

# **EXHIBIT B**

**Part 2**

# Explore Perceived Differences by Product Category





## Perceived Differences by Product Category

- ◆ **General Adults and Parents clearly differentiate conventional non-prescription products from non-conventional products.**
  - Consumers do not have difficulty defining or categorizing conventional non-prescription products.
- ◆ **However, most struggle when asked to distinguish between herbal and homeopathic products.**
  - Most consumers associate homeopathic products with natural or non-chemical products.

*"I would equate it [homeopathic] to organic. Something that occurs in nature." (General Adult)*

*"I think it's more natural, pure, without chemicals. Without looking up the definitions, that's what I would think." (General Adult)*

*"Natural, not chemically enhanced." (General Adult)*

*"Natural, not synthetic." (Parent)*

*"Home remedy. Something that my grandmother would concoct." (General Adult)*

*"Something you won't have to buy. Like soup or something." (Parent)*

- A few are a bit more familiar with the concept behind homeopathy.

*"It's kind of like a natural kind of vaccine. For instance, if someone has allergies, rather than take medicine they give you allergy shots which essentially stimulates the body's response to those allergies." (Parent)*



## Perceived Differences by Product Category

- ◆ **Once definitions for conventional, herbal and homeopathic are provided, consumers generally have no difficulty assigning products to a particular category.**
  - General Adults and Parents easily categorized brand name pharmaceuticals as conventional products. The following products are perceived as conventional:
    - Tylenol
    - Zicam
    - Robitussin
    - Motrin
    - Sudafed
    - Dimetapp
  - Similarly, they categorized Vitamin C, orange juice and certain throat lozenges as herbal products.
    - Echinacea
    - Hot tea with lemon
  - However, a few express some confusion toward homeopathic products.

*"I'm just curious whether there's not sort of a distinction between homeopathic and herbal [products]. The things on the back of the homeopathic packages look like they could be plant names, but I don't know what they are. If they're not herbal and they're not drugs, then exactly what is that stuff that I don't recognize?" (Parent)*

*"I thought of homeopathic as being herbal supplements." (Parent)*
  - There is some confusion regarding Airborne. Some consider it a herbal product, while others are unsure.



## Evidentiary Requirements and Federal Oversight

- ◆ **It should be noted that consumers do not readily differentiate between evidentiary requirements and federal regulations.**
  - General Adults and Parents tend to refer to, and discuss, evidentiary requirements and federal regulatory oversight interchangeably.
- ◆ **Consumers expect the manufacturers of conventional non-prescription products are required to meet more stringent evidentiary requirements than herbal and/or homeopathic products.**
  - It is generally believed that manufacturers of conventional non-prescription products must be able to support their claims with scientific evidence.
  - However, consumers have varying opinions regarding the evidentiary requirements for herbal and homeopathic products. Some consumers indicate there are no requirements; others insist there must be some governmental oversight of these products, and still others are unsure, but hopeful, that there are some requirements.

*“Conventional probably has a higher standard. I don’t know what the exact standards are, but I would say there is some testing.” (General Adult)*

*“I don’t think so. I think they [herbal products] can make the claims, but they don’t have to be substantiated. We know that this plant or root has been known to do x, y, z, but they’re not telling you to take it and it will fix x, y, z. It has been known to do that.” (General Adult)*

*“I would think that anybody that is putting something out there would have to have to some type of study. I would think if there’s a bad reaction, they wouldn’t want to be sued...so they have to do some kind of studies. Now, whether it’s long term like your conventional [products], I don’t know. But I would think homeopathic and herbal do studies. Maybe not as extensive, but they have to do some type of studies and they go by the majority of their studies.” (General Adult)*

*“I’m afraid there is none [evidentiary requirements] that they have to have. I would hope that the FDA is looking out for us as consumers.” (Parent)*



## Evidentiary Requirements and Federal Oversight

*"I agree. We're relying on the FDA or whoever to test these products and saying, 'Yes, what's on the box is really what's in there and nothing else.'" (Parent)*

*"You can use imagery that suggests it's medicine, but you could have it classified wholly differently." (Parent)*

- ◆ **Similarly, most consumers perceive that federal agencies such as the Food & Drug Administration (FDA) actively review the evidence supplied by manufacturers of conventional non-prescription products . Again, they are divided on the role of the federal government with regard to herbal and homeopathic products.**

- Consumers expect the government to hold conventional products to higher standards.

