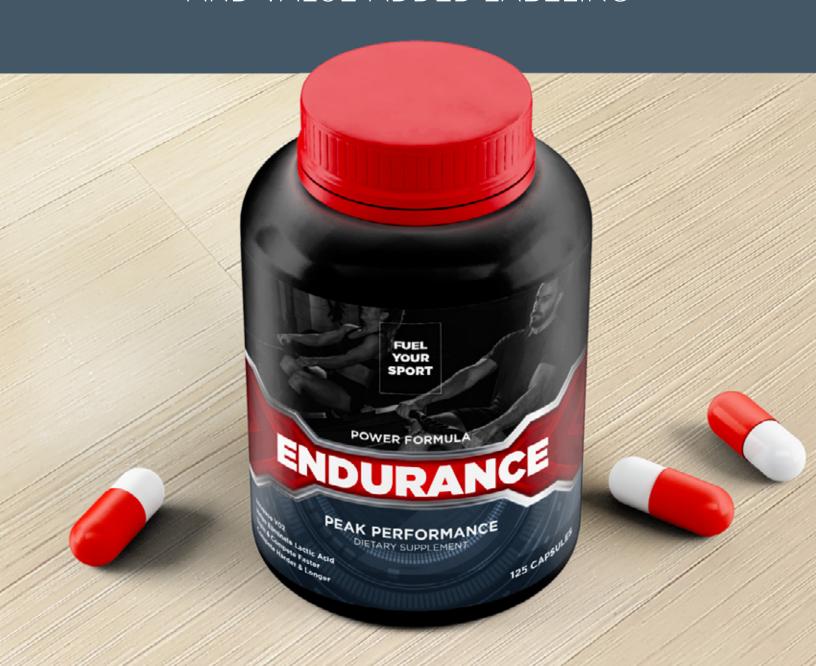


NUTRACEUTICAL LABELING HANDBOOK

INDUSTRY TRENDS, REGULATORY PRESSURES
AND VALUE-ADDED LABELING





Nutraceuticals sit at a crossroads between home remedy and medicine, giving consumers natural and non-invasive ways to prevent illness, address health issues and live a healthier life. More than half of Americans use nutraceuticals and vitamins as a cost-effective alternative to medical treatment, resulting in a crowded market.

Within the next few years, we can expect the global dietary supplement market to climb to <u>more than \$220 million</u>. Space is limited in this competitive space and the <u>United States is leading the pack</u> in terms of consumer vitamin manufacturing and distribution.

Supplement suppliers need to be more conscious than ever about their product branding. The shelf is already filling up and it's getting more packed by the day. When your label is quite possibly the only touchpoint you'll have with your customer, not only should you take its design seriously — you can't afford not to.

To stand out, your product labeling needs to be more than an afterthought — it needs to be eye-catching, engaging and memorable. It needs to draw the attention of customers and provide all the information and engagement they have come to expect from premium supplements.

This guide will help nutraceutical and supplement brands make the most of their label real estate. It walks you through the top considerations when creating labels for your supplement, taking into account the ever-changing competitive and regulatory landscape of the nutraceutical industry. And it provides you with innovative ideas to make your labels stand out on a crowded shelf.





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PART I:

KEY NUTRACEUTICAL MARKET TRENDS TO CONSIDER WHEN DESIGNING YOUR LABELS





Your customers, the regulating agencies for your market, and your competitor's products should all guide the development of your label. With the nutraceutical market growing at a good clip and becoming more competitive in the process, it's more important than ever to understand industry trends and the forces affecting customer attitudes.



Building trust with your customers is more important than ever

More and more, customers are seeking out and purchasing from companies they perceive as trustworthy. Customers are loyal to brands that share their beliefs and morals, according to Avery Dennison's 2018 trends report.

This means much more than just creating a good product. You need to build trust and transparency into every decision.

From making your product information accessible to using your label to tell your brand story, there are plenty of opportunities to earn the



trust of your target audience with quality product labels. When your audience trusts your brand and connects with its message, loyalty follows.

Here are three ways to use labeling to build trust with your customer base:



1. Put your product label in The Supplement OWL® (Online Wellness Library)

Go beyond regulations and volunteer all product information on the <u>Online Wellness Library (OWL)</u>, a self-regulatory database promoting transparency in the nutraceutical industry. It contains self-volunteered labels, ingredient lists and dosage information for a wide variety of supplements.

The registry not only encourages responsibility within the industry, but it also allows your consumers free and easy access to all the information they might want about your products.

Readily providing your consumers with your product's ingredients, benefits and dosage recommendations will demonstrate your company's commitment to honesty and transparency. And that, in turn, will help your brand earn the trust of your customers.







2. Use your label real estate to teach your customer about your product and brand

For nutraceutical companies, the label is one of the best ways to interact with consumers and, ultimately, earn their trust. Your company can and should use your product labels to tell your brand story, earn customer trust and build loyalty.

