

A woman with dark hair tied back, wearing a black top, is looking at a shelf of products in a grocery store. The background is filled with various colorful items on shelves, creating a bokeh effect. The lighting is warm and focused on the woman.

PRODUCT CLAIMS MANAGEMENT TRENDS REPORT

veeva



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INTRODUCTION

Across industries, organizations use product claims to differentiate their offerings, build value in the minds of consumers, and support brand equity. Although this has long been the case, changing market dynamics and consumer trends have brought product claims to the forefront as a competitive tool.

Product claims have always been used as a competitive tool. Enabled by direct sales and marketing via digital and social channels, new brands can gain a foothold quickly and become formidable challengers to established brands. As competition within a category intensifies, product claims become a primary battleground.

Furthermore, consumers now have broad access to information—they can compare brands and pricing, view product claims and ingredients, and make purchases from any connected device. In many ways, the balance of power has shifted to the consumer, and informed buyers demand transparency and products that meet their expectations. Regulators, including distribution partners acting as a regulatory proxy for their industries, also seem to be bending to the will of consumers and scrutinizing product claims more closely. Challenges from regulators, consumer groups, and competitors are more and more common.

This report explores the state of product claims management in the consumer goods, cosmetics, and chemical verticals. Topics include practices and tools used to manage product claims, challenges to current practices, and risks and costs related to product claims management.

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STUDY OVERVIEW

Key Questions

- How do companies manage the product claims process today and what tools do they use to do so?
- What are the current and future risks to organizations regarding product claims?
- What are their unmet needs, pain points, and challenges and future outlook?

Survey Administration & Sample

- A survey administered online resulted in 255 qualified respondents

Respondent Qualifications

- Full-time employee in consumer goods, cosmetics, or chemicals
- Works in one of the following departments: Legal, Regulatory Affairs, Marketing, Research & Development
- Must be a director, VP, C-level executive or equivalent
- Organization must have at least \$250 million annual revenue
- Must be involved in marketing and product claims



THE PRODUCT CLAIMS MANAGEMENT PROCESS

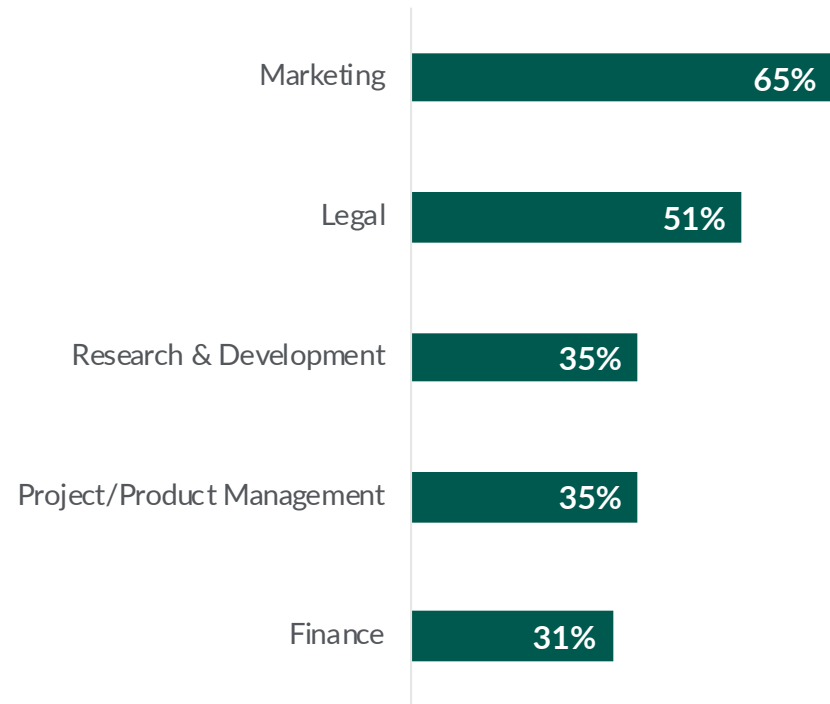
THE DEMANDS OF PRODUCT CLAIMS MANAGEMENT

Organizations dedicate significant time and resources to managing product claims. Multiple functions are involved in the process, with Marketing and Legal often taking on the heaviest load.