*"I think you need a lot for conventional [products], because you've got a lot of chemicals and things in there. You have to pass FDA testing and everything. It can take a lot of years." (General Adult)*

*"I think the FDA requires Tylenol, for example, to research how long it really takes to get rid of whatever your problem is. Because you'll notice on the back of Tylenol it says, 'Take this for no longer than four days, or consult your physician.'" (General Adult)*

*"I think it's done by ingredient. The ones that have the drug, the chemical compounds, are going to be more stringent. They're going to be tighter on them. The ones that are using more natural products and stuff, I think the FDA wouldn't check as closely." (Parent)*

- Some consumers believe herbal and homeopathic products face the same requirements as conventional products. Others disagree, or are unsure.

*"I don't think it's [homeopathic products] regulated as stringently as the conventional drugs. They're not allowed to call it a drug." (General Adult)*



## Evidentiary Requirements and Federal Oversight

*"I think they [FDA] are involved only if there is a specific claim: 'Use temporarily relieves nasal congestion due to the common cold, hay fever, or other respiratory allergies.' So then, I would assume they [manufacturers] had to submit some data that suggest that a control group that used a placebo had this result and the group that used the product had a better outcome, generally." (Parent)*

*"I would say their involvement is minimal to none." (General Adult)*

*"I don't think the FDA would waste their time with it [homeopathic products]." (General Adult)*

*"I think if they can bring it to the shelf of a drug store, it has to be reviewed by someone on the federal level." (Parent)*

*"I think they are [federal review of all products]. They better be because when you're giving it to a child, and if you kill somebody...you know?" (Parent)*

*"I can hope. That's all I can I say, is that I would hope that someone took the time to say we have to look at herbal, at homeopathic [products]." (Parent)*

*"I think it comes down to what claims they make. It all has to do with the language. Because ultimately that's all that you can hold any company to." (Parent)*

### ◆ Consumers value the involvement of the federal government.

- Federal agency involvement and oversight provide a feeling of safety and trust.

*"When you have something that has FDA approval, they back it and they're saying that the chemicals in this substance are okay. It won't harm the body, it will help you." (General Adult)*

*"To see how safe it is. To see whether you can use it when you shouldn't use it." (General Adult)*

*"You're trusting that the FDA is looking out for everybody. So we trust them and hopefully, they are looking out for us." (General Adult)*

# Determine Awareness and Perceptions of Homeopathic Products







# Awareness and Perceptions of Homeopathic Products

- ◆ **Although consumers are generally aware of homeopathic products, they exhibit very little understanding and knowledge of the underlying principles.**
  - Most consumers equate homeopathic products with natural and/or “home remedies.”

*“Homeopathic. I think it’s more natural, pure, without chemicals. Without looking up the definition, that’s what I would think.” (Parent)*
  - Even those who have purchased homeopathic products are unfamiliar with the Law of Similars and Law of Infinitesimals.

*“It’s not at all what I thought of as homeopathic. It’s just taken me a step back to where I’m now cautious.” (Parent)*

*“Admittedly, I have a different idea of what homeopathic is than what you described. So now, I’m less sure.” (Parent)*

*“I’m very, very familiar with that concept [homeopathy], and I never thought of it the way you described the definition or the two laws. It’s a very strange to me, this definition...so it’s taken me aback.” (General Adult)*
- ◆ **Consumers find the two underlying principals of homeopathy – law of similars and law of infinitesimals – confusing.**
  - The underlying concept of the Law of Infinitesimals is particularly confusing and counterintuitive for many consumers.

*“It’s a little contradictory.” (Parent)*

*“That [12X] means nothing to me. Nothing!” (Parent)*

*“Are you sure that’s right? That doesn’t make any sense.” (Parent)*



# Awareness and Perceptions of Homeopathic Products

*"Say if you make tea, and you put more water in it, it's not as flavorful. So, I'm thinking the more you dilute something, the more effective it is? That doesn't make sense!" (Parent)*

◆ **Parents, in particular, are motivated by the relatively few side effects of homeopathic products.**

- The relatively few side effects is comforting for some parents.

