

Trends In Advertising & Product Claims Management



Introduction

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The Importance and Role of Advertising and Product Claims Today

Advertising and product claims are an essential tool for companies across industries to differentiate from competition, justify price points, and build a compelling brand. As direct sales and marketing via digital and social channels have enabled smaller more nimble competitors to gain footholds in established categories, and in some cases become formidable competitors in their own right, now more than ever, an agile claims engine is a critical capability for companies planning to maintain or grow market share.

At the same time, advertising claims are coming under increased scrutiny from consumer advocacy groups, competitors, NGO's and government regulators. Consumers are demanding transparency and forcing product accountability - and companies as well as regulators are bowing to the will of the consumer.

In this environment of more intense competition, and heightened regulatory scrutiny, advertising claims challenges are becoming more and more common. If companies can't respond to these challenges quickly and confidently, they may be faced with protracted lawsuits, costly recalls, and perhaps irreparable damage to brands.

Companies across industries, from consumer goods, to beauty and personal care, to food and beverage must move quickly to respond to various sources of pressure in the claims ecosystem. These pressures can come in the form of changing consumer tastes or opinions, new claims by competitors, or changes in the regulatory environment. At the same time they must do so in a manner that enables them to respond quickly to challenges.

The world of advertising claims is constantly evolving, and so it's interesting to look closely at some of the trends shaping its evolution.

This Advertising Claims Management Trends Report focuses on four verticals: consumer goods, cosmetics, food & beverage, and home & personal care. Panelists were senior professionals with roles in marketing, legal, regulatory, and R&D, all of whom were actively involved in the process of creating, substantiating, or managing advertising claims.

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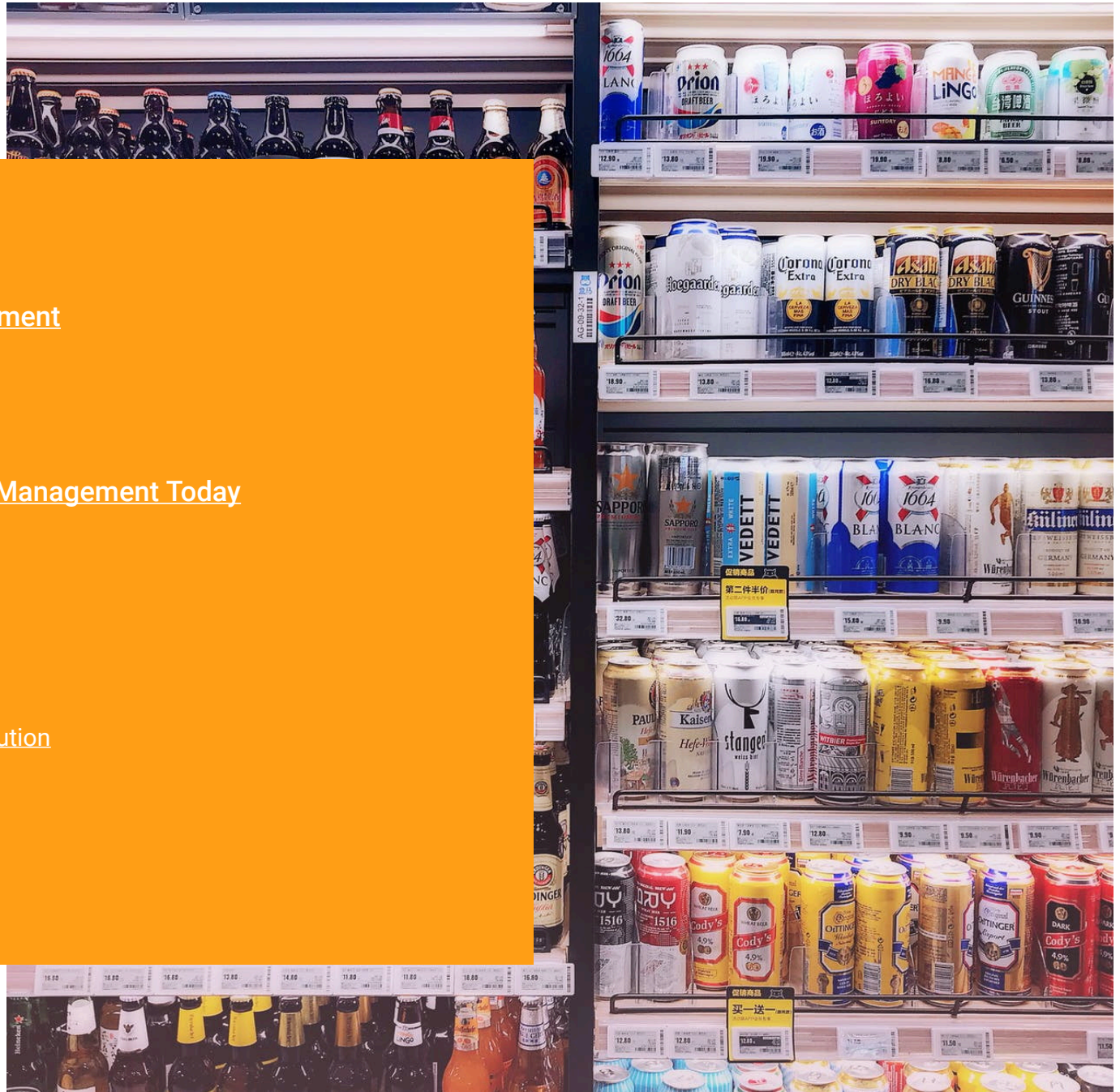
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Key Findings

