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Press Release

Diet Market Worth \$60.9 Billion in U.S. Last Year, But Growth Is Flat, Due To The Recession

Tampa FL, May 5, 2011: Marketdata Enterprises, Inc., a leading independent market research publisher of "off-the-shelf" studies about service industries since 1979, has released its biennial 412-page study: [The U.S. Weight Loss & Diet Control Market \(11th edition\)](#). This is a complete analysis and forecast of ALL major segments of the U.S. diet market.

"America's estimated 75 million dieters—about 80% of whom try to lose weight by themselves, are fickle and shift from fad to fad. These shifts in dieter preferences spell boom or bust for diet companies. American dieters in 2009-2010 were faced with a lousy economy, rising gas prices, and limited discretionary dollars for weight loss programs. Consequently, they are spending their weight loss dollars very carefully.", according to Research Director, John LaRosa.

Major Findings:

Market Value... Marketdata estimates that the total U.S. weight loss market grew less than 1% in 2010, as most market segments were flat or marginally up. Revenues were \$60.9 billion in 2010, and \$60.4 billion in 2009, (up 3.2% from \$58.6 billion in 2008).

Frugal Dieters... 2009 – 2010 were the **years of the "value diet"** and the frugal dieter. Dieters shifted toward greater use of free and low-cost do-it-yourself diet plans, (diet websites, OTC diet pills, meal replacements and diet books). Marketdata finds that the share of dieters that prefer a self-directed program was 80% during 2010— near the highest ever. Typically, 70% of dieters use a self-directed plan, but this share was even higher due to the recession.

Commercial weight loss chains... Sales of all commercial weight loss chains grew about 2% in 2010. Marketdata analysts estimate 3.3% growth for the top eight commercial chains, to \$2.73 billion in 2010. Adding revenues for all other small local commercial weight loss centers, this segment is forecast to be worth \$ 3.14 billion. Weight Watchers came out as the big winner for late 2010/early 2011.

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Diet Drugs... No blockbusters yet. 2009-2010 proved tough for this market, as the FDA denied approval for Lorcaserin, Qnexa, and Contrave, following on the heels of the 2008 rejection of Taranabant and Acomplia. There is still plenty of R&D taking place, but drug companies and the medical community are realizing that developing an effective diet drug with no significant side effects is more difficult than they thought.

Retail Diet Pills & Meal Replacements... The bad economy and tighter consumer weight loss budgets *should have* helped this “do-it-yourself” category. However, one of the top-selling brands, Hydroxycut, was taken off the market by a more active FDA. Meal replacements and MLM channels are currently holding up best. Dieters are attracted by the low price and easy availability. Marketdata estimates that the combined sales of diet pills and meal replacements was down about 2% to \$2.69 billion last year. To 2014, Marketdata forecasts 3.3% annual gains in sales of meal replacements and OTC diet pills sales. By 2014, the combined market should be worth \$3.04 billion.

Medical Programs... Of the 4,900 U.S. community hospitals, approximately 60% offer *some* form of weight loss program. However, medical clinic chains are where the recent growth has taken place. One of the biggest recent success stories in the medically supervised programs segment is The Centers for Medical Weight Loss, which has grown from 60 centers in 2007 to more than 450 currently. Medi-Weightloss has also displayed strong growth via franchising.

Dieter Trends... The typical American dieter now makes 4 weight loss attempts per year—the highest number in 15 years.

Diet Websites... Online dieting was estimated to be an \$842 million market in 2009 – down a sharp 17%. But, revenues are recovering and we expect 8% yearly growth to 2014. Most sites are not profitable and are moving to a user-free, ad-supported model. WeightWatchers.com is #1, with 1+ million paid subscribers and 2010 revenue of \$238 million.

Diet Food Home Delivery Services.... This is a \$924 million sub-segment of the weight loss market that, aside from NutriSystem, seems to have held up well. NutriSystem captures 55% of sales, but smaller firms are growing faster by serving an affluent, or health conscious client with fresh or frozen gourmet food.

“Flat is the new growth, as the U.S. weight loss market grew less than 1% in 2010. Most market segments were flat or down as dieters postponed signing up with structured commercial programs, or surgery. Three potential new prescription obesity drugs didn’t gain approval and a top OTC diet pill was taken off the market.”, according to Research Director, John LaRosa.

Following are Marketdata's estimates for the major segments of the U.S. weight loss market:
(\$ billions)

	2006	2007	2008	2009	2010
Diet soft drinks	\$19.28	\$19.80	\$19.53	\$21.06	\$21.15
Artificial sweeteners	2.29	2.36	2.36	2.48	2.52
Health clubs' revenues	17.60	18.50	18.50	19.5	19.5
Commercial weight loss centers	3.33	3.89	3.46	3.23	3.29
Low cal/diet foods	2.66	2.76	2.92	2.27	2.32
Retail & multi-level meal replacements, diet pills ®	2.53	2.58	2.66	2.75	2.69
Bariatric surgery	4.44	5.12	5.50	5.77	5.77
Prescription diet drugs	.459	.486	.494	.494	.546
VLCD/LCD programs	.415	.473	.473	.480	.480
Bariatricians' plans	.720	.720	.720	.648	.600
Hospital, clinic, MD plans*	.753	.843	.850	.850	850
All Medical Plans subtotal:	6.74	7.64	8.03	8.24	8.25
Diet books, cassettes, exercise videos ®	.920	1.01	1.12	1.21	1.21
TOTAL INDUSTRY:	\$55.35	\$58.54	\$58.59	\$60.44	\$60.93

Source: Marketdata estimates and forecasts

Editor's Note: The U.S. Weight Loss & Diet Control Market, published in May 2011, is an independently researched "off-the-shelf" study. The study is 412 pages in length and contains 160 tables/charts and 30+ in-depth competitor profiles. It costs \$2,295 and is also sold by individual chapters at lower cost. Available in digital or print format. A free table of contents is available by mail, email or fax. Contact: Marketdata Enterprises, Inc., Regents Park Drive, Suite 120, Tampa, FL 33647, (813) 907-9090. John LaRosa is available for interviews.

A 42 pp. Overview of major findings is available to the public for \$79, at:

www.marketdataenterprises.com.

See Our Weight Loss Consumer Review Site... BestDietForMe.com

Keep up with market developments at our new site... DietBusinessWatch.com