



Growing Interest in CBD Among Beauty Companies

Marketing, manufacturing, and regulatory experts detail the promise and pitfalls of bringing a CBD-based beauty product to market.

By Tom Branna
Editorial Director

The process of getting a CBD-based beauty product on-shelf or online is rarely for the faint-of-heart. Competition, consumer skepticism, and of course the U.S. Food and Drug Administration (FDA) and Federal Trade Commission (FTC), can all pose significant roadblocks. But there are avenues to success for those companies that are willing to take the arduous journey. During Cosmoprof North America in late August, experts from marketing, product development, and legal fields shared their ex-

periences and offered insights into how entrepreneurs can navigate this category.

U.S. consumer interest in CBD-based beauty, personal care products, and dietary supplements is rising, according to recent survey results from The Benchmarking Company (TBC), a consumer research firm. According to TBC, 37% of U.S. consumers currently use these CBD-based products, up from 25% in 2019. That corresponds with TBC's 2021 findings that 56% of survey respondents haven't used CBD-based products yet, but are willing to try; that's down from 68% in 2019.

"It's clear that the consumer is more aware of CBD beauty products, more

knowledgeable about the benefits of this ingredient, and more willing to try products containing CBD and hemp than they were just two years ago," observed TBC Co-Founder Denise Herich.

What are some of the remaining barriers to purchase? Of the 62% who haven't tried CBD personal care products in 2021, 24% don't understand the benefits of using CBD, are unsure about the efficacy of the ingredient, or how it is made. That percentage is down significantly from the 47% of respondents who didn't understand the benefits of using cannabis-based products in 2019 (among those who hadn't tried it). More good news is that just 25% of those who hadn't tried CBD in 2021 thought it was unsafe for their skin, down from 29% in 2019. Still, some troubling consumer attitudes remain for CBD formulators and their suppliers. In the most recent survey, 35% of respondents told The Benchmarking Company that CBD is just hype—that percentage is up from 18% in 2019.

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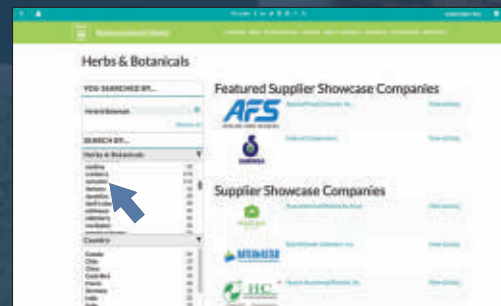
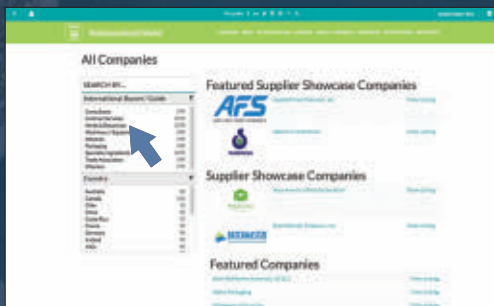
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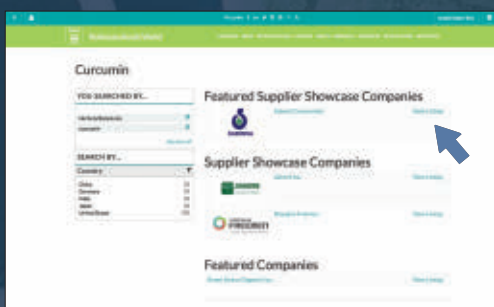
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GROWING INTEREST IN CBD AMONG BEAUTY COMPANIES



New Hempz beauty care formulas feature CBD and other good-for-your-skin ingredients.

Among believers, some of the perceived benefits of CBD-based beauty/personal care products include medical and structural claims such as “relieves inflammation,” “soothes muscles/pain relief,” “reduces irritation,” and “calms acne.” However, consumers also look to CBD for cosmetic claims such as “calms skin,” “hydrates skin,” and “reduces redness.”

And while 33% of users said they first tried CBD in a pain cream or salve formula, 49% said they continue to use CBD-based products in body lotions. That’s ahead of other product categories like supplements (38%), facial moisturizer (32%), lip balm (30%), hand cream (24%), and hair care products (22%).

“Beauty consumers are becoming more experimental in their CBD beauty product usage as well, trying not only skin care but hair care products containing CBD, as well as other non-traditional products now containing CBD such as shaving creams, makeup, or supplements,” said Herich. “She’s open to CBD beauty products from large, well-established brands and small indie brands alike, keeping the playing field relatively open for her patronage between the two.”

Survey respondents definitely have their favorite brands when it comes to CBD-based beauty. In makeup, they prefer Milk Makeup, Josie Maran, Pür, Pacifica, and Flower by Drew. In hair and scalp care, most mentioned brands include Hempz, CBD for Life, Fekkai Leaf Flower, Briogeo, and Shea Moisture. Top skin care brands include Hempz (again), Saint Jane, Truly, Elf, Herbivores, Kiehl’s, Cannuka, The Body Shop, and Perricone.

There are more opportunities for CBD in the years ahead. When TBC asked women how they envision CBD as part of a typical lifestyle in the next five years, 82% said they’d like to see CBD OTC pain medications. That response topped:

- Doctor-prescribed medications for pain (75%);
- Dietary supplements and wellness products (74%);
- CBD-infused water drinks (58%);
- Coffees/teas (54%);
- Products in pet food or pet medication (49%);
- Sports drinks/workout recovery drinks (41%);
- Food additives (39%);
- Alcoholic drinks (27%); and
- Baby wipes or other baby products (17%).