Claims development activity across the companies surveyed is increasing. This is no surprise, as competition has heated up across categories over the past several years driven in part by new, more agile entrants enabled by social media and ecommerce. In fact **67% of respondents reported increased claims development activity** compared to five years ago. This was particularly true in the home & personal care industries (82%).

Claims management is very time consuming across functions, with most respondents spending between **11 and 20 hours per week working on claims related activities**. Half to three quarters of this time is spent in inperson meetings. As one might expect, a majority of respondents reported that the need to work from home brought about by **Covid-19 has made the cross functional work required for claims management more challenging**.

The survey also found that the average number of people actively engaged in claims management does not tend to scale with company size, so **those engaged in managing claims become severely stretched in larger companies**.

This year we probed around the process of claims management in the context of packaging creative. We found that companies typically review at least 3 rounds of packaging creative during the process of bringing new packaging to market, and that a majority of respondents report **errors in claims or other copy up to 50% of the time**. Somewhat ironically, errors in claims on packaging can often result in challenges by competitors or regulators, and respondents rated marketing and packaging costs as the highest expense related to a challenge.

Given the critical importance of claims, the increasing activity to develop new claims with limited resources, and the potential for costly claims challenges, it's not surprising that **87% of respondents are looking for a better solution for advertising claims management**.



The increasing activity to develop new claims with limited resources, and the potential for costly claims challenges

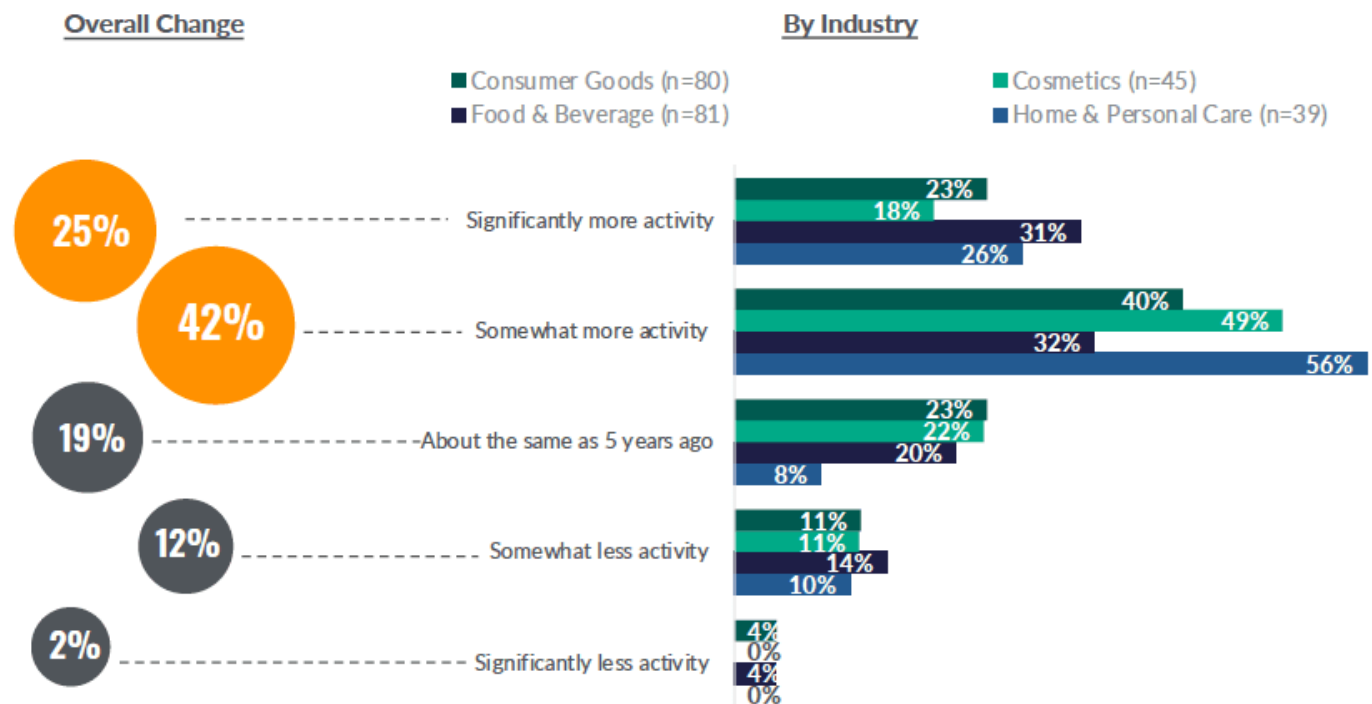
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The Current State of Advertising Claims Management

Advertising Claims Development Activity is Increasing Across Industries

Advertising claims development activity is increasing across industries compared to five years ago. Overall, two thirds of respondents (67%) reported more activity, with H&PC organizations skewing significantly higher at 82%.