Organizations' Product Claims Management Priorities



Departments Most Often Involved in Product Claims



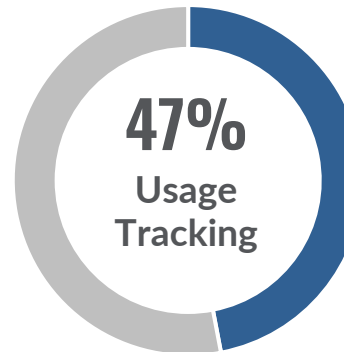
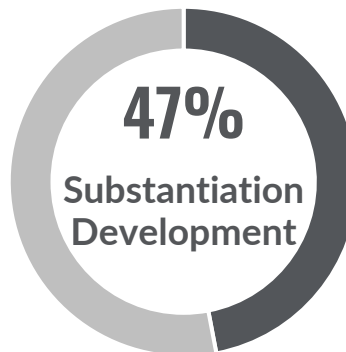
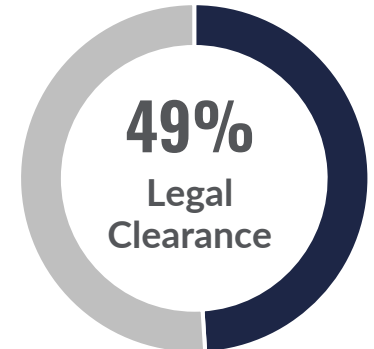
BENEFITS OF AUTOMATING CLAIMS MANAGEMENT

Software automation tools could ease the burdens on organizations and enhance many product claim management processes, particularly tracking competitor claims.

Large organizations (over \$500 million in annual revenue) are most interested in using automation to improve the enforcement of policies around limitations of usage-of-claims in countries where their product is sold.

Chemical organizations are particularly interested (54%) in using automation to improve substantiation development for marketing claims.