Is your company committed to the environment? Is there a study demonstrating your product's health benefits? Does your company support a particular philanthropy? Use your label to communicate these things.



3. Appeal to your target audience through standout label design

In an overcrowded vitamin and supplement aisle, your label design can make or break a sale. If it's not already, striking label and packaging design needs to be a priority for your brand.

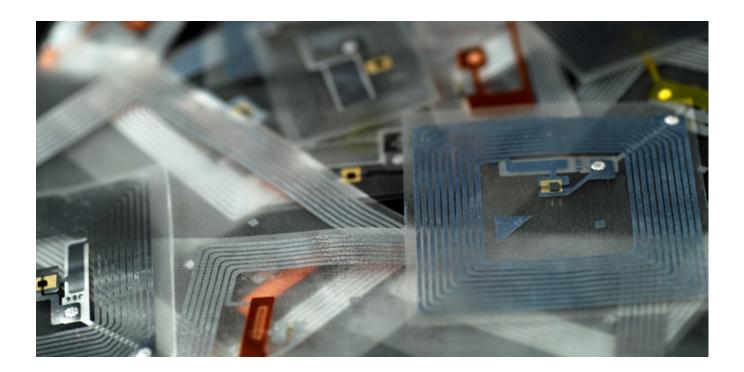


You need to use your label to appeal to your target demographic while differentiating your product. High-end products require high-end labels that provide an immersive, luxurious experience. Products geared toward a price-conscious audience will need eye-catching labels communicating the cost savings associated with choosing your product.

From space-saving solutions to attention-grabbing colors, foils and finishes, there are plenty of customization options to make your product's label stand out to your target demographic.







Traceability should be top-of-mind moving forward

The nutraceutical, vitamin and dietary supplement markets are growing. And as they do, distributors need to make end-to-end traceability a priority to meet the transparency and safety standards regulators require and customers demand.

Traceability lets you know where each unique bottle or package is manufactured, labeled, shipped and stored. It means having a trail of where each product has been, from raw material to point of sale. Not only does this provide assurance that each product is accurately labeled and remains untampered — it allows you to track down all products if there is a problem batch.

Customers implicitly assume your products are safe to use. Any violation of this assumption can —and will— result in a significant loss of trust and sales. More than that, though, traceability helps guarantee the safety of your products.

Inaccurate or misleading labels can have serious ramifications, causing serious side effects for anyone using your product. Just one incorrect



label has the potential to lose all the trust you've built with your customer base, not only for your brand — but for supplements and nutraceuticals in general.

That's why the <u>FDA has developed traceability standards</u> for the nutraceutical industry, putting the onus on the distributor to ensure their products are free of contaminants, accurately labeled and safe to use.

There are two emerging label technologies which can heighten your ability to track and trace your products: near field communication (NFC) tags and radio frequency identification (RFID) tags.



NFC labels

NFC tags allow you to program information into each label, which can be read when a NFC reader is placed several inches from the label. Labels with affixed NFC tags allow you to track each product at the product level. This allows you to authenticate the quality of each bottle or package and trace any bad batches back to the source.



RFID labels

Similar to NFC tags but with far greater range, RFID tags rely on radio frequencies to transmit product-level information. While NFC tags typically have a read distance of 1-3 inches, RFID labels transmit at distances approaching 40 feet. This allows entire pallets or truckloads of labeled products to be identified and processed simultaneously rather than scanned individually — resulting in cost and time savings.





Both NFC and RFID labels bring great inventory management, traceability and authentication benefits to nutraceutical companies dedicated to delivering high quality products every time.

The next two chapters of the guide walk you through regulatory basics for your labels, and various embellishments, decorations and customizations that add value and make your products stand out on the shelf.



PART II:

A QUICK OVERVIEW OF REGULATORY BASICS FOR NUTRACEUTICAL LABELS





Regulatory compliance is nothing new in the vitamin, nutraceutical and supplement industry. But as competition increases, so do regulatory pressures. Now more than ever, nutraceutical manufacturers need to keep abreast of the Food and Drug Administration (FDA) regulatory changes and literature from watchdog organizations such as the Natural Products Foundation.



Regulatory considerations for what to include on your label

For specifics of how the FDA defines dietary supplements and what needs to be included on your packaging, look to the <u>FDA Dietary</u> <u>Supplement Labeling Guide</u>. Other laws and regulations dictating <u>what needs to be on your supplement labels</u> include the Dietary Supplement Health and Education Act (DSHEA), the Federal Food, Drug and Cosmetic Act (FFDCA) and the Nutritional Labeling and Education Act.



Taken in aggregate, there's a lot of regulatory information you must include on your label. Generally speaking, though, there are five label statements you need to include on your label according to the FDA:

The 5 required label statements

- 1. Statement of identity
- 2. Net quantity of contents
- 3. Nutrition labeling
- 4. Ingredient list
- 5. Name and place of business of manufacturer, packer or distributor

Source: FDA



While compliance ultimately rests with the supplement manufacturer, the label experts at Resource Label Group will help see your compliant design through to completion. With vast experience using <u>common</u> <u>Good Manufacturing Principles (cGMPs)</u>, ensuring end-to-end label traceability and developing space-saving label solutions, we can create labels for even the most complex nutraceutical applications.