Level of Development Activity Today vs. Five Years Ago



Marketing and Legal are the Primary Claim Decision Makers

Ultimate responsibility for decisions around advertising claims is more often Marketing in Consumer Goods (45%) and Food & Beverage (36%). Legal bears more responsibility in Cosmetics (36%). Home & Personal Care is very balanced between functions.

Primary Decision-Maker of Organization's Product Claims by Industry

	Total (n=245)	Consumer Goods (n=80)	Cosmetics (n=45)	Food & Beverage (n=81)	Home & Personal Care (n=39)
Marketing	35%	45%	27%	36%	23%
Legal	28%	26%	36%	26%	26%
Regulatory Affairs	17%	15%	9%	19%	26%
R&D	13%	5%	13%	16%	23%

Resources Involved in Claims Management Does Not Scale with Company Size

Advertising claims management resources may be severely stretched at larger companies as the number of people involved is not proportional to company size.

Average Number of People Involved in Managing Organization’s Advertising Claims

	Consumer Goods (n=71)	Cosmetics (n=43)	Food & Beverage (n=77)	Home & Personal Care (n=38)
Up to \$499 million	31	19	41	27
\$500 to \$999 million	34	35	27	36
\$1+ billion	44	41	53	47

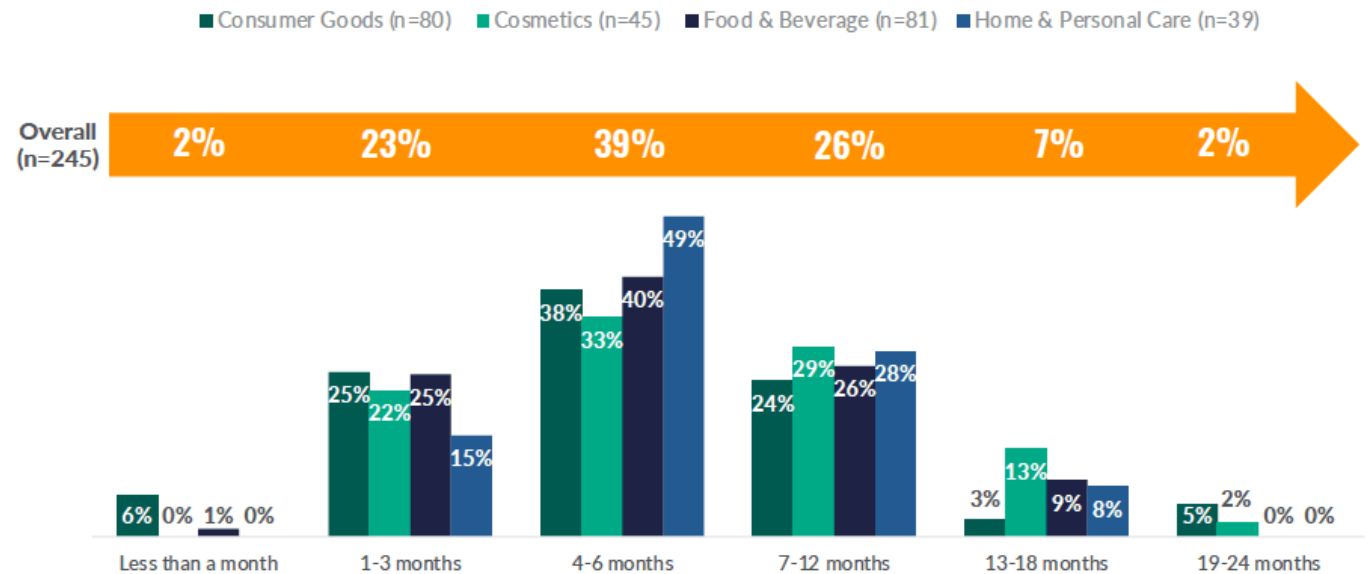
A row of The Ordinary skincare products, including bottles of Serum Foundation, Serum, and Color Foundation, displayed on a white shelf. The background is a blurred image of a modern interior with a staircase.

The Resources Dedicated to Advertising Claims Management Today

Time Required to Bring a Claim to Market Varies by Industry

On average two thirds (65%) of advertising claims take 4-12 months to reach market. Overrepresentation of Home & Personal Care in 4-12 months, and of Cosmetics in 13-18 months may be driven by the sometimes very technical or clinical nature of the substantiation required.