Processes that Could Benefit from Automation



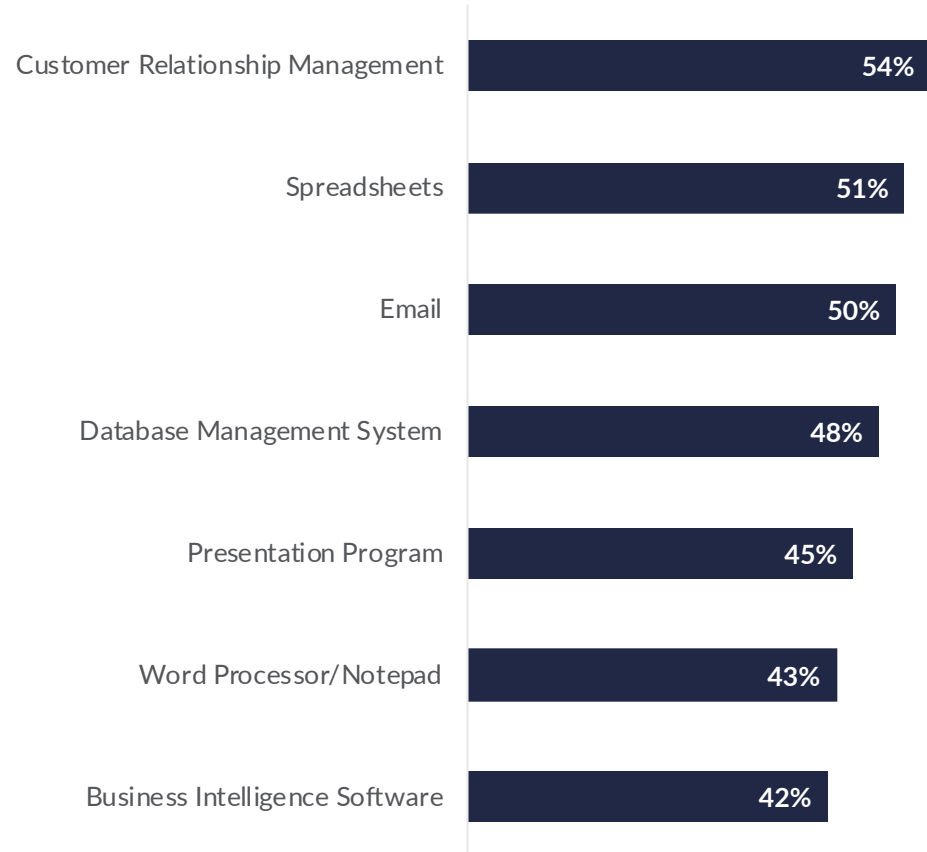
TOOLS FOR PRODUCT CLAIMS MANAGEMENT

A lack of comprehensive management tools exacerbates resource demands. Since no single tool addresses every need, organizations on average use more than three types of tools in managing the product claims process.

In the absence of comprehensive product claims management products, organizations tend to use a patchwork of different solutions.

Organizations most frequently use CRM tools, spreadsheets, email, and database management systems to handle their product claims processes.

Tools Used to Manage Product Claims



'Could we change our attitude

CHALLENGES AND COSTS OF PRODUCT CLAIMS MANAGEMENT

TYPICAL CHALLENGES OF PRODUCT CLAIMS MANAGEMENT

In developing and managing claims, organizations struggle with a range of problems, including timely reviews, substantiation, and tracking in-market usage.

Most Challenging Step of Developing a Product Claim



Most Significant Challenge While Managing Product Claims



LEGAL CHALLENGES AND THEIR IMPACT

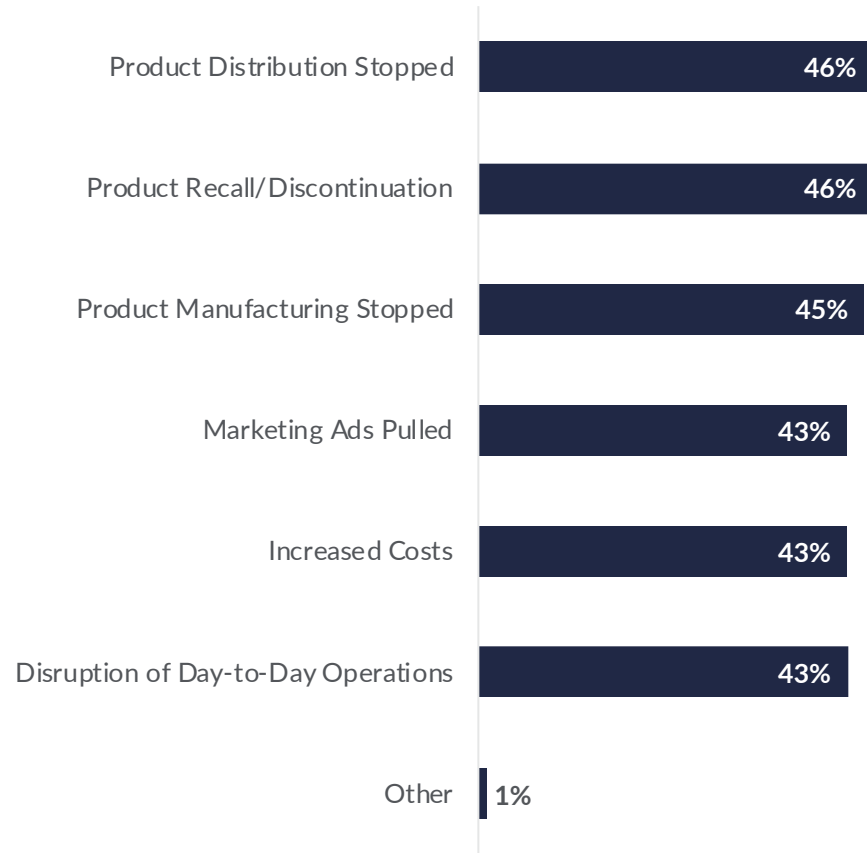
Inadequate tools and gaps in the product claims management process have exposed numerous organizations to legal challenges. Nearly half of organizations report facing legal challenges on a product claim, and virtually every business activity is disrupted.

Larger organizations were most likely to be challenged, with 69% of organizations with revenue of at least \$1 billion experiencing legal claims challenges. A quarter of those under \$500 million experience legal challenges.

Marketing departments report more impact of legal challenges on ads (53%) compared to other departments (34%).