*"I don't cringe if one of the kids get into something that's homeopathic. If they grab the bottle of Tylenol or drugs, I know there is going to be an adverse reaction. Whereas, if you chewed up a bunch of herbs, you might not feel so hot, but I don't worry about them having a seizure or cardiac arrest or something drastic." (General Adult)*

*"Well, who wouldn't [want to] take a product with no side effects?" (Parent)*

- The diminished risk of side effects made some a few consumers question the effectiveness of homeopathic products.

*"I like the fact that there are very few side effects. But one that's totally diluted, how aggressive is it going to be when you really need something? How long are you going to have to take something before you're cured of your cold or something else if is so totally diluted versus something that will be more aggressive? So, I kind of wonder about that, but I like the idea of no side effects." (General Adult)*

*"If it's so diluted, then okay there are less side effects. But is my kid still getting healthy? Or is it going to take twice as long, or 100 times, or 12 times as long and 12 times the amount for them to get better? I don't want to give them something diluted just because there is less side effects if it's going to take them six weeks to get over a two-week cold. I want him healthy now!" (Parent)*



# Awareness and Perceptions of Homeopathic Products

## ◆ Most consumers are reluctant to use homeopathic products.

- Most General Adults and Parents indicate they are likely to continue to use the conventional non-prescription products with which they are familiar.

*“I’m still going conventional because I know it has drugs in there and I want something that works fast.” (General Adult)*

*“I want what has proven to work for me.” (General Adult)*

*“I think if you’re going into the store with your child sick at home, you’re going to grab proven versus something [unknown].” (Parent)*

*“When you give two teaspoons of that Motrin, it breaks the fever within the hour. And that’s what I’m looking at. The next time I’m buying my product, I’m looking at what have I used in the past? What works? What can I pick up? What is readily available? If my kid is sick, that’s what I’m going to look at. I’m not looking at green and stuff [Similasan product]. I’m looking at works. Period.” (Parent)*

*“I am less interested [in homeopathic products] than I was before.” (Parent)*

*“If you’re running to the store because your child is sick that day, then you’re probably going to get the tried and true.” (Parent)*

- They are unlikely to purchase homeopathic products without the express recommendation from a trusted source (e.g., medical professional, family member, friend, etc.).

*“I’m going to be more skeptical. I’m going to ask a trusted source, ‘Have you tried this? Did this work for you?’” (General Adult)*

*“Someone would have to tell me, ‘Hey, try this. It works.’” (General Adult)*



## Awareness and Perceptions of Homeopathic Products

*"This [Triaminic and Sudafed] is what the doctor tells or suggests for you to use and the ones you have had a history with. I'm with you. I'm not going to try these two [Cold 'n Cough and Cold & Mucus Relief]. But, if my doctor said, 'You know what? I've been suggesting to my patients to try this, it's really good. You might want to take a look at it,' then I would try it." (Parent)*

- Others, however, are more interested in homeopathic products because they are perceived as less harsh or because the manufacturing process it appears more scientific than they originally perceived.

*"I would say herbal first, then homeopathic. And then if I really can't handle it, I'd go with the conventional." (General Adult)*

*"I go with the herbal, the vitamin C, huge quantities of vitamin C. And, in a day or so if I'm getting worse, it's conventional." (General Adult)*

*"When you think of homeopathic, you think of something from the 60's, concocting things. But here, it's more modern thinking, more scientific." (General Adult)*

*"Understanding what infinitesimal means, it actually makes me more open to homeopathic stuff. Basically, it's your flu shot, your anti-venom, things like that, that people could live or die from, are homeopathic according to the definition that you've given." (General Adult)*

# Implications





The following implications are based on study findings and the interpretation of those findings by the moderator/analyst. These implications may or may not represent the views of Federal Trade Commission representatives. The following implications are offered for consideration by the Federal Trade Commission:

