

“FTC Penalizing False Claims: Is Your Brand Prepared?”

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The FTC recently strengthened its [recommendations for consumer brands](#) to provide clinical support for any of their product claims. Now, the organization has warned almost 700 brands about financial penalties they may face if they don't address their products' misleading claims. Unsubstantiated product claims can now cost companies hundreds of millions of dollars, in addition to their customer base's trust and loyalty, making clinical research more important than ever.

In speaking to the [Wall Street Journal](#), the FTC's director of Consumer Protection, Samuel Levine, stated: “If their marketing is deceptive, if it's not substantiated, they can expect more than a slap on the wrist. They can expect to pay a heavy price.”

In order to avoid the consequences of unfounded product claims, consumer brands should make sure they are prepared for the FTC enforcing the tightening regulations by pursuing clinical research for their products.

The FTC Regulatory Recommendations

In an effort to curb false advertising and secure their ability to acquire monetary relief for consumers, the FTC has begun more aggressively targeting questionable marketing strategies. In the last year, these endeavors resulted in Walmart and Kohl's agreeing to [pay \\$5.5 million](#) for clothing items found to contain mostly rayon despite being advertised as being made from bamboo fiber.

These practices are beginning to [extend to consumer brands](#) such as supplement and skincare brands, where product claims (those that advertise a formula's effects on health or well-being) are now required to be backed up by some form of scientific evidence. This can take the form of traditional clinical research or lower-intensity study designs such as consumer perception studies using scientifically validated questionnaires.

Now, the FTC has furthered its guidance to state that health claims put forward by supplement brands should be supported by “competent and reliable scientific evidence.”

Specifically, the FTC mandates that this support should take the form of: “tests, analyses, research, or studies that have been conducted and evaluated in an objective manner by qualified persons and are generally accepted in the profession to yield accurate and reliable results.”

The Consequences of Unproven Claims

While the FTC is [legally limited](#) in its penalization of false advertisements (the organization can only technically seek \$50,000 in claims for a violation), there is an important loophole they may exploit that brands should be

mindful of. The limit on penalties only applies to individual violations, which can stack up very quickly according to legal experts.

In the Wall Street Journal's report on the FTC cracking down on unfounded claims, they spoke to advertising law expert Jeffrey A. Greenbaum. "As a general matter, if 10 consumers see a deceptive ad, that's 10 violations. These numbers can add up very quickly," Greenbaum said.

Importantly, the FTC did clarify that the nearly 700 brands already on the list (including top names such as AstraZeneca PLC, Gwyneth Paltrow's "Goop" Inc., and BrainJuice LLC) are not necessarily being implicated for deceptive or unfair conduct. However, they are at a serious disadvantage if their current product claims are not substantiated through research because only companies that have been issued an initial warning from the FTC can be financially penalized.

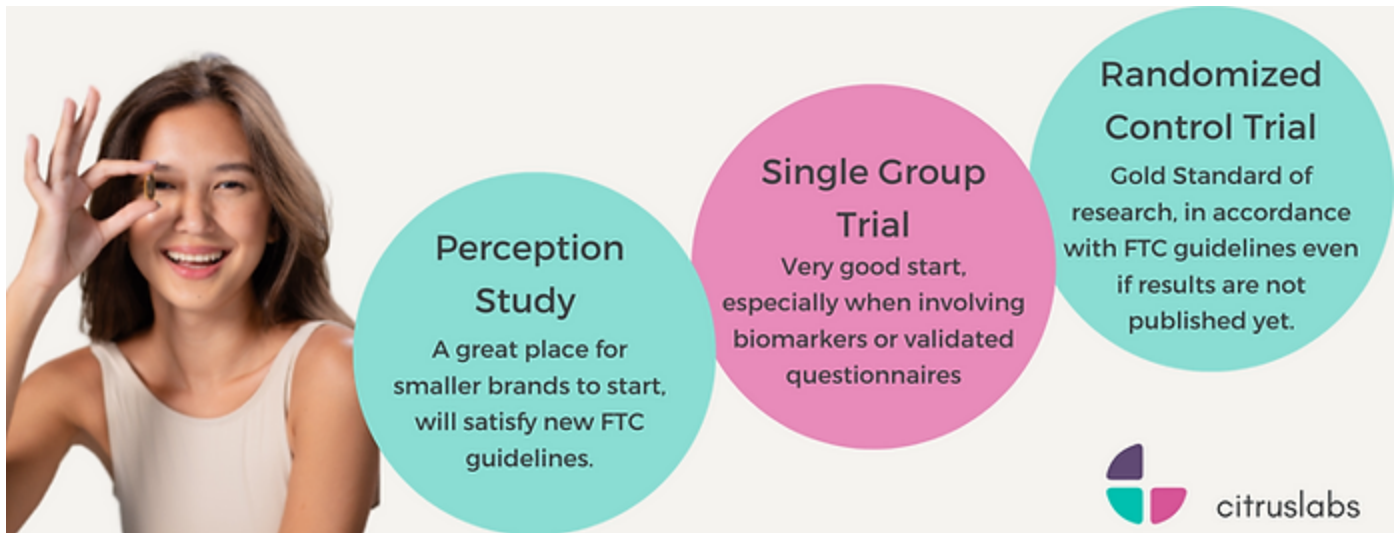
This is good news for brands that have not yet pursued research, including smaller supplement, skincare, and cosmetic brands, who may still have time to prevent FTC-issued warnings and eventual financial penalization.

How Brands Can Prepare: Supporting Your Claims

In order to ensure that your brand is protected against penalties from the FTC, you should ensure that any claims used in advertising your products are backed up by clinical research of some form. This will not only protect your brand from legal or financial consequences but will also foster trust in your customer base and drive product sales.

Consumers value transparency and clinical proof in formulas; they want to see evidence that your product does what it claims to. This is particularly important in health and wellness products such as supplements, where your customers are seeking help with health concerns that may impact their daily lives. Presenting your formula with robust scientific evidence will make your brand stand out in an ever-crowded market as a safer and more effective option.

To accomplish science-backed product claims, clinical research is your brand's best next step. Some of the clinical study design options available to you include:



You can learn more about these different study designs and how to begin working with a Contract Research Organization today in order to protect your brand, [here on the blog](#).

Want to create your own clinical trial?

Citruslabs provides a simple and affordable way to prove that your products actually work. At Citruslabs, we design a clinical trial that is right for you and your budget, so you can start sharing research-backed product claims without spending a fortune. We offer the cohesive planning and management required to conduct successful clinical trials, from start to finish. Ready to get started? Let's talk! You can contact us here.