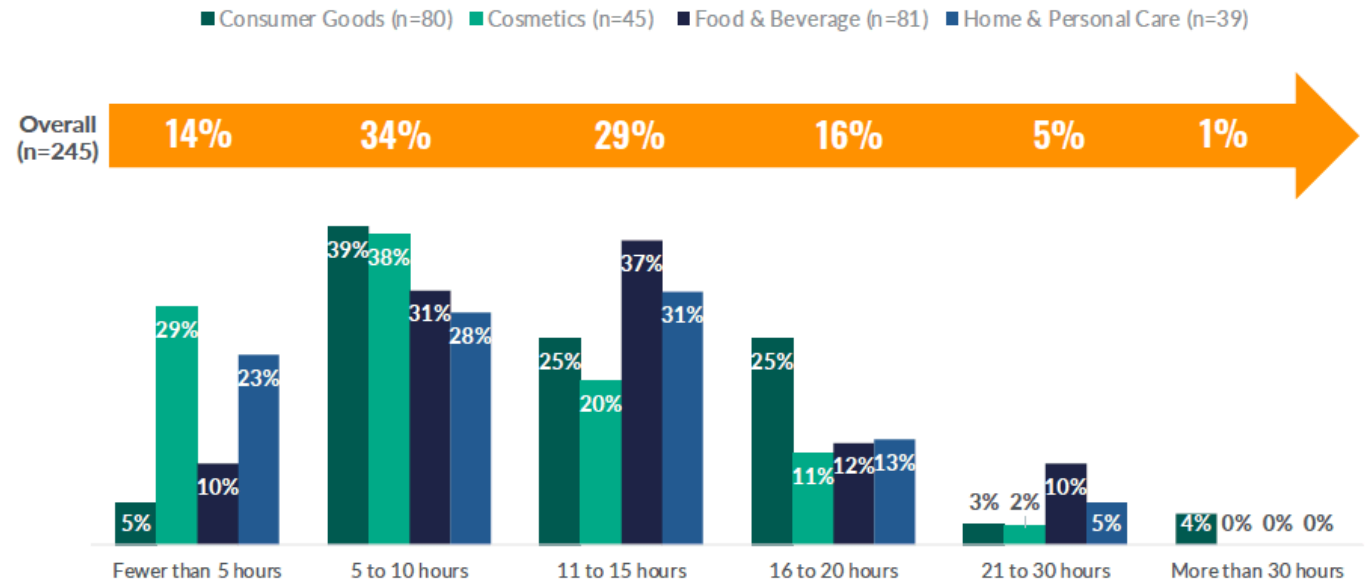
Taking a Claim Idea from Conception to Market



Consumer Goods Companies Spend the Most Time in Claims Meetings

Across industries, two thirds (63%) of respondents spend between five and 15 hours per week in claims related meetings. Consumer Goods skews higher (32% spend 16 to 30+ hours), and Cosmetics skews lower (67% at 10 or fewer hours).

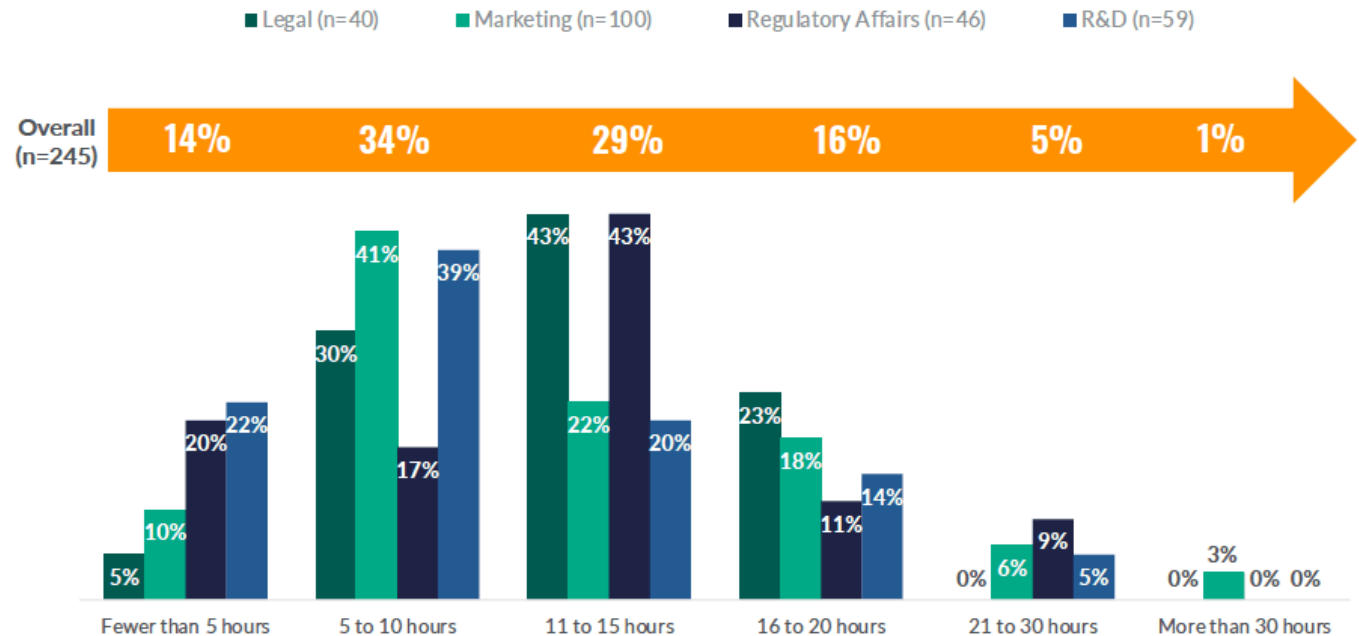
Hours per Week Spent in Meetings Working on Advertising Claims Issues



Legal and Regulatory Spend the Most Time on Claims

Of those spending over 10 hours per week on claims related work, legal (66%) and Regulatory (63%) far exceed the average of 51%.