- ◆ **Consumers have a high degree of familiarity and understanding of conventional non-prescription products.**
  - General Adults and Parents readily identify and classify conventional non-prescription products. They understand manufacturers of conventional products must be able to support their product claims and that the federal government oversees their compliance with these requirements.
  - Further, most are aware of how to read and interpret the product label by searching for the active ingredient.
- ◆ **Despite some claimed awareness of homeopathic products, consumers' knowledge and understanding of the underlying homeopathic principles is very low.**
  - Some consumers are aware of the term “homeopathic.” However, most consumers are unable to articulate a category definition. Many consumers tend to group all non-conventional products together including homeopathic products into a single category, and use the terms “natural”, “herbal” and “homeopathic” interchangeably.
  - Consumer response to the two underlying homeopathy principles is generally confusion. Most appear to grasp the Law of Similars at least at some level, but no one understood the Law of Infinitesimals. In fact, many question the efficacy of homeopathic products upon learning about the Law of Infinitesimals.
  - Even those consumers who self-reported that they have used homeopathic products were unfamiliar with the two underlying principles of homeopathy. They choose to use homeopathic products because they perceive they are more natural and less harsh on their body.
  - Overall, consumers were less interested and/or more guarded toward homeopathic products following the discussion of the two underlying principles of homeopathy. Several comment they would only choose a homeopathic product if it was recommended to them by a trusted source, while others remained attracted to the concept of homeopathy because of the perceived lower risk of side effects.



- ◆ **Visual images, product claims and packaging drive consumers' initial impressions of new products.**
  - No one was familiar with any of the sample products provided. Initially, General Adults and Parents focused on the front of the sample homeopathic products including the visual images, the product claims and the overall packaging itself.
  - The incorrect spelling on the adult sample products was rejected by consumers and led some to conclude the products were "generic" brands.
  - Parents, in particular, were attracted to the soothing visual images and the age specific information on the sample child products.

# Appendix A: Respondent Profile







# Respondent Profile

	Total	General Adults	Parents
<b>Non-Prescription Products purchased*</b>	<b>N=16</b>	<b>N=8</b>	<b>N=8</b>
Over-the-counter	16	8	8
Herbal	6	2	4
Homeopathic	6	3	3
<b>Employment Status</b>	<b>N=16</b>	<b>N=8</b>	<b>N=8</b>
Full-time	10	6	4
Part-time	2	1	1
Not working	3	0	3
Retired	1	1	0
<b>Education Level</b>	<b>N=16</b>	<b>N=8</b>	<b>N=8</b>
High school graduate	2	0	2
Some college	2	1	1
College graduate	9	5	4
Post graduate	3	2	1

Q.5GA: Which of the following types of non-prescription products have you purchased or used to treat *any* conditions?

Q.8A: Which of the following types of non-prescription products have you purchased or used for your child/children that are 4-10 years old to treat *any* conditions?

Q.8GA/10A: Are you currently?

Q.9GA/11A: Which of the following categories includes the highest level of education you have completed?

\* Totals add up to more than sample size because respondents could choose more than one choice



# Respondent Profile

	Total	General Adults	Parents
<b>Household Income</b>	<b>N=16</b>	<b>N=8</b>	<b>N=8</b>
\$30,000-\$49,999	4	1	3
\$50,000-\$74,999	3	2	1
\$75,000-\$99,999	5	3	2
\$100,000 or more	4	2	2
<b>Race and Ethnicity</b>	<b>N=16</b>	<b>N=8</b>	<b>N=8</b>
White/Caucasian	10	4	6
African American/Black	6	4	2
Hispanic/Latin	0	0	0
Asian	0	0	0
Other	0	0	0
<b>Gender</b>	<b>N=16</b>	<b>N=8</b>	<b>N=8</b>
Male	5	3	2
Female	11	5	6

Q.10GA/12A: Is your annual household income before taxes:

Q.11GA/113A: And to ensure we have a balanced sample, do you consider yourself to be:

Q.13GA/15A: Record gender



# Respondent Profile

	Total	General Adults	Parents
<b>Age for General Adults</b>	<b>N=8</b>	<b>N=8</b>	
30-39	2	2	NA
40-49	3	3	NA
50-59	1	1	NA
60-69	2	2	NA
<b>Age for Parents</b>	<b>N=8</b>		<b>N=8</b>
25 or younger	0	NA	0
26-34	1	NA	1
35-44	6	NA	6
45-54	1	NA	1
55 or older	0	NA	0
<b>Age of Children at Home*</b>	<b>N=8</b>		<b>N=8</b>
Under 4 years old	0	NA	0
4-10	8	NA	8
11-17	1	NA	1

Q.7GA: Which of the following categories includes your age?

Q.9P: Which of the following categories includes your age?

Q.3P: Do you have any children in the following age groups?

\* Totals add up to more than sample size because respondents could choose more than one choice