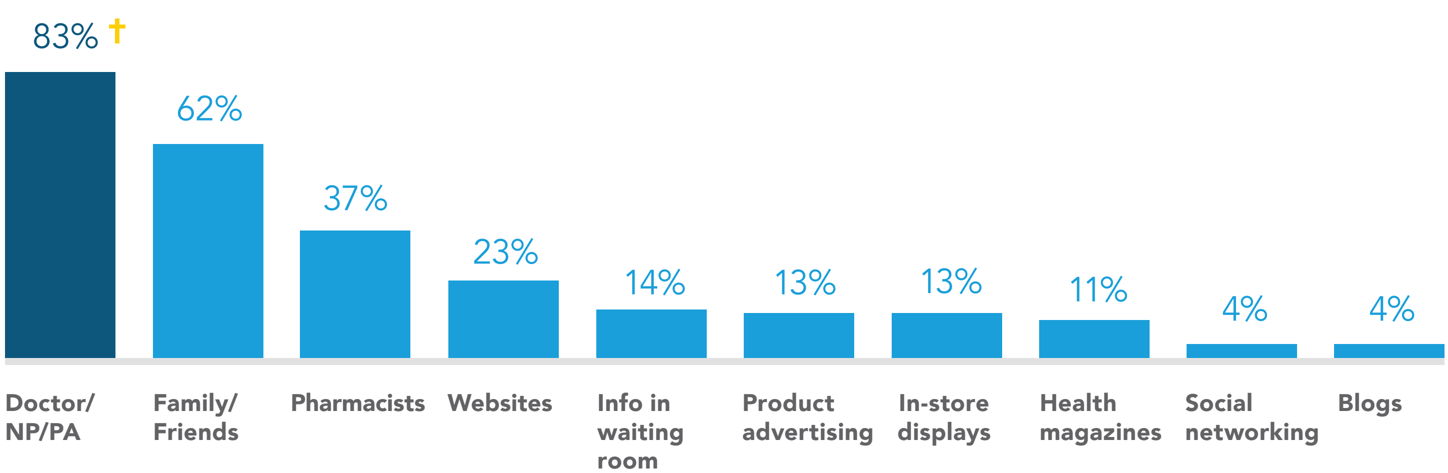
- More likely to rely on recommendations from family and friends
- Preventative measures are top of mind
- Targeted by manufacturers

IX. Pediatric VMS Use

7 in 10 parents report that they give their child vitamin and/or supplement products. Parents reported that healthcare practitioners (physicians/NPs/PAs), family & friends and pharmacists are cited as the most common sources of VMS information for their children. Physician endorsement plays an even greater role in parents' selection of VMS products for their children than it does for themselves. While 59% of overall respondents report using the doctor as a source of VMS information for themselves, 83% of parents report using healthcare practitioners as a source of VMS information for their children.

The majority of parents surveyed (8 in 10) indicate that their child's pediatrician has recommended a VMS product, and if their child's doctor recommends a VMS, 82% of parents report they are likely to give the product to their child.

Sources of Information for Children's Vitamins



† = significant at the 95% confidence level.

CLOSING

Consumer and physician attitudes towards VMS usage and recommendations are positive, supporting forecasts for continued market growth and dispelling any (immediate) concerns for category sustainability driven by negative press surrounding VMS efficacy or consumer pricing sensitivity.

- The main reason people take vitamins, minerals, and supplements is to improve overall health and immunity. While the primary objection to vitamin usage is lack of necessity, 7 out of 10 people agree that VMS are part of a healthy lifestyle.[2]
- Despite negative press around the effectiveness of vitamins, minerals and supplements, only 19% of consumers and physicians surveyed report lack of efficacy as a category/product drawback.
- While general sentiment suggests that doctors will recommend dietary changes to combat nutritional deficiencies, the fact remains that 8 in 10 physicians recommend vitamins, minerals and supplements to their patients.
- Though 7 in 10 consumers report price as a consideration when selecting a VMS product, few consumers report switching from branded products to lower-priced, private label alternatives and less than 10% of those surveyed report price as a category drawback.

Study findings show that consumer discussions about VMS products and requests for VMS recommendations wield influence on physician behavior. The majority of physicians surveyed agree that patient discussions/requests act as a recommendation catalyst and agree that they typically honor their patients' requests (unless medical reasons require otherwise).

While current usage is concentrated with older demographics, opportunities to increase usage exist across all generations:

- Millennials are more health conscious and concerned with improving image/weight/wellness.
- Generation Xers use vitamins and supplements to boost wellness of their children, creating VMS users at young age.
- Baby Boomers are worried about aging and focused on vitamin usage to ward off potential health issues.

While older demographics are more likely to visit their physician, consumers of all ages equally value their physicians as a resource for VMS information and are equally as likely to accept their physicians' recommendations as it relates to VMS use. Among those consumers who have received a recommendation, 84% and 72% typically comply with their doctors' suggestions and purchase the recommended vitamin or supplement, respectively. Similarly, the majority of parents surveyed (8 in 10) indicate that their child's pediatrician has recommended a VMS product, and if their child's doctor recommends a VMS, 82% of parents report they are likely to give the product to their child.

With physicians being the consumer's primary source for VMS information and playing a key role in the product selection, manufacturers have an opportunity to use the physician as a trusted conduit to the consumer. Manufacturers could benefit by providing further education to physicians and consumers alike on detection of nutritional deficiencies and delivering the information needed on product safety, usage, benefits and efficacy to facilitate a positive doctor-patient exchange.

DATA SOURCES

AccentHealth is the leading patient education media company at the point-of-care, located in over 30,000 physician waiting rooms and serving over 70,000 medical professionals nationwide. AccentHealth features its award-winning waiting room television network, reaching over 202 million yearly viewers with programming produced by CNN's Medical Unit and co-hosted by Dr. Sanjay Gupta and Robin Meade, and supervised by AccentHealth's Medical Advisory Board. AccentHealth has been educating health-conscious consumers in a trusted environment with engaging content since 1995. AccentHealth is based in New York City and Tampa, FL and is owned by M/C Partners, Ridgemont Equity Partners and senior management. AccentHealth is a founding member of the Point-of-Care Communication Council (PoC³).

Consumer Connections is a client-focused education solution from AccentHealth, enabling brands to gain valuable insights from a panel of more than 8,000 engaged AccentHealth consumers.

Encuity Research is a wholly owned subsidiary of Campbell Alliance, and has been specializing in qualitative and quantitative research in the healthcare industry for more than 20 years. Encuity conducts marketing research with more than 20,000 physicians each year, providing a wide range of syndicated and custom reports to the biopharmaceutical industry. Encuity also specializes in research with payers, patients / caregivers and a wide array of additional healthcare professionals.

The *ProVoice Survey* from **Symphony Health Solutions** is the largest HCP survey in the US, generating nearly 60,000 responders annually of physicians, nurse practitioners, physician assistants, optometrists, dentists and hygienists and measuring recommendations across more than 90 OTC categories.

References

[1]Based on Information Resources, Inc. InfoScan Reviews; US Census Bureau, Economic Census; Nutrition Business Journal/Mintel

[2]Mintel, Vitamins, Minerals and Supplements, December 2013

[3]DrugStore News, October 10, 2013

[4]Symphony Health Solutions' ProVoice Survey

[5]AccentHealth, The Value of Physicians in the OTC Marketplace, August 2014 (accessible via accenthealth.com/Corporate/Press/The-Value-of-Physicians-in-the-OTC-Marketplace.aspx)

[6]Symphony IRI Group, Millennial Shoppers: Tapping into the Next Growth Segment, July 2012

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