

An industry in crisis

Are consumers getting what they deserve?

The dietary-supplement industry has come a long way from its humble beginnings, and, some say, from its ethical and moral foundation.

Over the coming months, industry expert **LINDSAY MOORE, PhD**, will explore some of the most pressing ethical and and least understood legal issues confronting suppliers, marketers and manufacturers.

From the perspective of industry analysis, and over the long-term, the dietary-supplement industry presents a difficult lesson. After years of early emerging market growth and positive acclaim, the now \$22 billion industry is experiencing only low single-digit growth and rapidly declining credibility among both its intelligent consumers and governmental regulators.

The industry has become almost entirely “an ingredients story,” a commodity play, offering commodity returns, and growing or declining *only* with the episodic demand for the latest miracle ingredient. Thus when asked about the health of the dietary supplement industry, industry insiders talk about the movement of raw materials and who has started growing (possibly the wrong species of) hoodia. Meanwhile, critics point to yet another scientific study that suggests that dietary supplements provide no real benefits and possibly some damage, and suggesting that the industry trades on misinformation and wishful thinking.

In the early days of the industry, during the early 1990s, and after the passage of the DSHEA legislation in the U.S., each new ingredient possessed a *moral quality* that gave the industry a righteousness and respectability. Echinacea, panax ginseng, eleuthero, ginkgo – these were the early dietary supplements, adapted from the botanical pharmacopeia and valued in their natural state. In those days, early players

like Celestial Seasonings, Nature’s Way, and the then Twin Labs commercialized the flavorful and beneficial properties of herbs in teas, created vitamin supplements based on natural ingredients, and sold the first all-natural single herb formulations.

This early industry was about natural botanical products. Soon, however, more pharmaceutical substances that could be taken to improve one’s health or performance were allowed into the dietary supplement cannon. It was melatonin, chondroitin, glucosamine, and co-Q10 that opened the door to a subtle paradigm shift in the industry, and the emergence of “nutraceuticals.” These products intensified the implication of pharmaceutical effectiveness and drove the industry as ingredients in condition-specific formulations. They unlocked a Pandora’s Box of questionable products, unreliable dosages, absence of or minimal active ingredients, non-scientific claims, marketing hype, and, *de facto*, consumer exploitation.

Today nutraceuticals products borrow from microbiology, sports medicine, health and wellness findings, and the science of nutrition, but too frequently they do it just to create another SKU. Of course there are reputable products, entries that carry the imprimatur of science about them, but for the most part there are no certainties to be had regarding supposedly beneficial products. >>

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The industry seems cursed in its inability to create coherent and enduring sets of products, based upon broad science, with truthful claims, and is left without any complex value propositions, selling products with names as generic as “vitamin C.” Players compete on the price per ton of co-Q10, setting retails prices not on consumer demand or the brand that stands behind the products, but on the supply side of the industry. With few exceptions, dietary supplements have become a raw-materials supply industry, with declining stature and few to no famous brands. Hence, the declining industry equity. This is a crisis for the industry.

Consider the case of “hoodia,” the natural diet herb. First, there are the ethics of obtaining hoodia of the right species, and the politics between the San People, who brought the substance to the modern world, and the South African government who patented their “drug” and offered it to

the marketplace. Today it is often grown in India, and generally lacks the active ingredients to deliver the purported beneficial results, is questioned by scientific research, and the manufacturers don’t care so long as people will buy it.

Over the years, the industry has declined to invest in validating research, clinical trials, or to police the quality and integrity of their products to ensure consumer satisfaction and societal worth. Those studies of scientific merit that have been undertaken, rarely to never demonstrate the hoped-for effects – leaving the consumer to figure out what works and what doesn’t work in the crucible of their own body.

Fraudulent claims and products that deliver no meaningful benefit, and possibly harm, are numbering the days of the dietary-supplement industry. It may be time to clean house, to rediscover that *moral impulse* that founded the industry,

set assayable standards for its commodities, develop meaningful products, ensure the promised delivery of its active ingredients and benefits, fund compelling scientific research, provide noticeable positive results in human health, and to stop trading on the hopes and dreams of the consumer.

After all of these years, and the expenditure of over \$200 billion consumer dollars, the consumer has a right to expect good products.

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