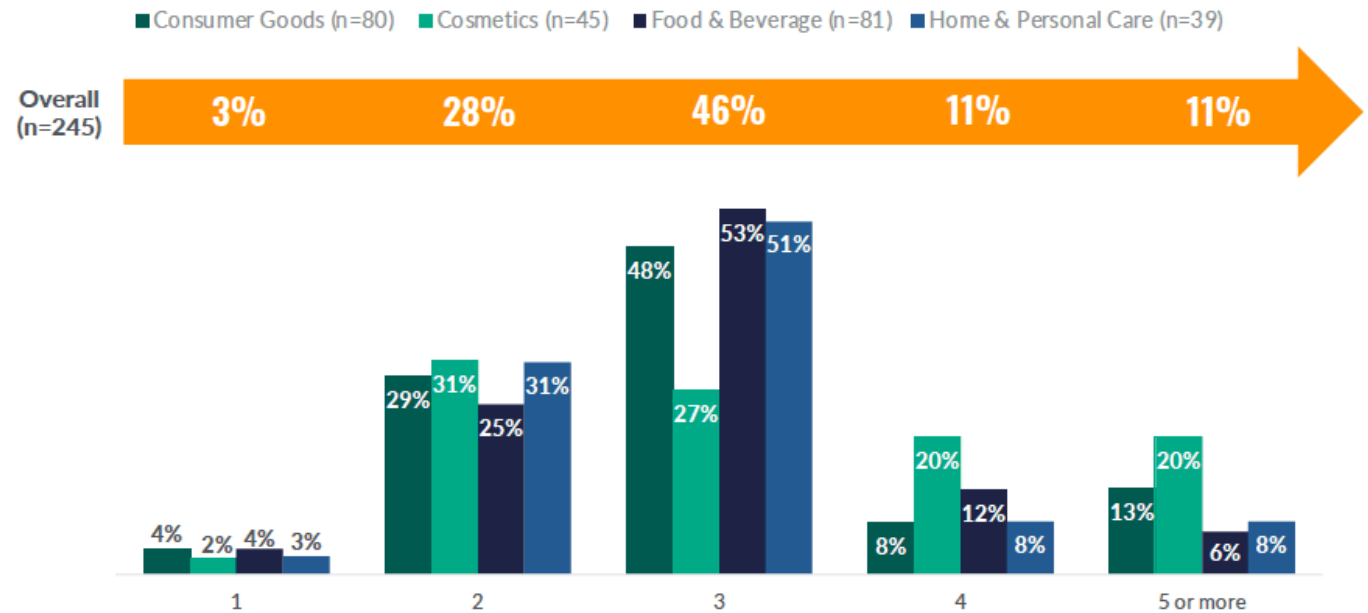
Hours per Week Spent in Meetings Working on Claims Issues by Department



96% of Organizations Engage in Multiple Rounds of Packaging Creative

Half of organizations usually see three rounds of packaging creative before new artwork is finalized. More than one third of Cosmetics (40%) see four or more rounds of packaging, more than any other industry.