Impact from Legal Challenges



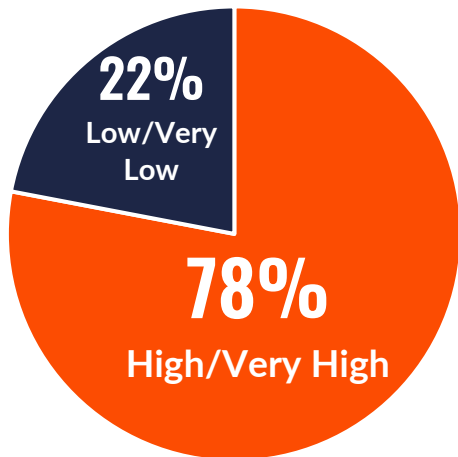
COSTS OF LEGAL CHALLENGES

Legal challenges lay a heavy burden on top of the typical demands of managing product claims. Organizations face not only legal fees and damages, but significant costs to validate new product claims and revise marketing and packaging assets.

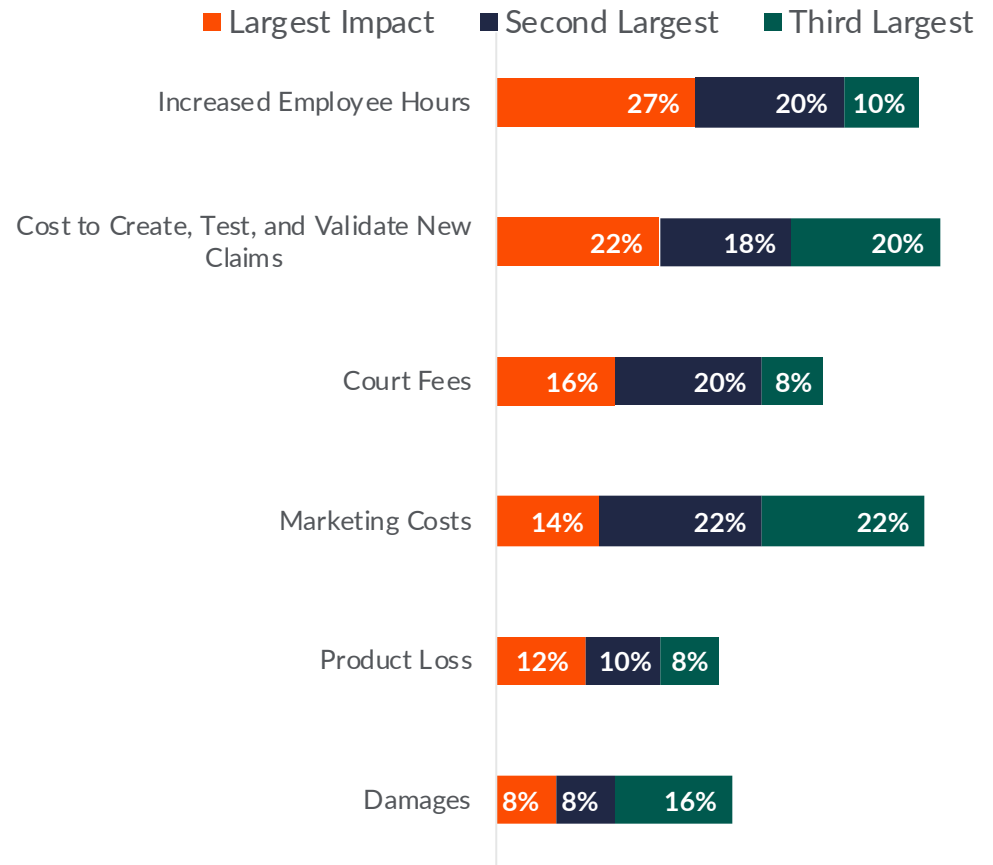
Different functions are better attuned to their specific costs: 80% of marketers report higher marketing costs, and 72% report increased employee hours.

In contrast, 63% of Legal departments report increased court fees, and 46% rank damages among the greatest impacts.

