Commercial Weight Loss Centers: A Market Analysis

- July 2016 –

By: Marketdata Enterprises, Inc.

Table of Contents

Overview of the Total U.S. Weight Loss Market 1-23

- Discussion of diet market mega-trends: shift from diet products to services, medical programs gain momentum under ACA, what’s wrong with commercial chains, importance of counselors, franchising pros & cons, consumer clean eating trend, move to retail outlets
- Paradigm shift from diet “products” to “services” 6
- Performance of 2015 diet season, discussion of rise of MLM firms, DIY trends, Companies’ new programs, competition from apps, advertising strategies
- Why medical weight loss programs now have the momentum, ACA effects
- 2016 market forecasts and trends, 2016 diet season, Oprah Winfrey effect 18
- Summary of major market developments & trends of 2013-2016 21

Tables:
- 2013-2015 $ value of diet products vs. services
- Historical market revenues $ size, by market segment: 1989-2015
- Revenues of top commercial chains: 2009-2015
- $ size of market and its 9 segments, forecasted 2015-2019 growth rates for segments

Commercial Weight Loss Centers 24-141

- Summary & status report/major developments since 2013 24-42
- (no. of centers left, avg. cost of major commercial plans vs. medical and self-help plans 2013-2015 segment performance, 2016 outlook, revenues of leaders
- In-depth discussion of Weight Watchers implosion, success of NutriSystem, Jenny Craig/Curves merger, how apps and medical programs are strong competitors, factors affecting 2015 & 2016 diet seasons, program customization, latest fad diets
- Obamacare’s effects on commercial programs, competitive disadvantage
- Positive/negative factors seen affecting growth from 2015-2019
- Why the franchise growth model no longer works for commercial diet centers

Tables:
- Avg. cost of popular diet programs (Forbes)
- 1982-2019 F commercial weight loss center revenues
- Industry Structure  p. 43-56

- 2012, 2007, 2002 industry snapshots for commercial diet centers: no. of establishments, legal form of firms, top 50 firms mkt. share, ratios by firm’s receipts, top states
- Sample income statement for a typical commercial center: (expenses by type, profits) 47
- Avg. revenues per co-owned/franchised center for Jenny Craig & LA Weight Loss
- Avg. cost to acquire new customers
- What commercial centers have in common, expansion of 1980s/contraction of 1990s
  1982-88 diet franchise avg. revenues per unit, no. of centers/sites operated by top chains.
- Franchising: status of, use as growth strategy, investment costs, profiles of Wt. Watchers, Jenny Craig franchises, why franchising may be less viable, commercial chains survival actions.

Census Bureau Operating Ratios: 2012, 2007, 2002 (Commercial diet centers/services) (no. of estabs., firms, receipts, receipts per estab., payroll as % sales, etc.)

U.S. Census Tables  p. 57-80

- Industry snapshot: no. of estabs., receipts, avg. per estab. & employee, payroll as % sales, etc.
- Employee sales/payroll productivity
- Establishments, by legal form (corporations, partnerships, sole proprietors)
- Market share for largest 4, 8, 20, 50 firms
- Ratios, by single vs. multi-unit firms
- Ratios, by receipts size of firms & establishments
- No. of diet centers, by state & region, avg. receipts per estab. By state
- No. of diet centers, by state, ranked by sales and avg. receipts per establishment
- 2013 no. of estabs. payroll, estd. receipts, by state, ranked (County Business Patterns)

Company profiles: in-depth company history, current status, recent developments, how programs work, costs, franchise systems, 2009-2015 & historical revenues, new programs, strategies, address/website):

* Weight Watchers International  p. 81
* Jenny Craig  98
* NutriSystem  110
* Medifast  123
* Health Management Group  (Diet Center) 133
* Metabolic Research Centers  139

Reference Directory of Weight Loss Information Sources  142-149

- Industry & government trade associations, journals, newsletters, magazines, consultants