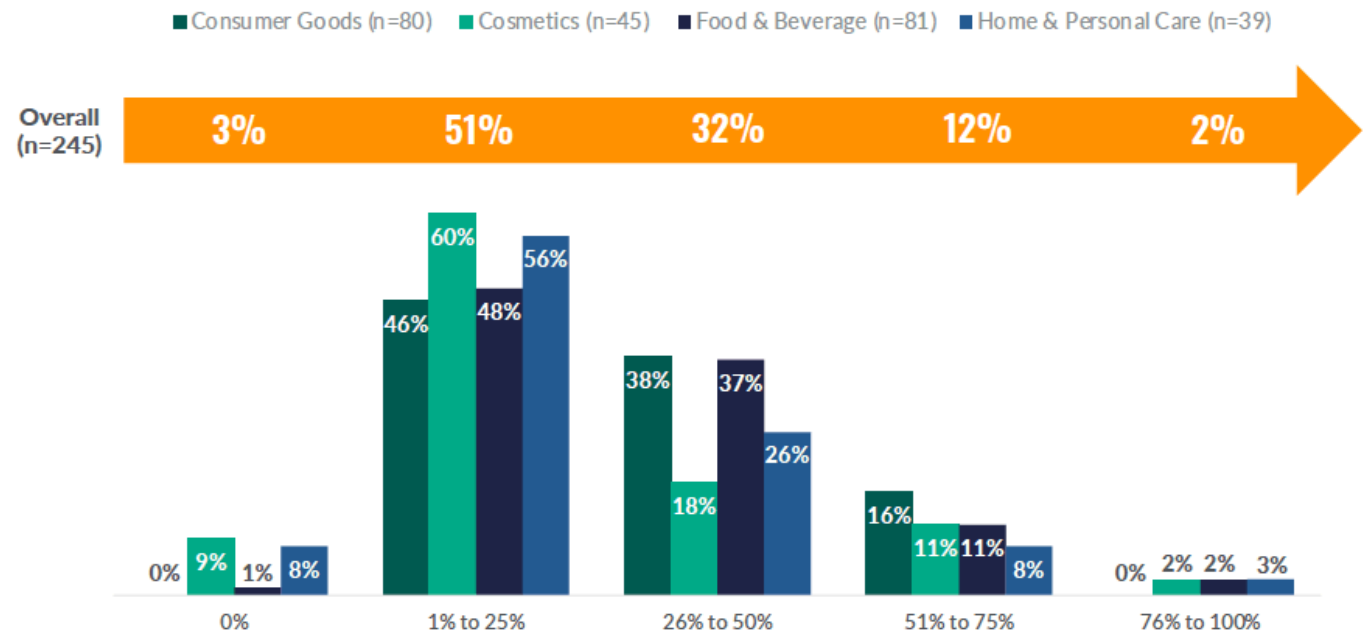
Average Number of Rounds for Packaging Creative



Claim Errors Are Major Contributor to Packaging Creative Rounds

The majority of organizations across industries reported that claim errors contribute to a sizable proportion of costly, time-consuming packaging creative rounds. 54% of Consumer Goods and 50% of Food & Beverage see claim errors in 25% or more of their creative rounds.

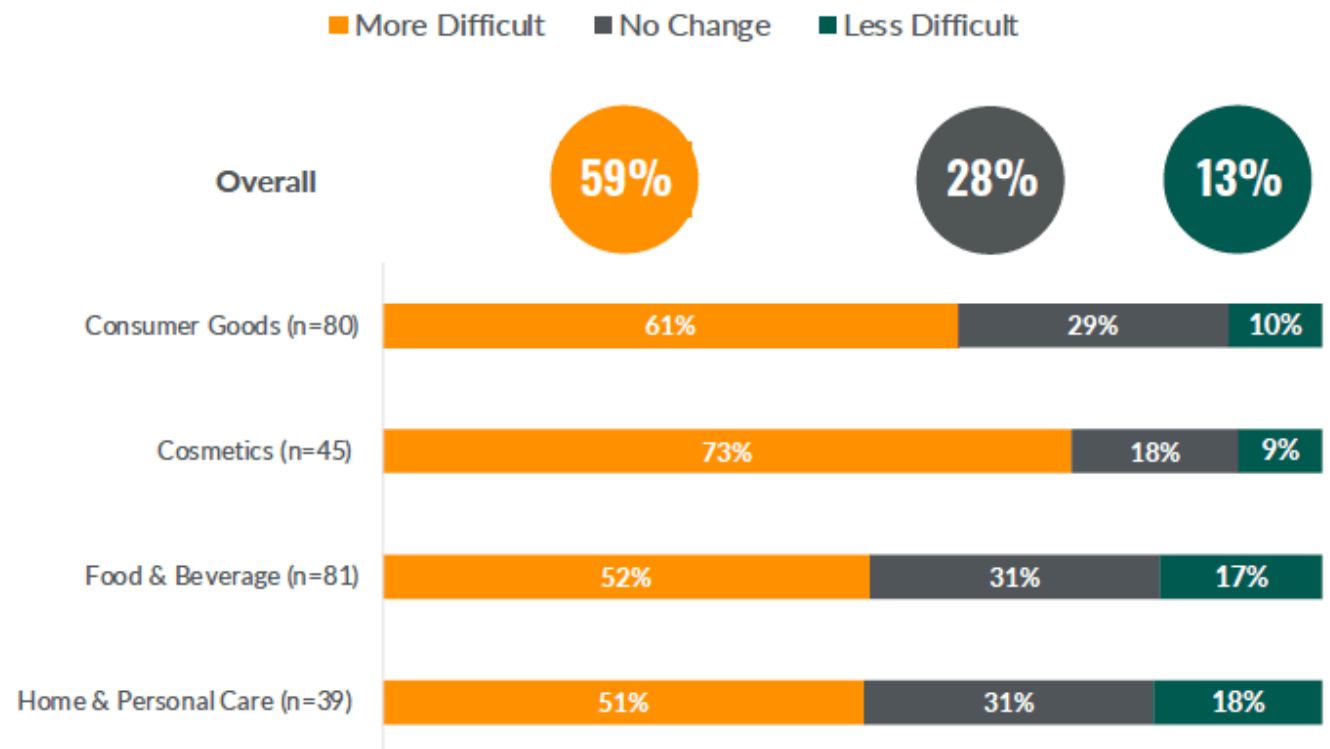
Percent of Creative Rounds Involving Claims Correction



Covid-19 Impact on Managing Advertising and Product Claims

59% of respondents report that managing claims is more difficult while working from home due to Covid- 19. This is strikingly true in Cosmetics, with 73% reporting more difficulty.