How to maximize branding real estate on your nutraceutical label

The first step in an impactful supplement label design is ensuring you have enough space to display the non-negotiables: What your product is, its ingredients, the amount per container and other regulatory information. Extended content labels (ECLs), smooth peel labels and booklet labels are a few of the label solutions we provide that create more real estate for regulatory information without sacrificing product branding.

Extended content labels (ECLs)

Extended content labels (ECLs) come in a wide variety of formats. From simple one-fold pullouts to more complex multi-page accordion booklets, ECLs are ideal for brand and promotional content, and allow you to include a lot of information on even the smallest of containers.





Smooth peel labels

A specific type of ECL, <u>smooth peel labels</u> are comprised of one layer which holds fast to your packaging, and one or more layers which can be peeled back to reveal additional content. After viewing the information inside, the layers are easily resealed.

This "peel and reveal" technology doubles, triples or quadruples the space on your label, depending on how many pages of content you require. This solution makes it easy to include all necessary regulatory information without sacrificing your branding.

Booklet labels

Booklet labels are another type of ECL, allowing you to communicate tens of pages of material without encroaching on prime branding real estate. They're printed separately from your primary display labels and attached later. Booklets allow you to communicate more information on a smaller label, which eases the burden of regulatory compliance and creates promotional opportunities for creative brand owners.

To fit both branding and the necessary information for regulatory compliance, you'll need to be creative with your label design. The supplement label experts at Resource Label Group will work with you to design a label that communicates everything you need, from eyecatching branding to customer engagement after the sale.



PART III:

INNOVATIVE WAYS TO ELEVATE YOUR PRODUCT THROUGH VALUE-ADDED LABELING





Here are some of the tried-and-true solutions we've found for communicating required information, maximizing branding real estate and standing out on the shelf:



Tamper-evident labeling for vitamins and supplements

Beyond tracking your products with RFID and NFC labels, you might also consider working with your label manufacturer to design a <u>tamper-evident label</u> for added security and authentication benefits.

With tamper-evident labels, there are three primary goals:

- 1. Make it easy for your consumer to identify tampered products.
- 2. Allow the manufacturer to quickly authenticate their product.
- 3. Enhance the safety and quality of nutraceutical products for all.

There are many methods to achieve these goals. Explained above, RFID tags allow for easy authentication for the manufacturer. And since there are NFC readers in most smartphones, NFC labels allow the consumer



to authenticate a product and access product-level usage and brand information, making NFC tags a great tool for customer engagement as well.

For a more visibly evident tamper-proof label, you can turn to specialty inks and holograms which are difficult to replicate and allow the manufacturer to quickly discern between a real and counterfeit product.

Versatile <u>shrink sleeves</u> offer complete product coverage, increased durability, and tamper-evident security. With 360-degrees of branding space, moisture and abrasion resistant sleeves are more than just eye catching. By covering and securing your supplement bottle cap they inspire consumer confidence, assuring them the bottle has not been tampered with.

Good tamper-proof labels will ensure each product that lands in a customer's hands is correctly labeled, high-quality and safe to use — helping you build confidence and trust among your customer base.







Enhancing aesthetic appeal for your nutraceutical label

Starting with your label material, you've got plenty of options. You could choose a metallic stock to catch the light and the eye of your target customer. There are product- and moisture-resistant materials designed to maintain their original appearance throughout the product lifecycle. Or you could even opt for a film to get the upscale "no-label" look popular in the vitamin and supplement industry.

You can also choose to have your labels cut into standard shapes (squares, rectangles, ovals) or you can cut them in the exact shape of your product or logo with a custom die.

From there, you can work with your label manufacturer to determine the best printing method for your budget and desired look. Whether color matching, tamper-evident security or budget is your primary concern, we can customize a printing solution to meet your needs.

The sky is the limit to your label design. We'll work with you to create a label that's all your own, achieving your branding goals while remaining within your budget requirements.





For more ideas on label customization and information about how we can craft a label perfectly suited for your product and brand, <u>check out</u> our label printing capabilities.

Or, if you're ready to work with our team of nutraceutical label professionals to customize a perfect-fit label for your product, <u>request a free consultation</u>. We'll carefully consider your branding goals, budget and product needs to design an innovative label solution just for you.



More about Resource Label Group

At Resource Label Group, we bring creativity to each facet of the label process. Through dedicated investment in a quality team and the latest label manufacturing technology, we empower our team to identify and provide you with innovative label solutions that help get your product to market as smoothly as possible. From locations throughout the U.S. and in Canada, we provide nationally scaled label printing and design. And we deliver it with local service.

You can <u>learn more about us here</u>. To request a label solution for your product, <u>click here</u> or call us at 1-800-253-9599 and talk with one of our label specialists.