Despite the opportunities, there are still issues to navigate, warned Herich.

“At the end of the day, the consumer still demands proof that beauty products with CBD in them will work as well as, if not better, than her traditional products. More than ever, consumers are demanding that proof in the form of testing claims of products containing CBD, as well as product reviews. Beauty brands need to remember, however, that when making these claims about CBD products, the claims must be as a ‘cosmetic’ and not ‘medical in nature’ to escape the watchful eyes of the FTC and FDA,” she said.

REGULATORS ARE WATCHING

There’s no doubt that CBD is being watched by the FTC and FDA—not to mention a cadre of attorneys. Ronie Schmelz, an attorney with Tucker Ellis, deciphered the confusing, developing, and uncertain legal CBD landscape.

Schmelz noted that companies may legally sell CBD products depending, among other things, on the intended use of the product and how it is labeled and marketed. Even if a CBD product meets the definition of “hemp” under the 2018 Farm Bill, it still must comply with all other applicable laws, including the Food, Drug, and Cosmetic Act.

And while certain cosmetic ingredients are prohibited or restricted by regulation, currently that is not the case for any cannabis or cannabis-derived ingredient, Schmelz pointed out. Still, ingredients not specifically addressed by regulation must nonetheless comply with all applicable requirements, and no ingredient—including a cannabis or cannabis-derived ingredient—can be used in a cosmetic if it causes the product to be adulterated or misbranded in any way.

Schmelz noted that two years ago, Rich Cleland, assistant director, FTC Bureau of Consumer Protection, Advertising Practices Division, said, “The warning letter phase is over. Going forward we will not be issuing warning letters. We will be opening investigations and we will target companies making disease claims for CBD products.”

Last year, FTC took enforcement actions against a range of companies marketing topicals and ingestibles that contain CBD. Those companies included Bionatrol Health, CBD Meds, Epichouse, HempmeCBD, Reef Industries, and Steves Distributing.

Also in 2019, FDA Principal Deputy Commissioner Amy Abernethy, MD, warned, “As we work quickly to further clarify our regulatory approach for products containing cannabis and cannabis-derived compounds like CBD, we’ll continue to monitor the marketplace and take action as needed against companies that violate the law in ways that raise a variety of public health concerns.”

Regulatory agencies aren’t the only groups challenging CBD companies and their products. Consumer class actions can lead to hefty settlement payouts. These lawsuits can challenge claims such as “no heavy metals or insecticides” and content claims like “750 mg Hemp Extract.”

In summation, Schmelz urged Cosmoprof attendees to:

- Work with reputable vendors, demand appropriate documentation, and contract for indemnification;
- Get it in writing; i.e., seed-to-serum supply chain documentation;
- Test finished products for CBD/THC. According to FDA, fewer than half of products tested which presented label claims contained CBD in concentrations within 20% of their claim, and some contained THC.
- Don’t make structure/function claims; and
- Tread carefully with efficacy claims.

THE BENEFITS OF CBD

While regulators debate the future of CBD, there’s no arguing that the ingredient has applications in hair and skin care formulations.

“CBD is a great ingredient in skin care and body care with so many benefits,” said Jennifer Weiderman, chief marketing officer, Hempz.

The company markets a range of personal care products all formulated with 100% pure hemp seed oil, a product that is rich in vitamins, nutrients, and essential fatty acids. In addition to hemp seed oil, Hempz products are infused with CBD isolate.

Last year, the company launched Hempz CBD body care, skin care, and hair care products.

CBD Aromatherapy Body Moisturizers (8.5 oz) contain 300 mg of CBD. Available in lavender and rose variants, the formulas promise to calm inflammation and moisturize skin.

Hempz CBD Skincare collection includes exfoliating scrub (5 oz, 120 mg CBD), foaming cleanser (6 oz, 120 mg CBD), facial toner and refresher (6 oz, 120 mg CBD), hydrating facial serum (0.507 oz, 100 mg CBD), facial moisturizer (6 oz, 300 mg CBD), eye cream (0.676 oz, 50 mg CBD), and lip condi-



Hemp seed oil is a key component of Hempz’s new beauty formulas.

tioner (0.11 oz, 15 mg CBD). Although every formula boasts the benefits of cannabidiol, CBD is only part of the story, as all products contain ingredients unique to the formulas. For example, the scrub also contains plant stem cells and green tea. The cleanser includes copaiba oil to soothe skin and rosehip. The serum contains antioxidant-rich avocado, along with copaiba oil and rosehip.

For hair, CBD Moisture Hit Ultra-Hydrating Shampoo (8.5 oz) contains 170 mg of CBD. Other ingredients include vitamins A, B, and C; zinc and iron; and eucalyptus and tea tree oils. Hempz CBD Royal Treatment Ultra-Hydrating Herbal Scalp Serum contains 120 mg of CBD (6 oz) along with eucalyptus and tea tree oils. Together, they help to hydrate, detox, and calm the scalp, according to Hempz. Other hair care formulas in the line include conditioner, herbal hair mask, and conditioning mist.

Hempz is supporting the launch with a 360 campaign that includes in-store, sampling, social media, influencers, digital advertising, education, and PR. Despite the promise of CBD, Weiderman offered some caveats.

“CBD is still not mainstream in terms of distribution and media acceptance so having a DTC website is critical,” she advised. “As a marketer, you need to think differently and really drive PR, alternative digital aside from paid social which is prohibited at this time, influencers, email marketing, and consumer testimonials. If you are creative and persistent there will still be many challenges, but you should also have some victories.”

Risk-averse multinationals remain wary about testing the CBD waters. Their reluctance leaves the market open for innovative small- and medium-sized players. ■