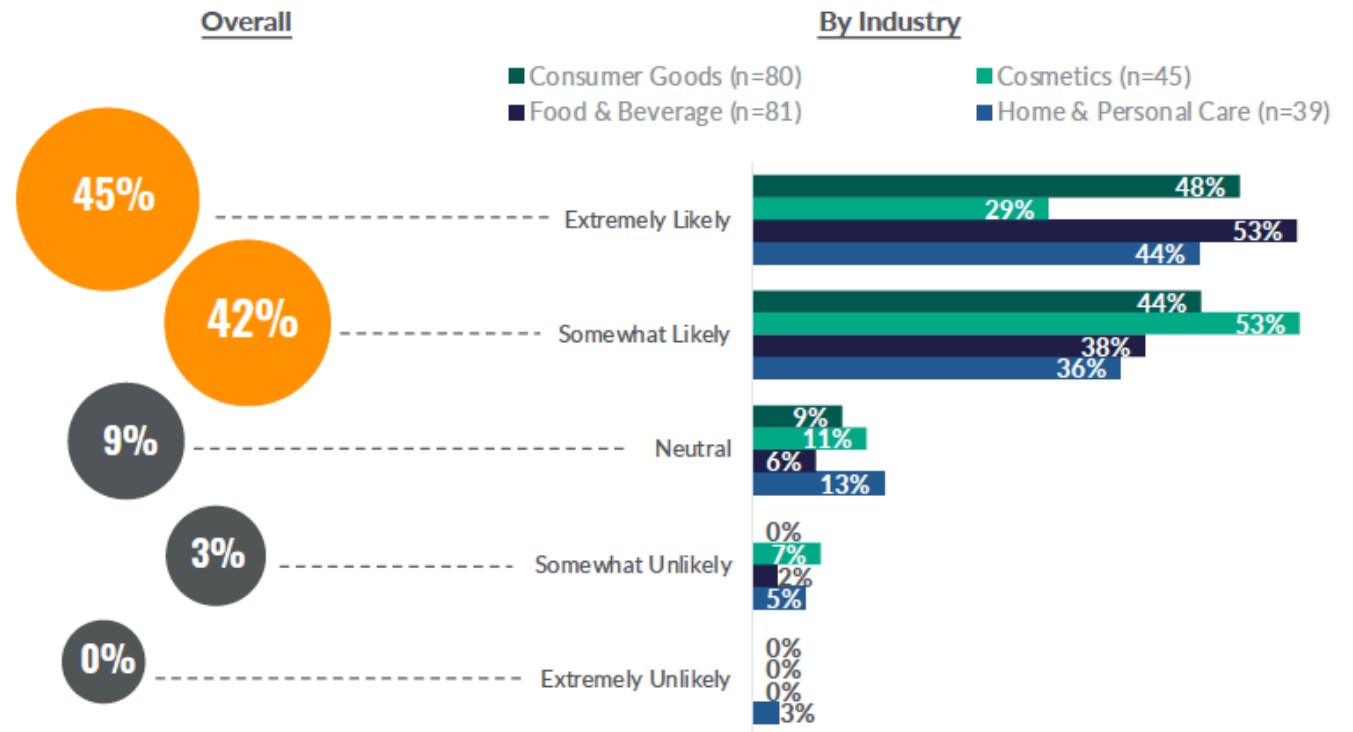
COVID-19 Impact on Managing Claims from Home



87% Likely to Invest in Better Claims Management Solution

Most organizations are likely to invest in better solutions for claims management going forward. CG (48%) and F&B (53%) are significantly more likely to be extremely likely to invest in finding a better solution compared to Cosmetics (29%).

Likelihood Organization will Invest in Finding A Better Solution for Advertising Claims Management



Advertising Claims Management Software

Veeva Claims is a software solution designed for cross functional teams (legal, regulatory, R&D and marketing) to manage the end-to-end process for advertising claims. With core Claims Management functionality, as well as capabilities for Localization of Global Claims, Challenge Response, Packaging Copy Management, and Oversight and Insights into the global claims process, Veeva Claims helps companies reduce risk, accelerate time to market, and protect their brands.