Reported Costs of Legal Challenges



Greatest Impacts from Legal Challenges

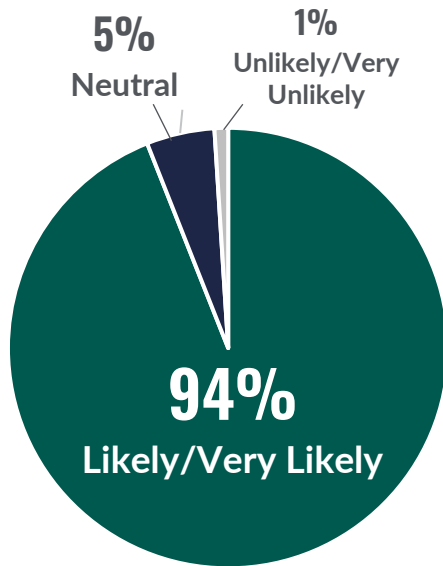


LIKELIHOOD OF CONSIDERING NEW SOFTWARE SOLUTIONS

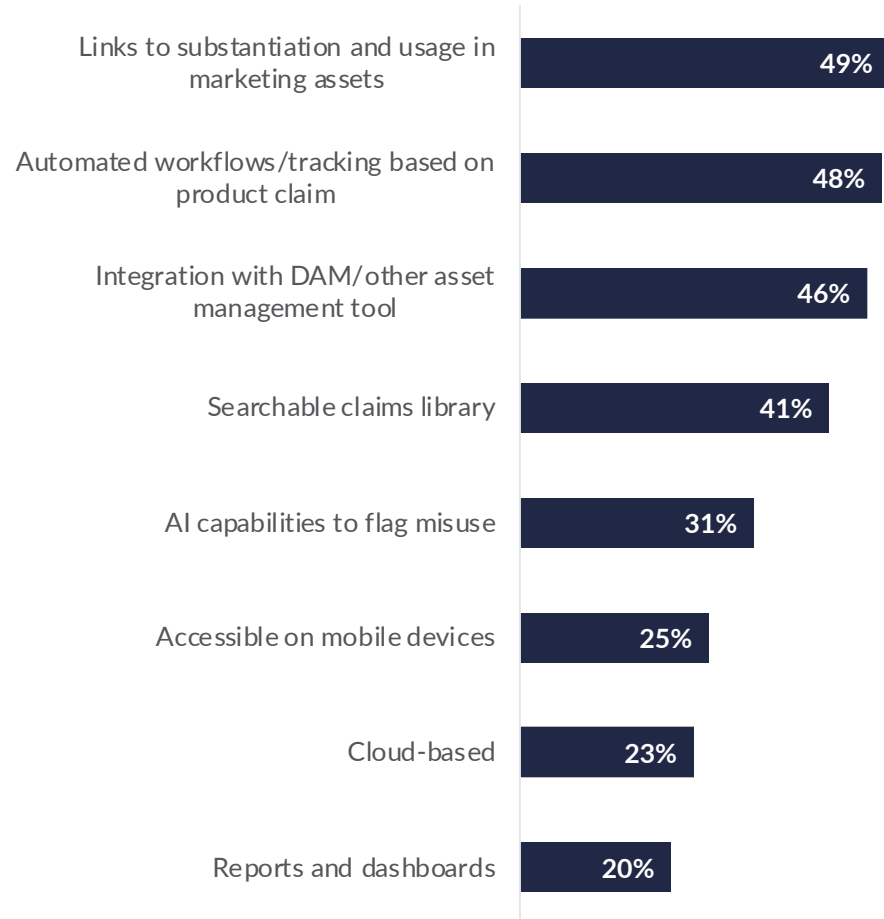
Facing significant costs, the vast majority of organizations would pursue better software solutions to create and manage product claims if given the option.

Legal departments are most interested in tracking competitor claims and regulatory submission/filing management (65% versus 49% among other departments).