[Learn More](#)

Veeva Claims

Claims Management

- Single source of truth, full detail with permissible usage
- Powerful search and filtering
- Workflows/collaboration tools
- Library with versions/audit trails

Localization of Global Claims

- Define local variations of global parent claims
- Translations, variances to language, footnotes, channels
- Workflow for local approvals

Challenge Response

- Respond instantly to challenges
- Upstream and downstream traceability to substantiation and claim usage
- High risk words/risk ratings

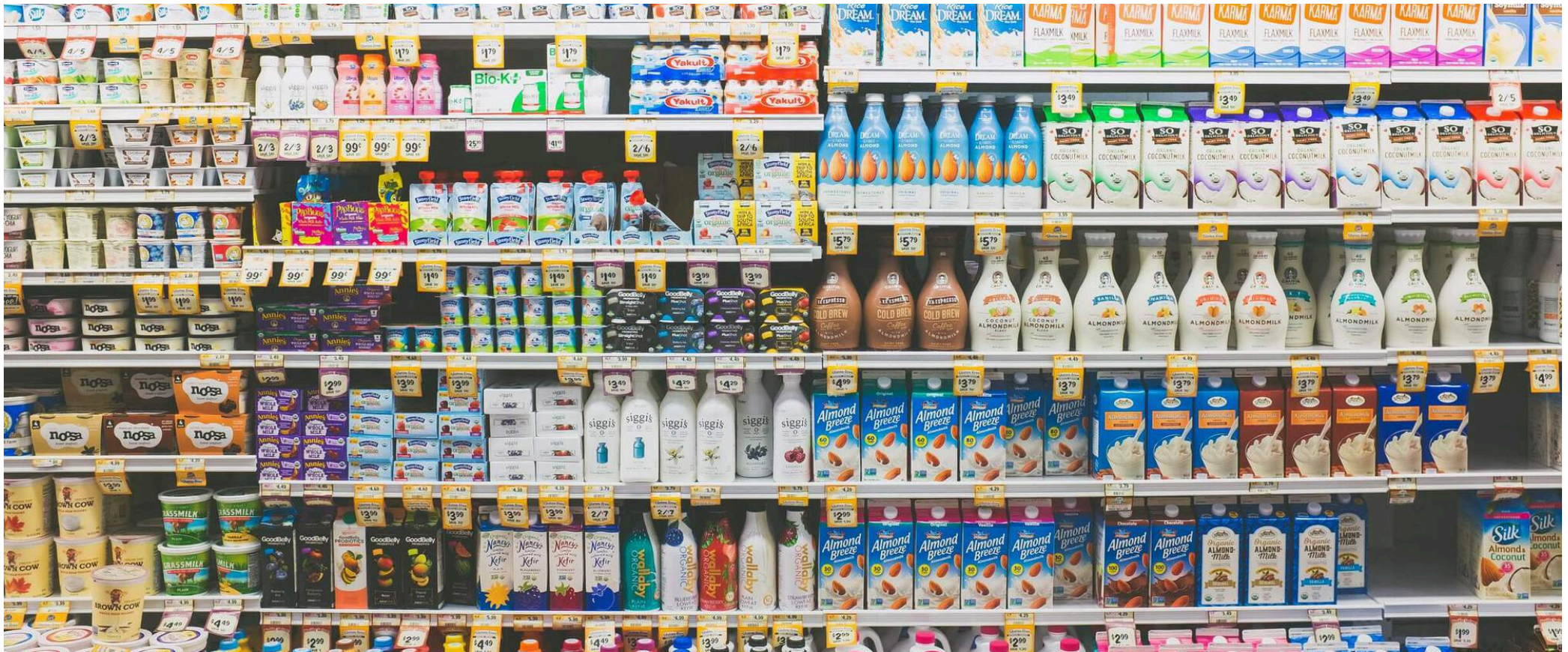
Packaging Copy Management

- Maintains chain or custody for claims to packaging brief
- Ensures latest approved version
- Handles any packaging element in Claims or pulls via API

Oversight & Insights

- Predefined and customizable reports and dashboards
- Drill down to product, geography, or other parameters
- Improve processes

Founded in 2007, Veeva is a global provider of cloud-based software solutions. We help quality, regulatory and commercial teams in the cosmetics, consumer products, 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.



Appendix



Respondent Profile: Demographics

Age (n=245)

25 to 34 years old 31%
35 to 44 years old 48%
45 to 54 years old 18%
55+ years old 2%



Region (n=245)

Northeast 21%
Midwest 17%
South 31%
West 31%



Industry (n=245)

Consumer Goods (CG) 33%
Cosmetics 18%
Food & Beverage (F&B) 33%
Home & Personal Care (H&PC) 16%



Department (n=245)

Marketing 41%
Legal 16%
Research & Development (R&D) 24%
Regulatory Affairs 19%



Size – Revenue (n=245)

\$250 to \$499 million 29%
\$500 to \$999 million 33%
\$1 to \$4.9 billion 23%
\$5 to \$9.9 billion 13%
\$10 billion+ 2%



Size – Employees (n=245)

0 to 99 employees 2%
100 to 249 employees 5%
250 to 499 employees 13%
500 to 999 employees 26%

1,000 to 4,999 employees 34%
5,000 to 19,999 employees 11%
20,000 employees+ 3%
I don't know/Prefer not to respond 5%

Region Served (n=245)

North America 97%
Europe 28%
Latin or South America 27%
Middle East 6%
Asia 17%
Africa 4%
Australia 7%



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