Likelihood to Consider a New Solution

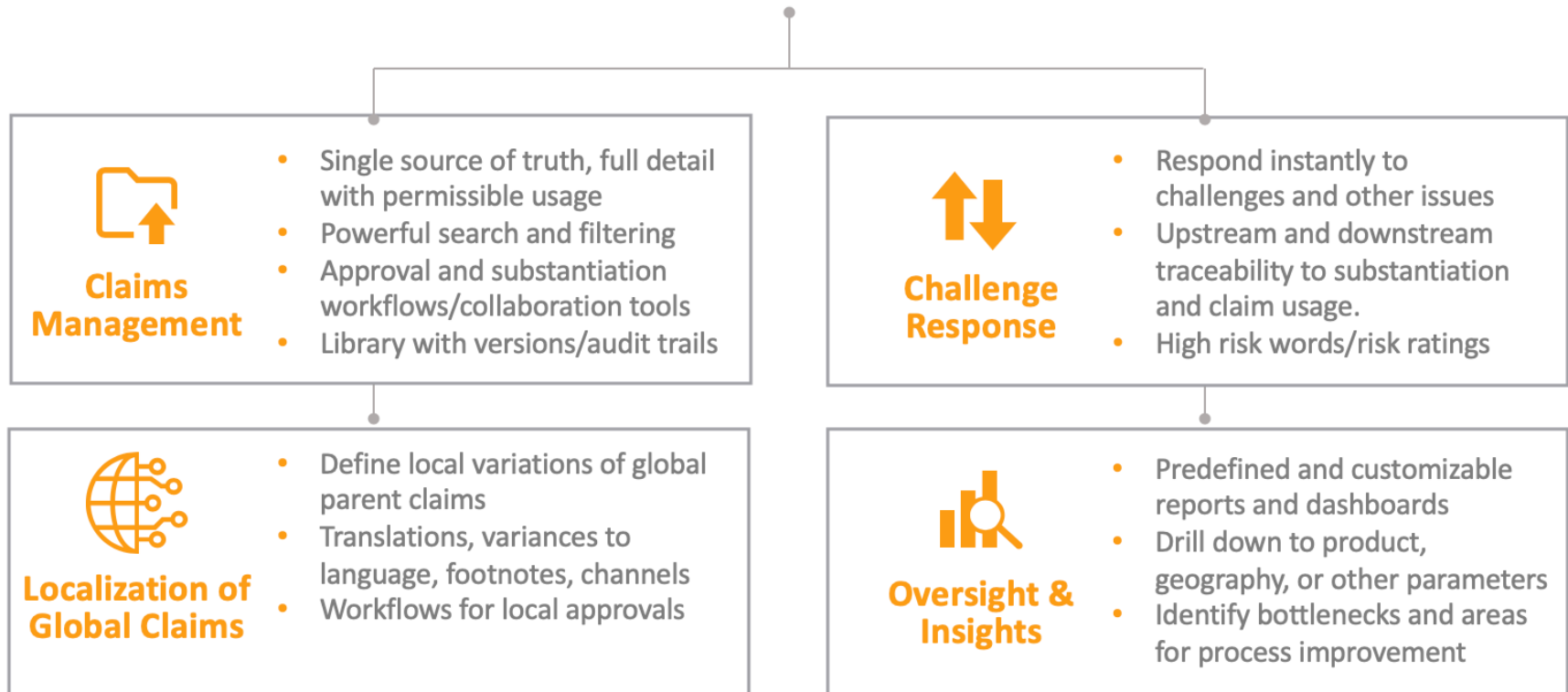


Desired Features in Product Claims Management Solutions



Veeva Claims is designed for legal and regulatory compliance professionals to manage the end-to-end process for product claims. With custom workflows and audit trails, a centralized library, and dashboards and reporting, Veeva Claims helps companies reduce legal and regulatory risk, accelerate time to market, and protect their brands. Learn more at industries.veeva.com/claims-management.

V Claims



**UNIFIED
PROCESS**

**SPEED
TO MARKET**

**CONTROL &
COMPLIANCE**

**ACTIONABLE
INSIGHTS**



Founded in 2007, Veeva is a global provider of cloud-based software solutions. We help quality, regulatory and commercial teams in the cosmetics, consumer goods, and chemical industries unify disconnected processes, documents and data. In doing so, we help our customers eliminate inefficiencies so they can bring innovative, high quality products to market faster without compromising compliance.

Veeva is headquartered in the San Francisco Bay Area, with offices throughout North America, Europe, Asia, and Latin America. Learn more at industries.veeva.com.



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