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Press Release

U.S. Diet Food Delivery Market Worth \$869 Million

Tampa, FL, July 3, 2013 -- Marketdata Enterprises, Inc., a leading independent market research publisher, has released a new 162-page market study entitled: [Diet Food Home Delivery Services: A Market Analysis](#). This is the ONLY publicly available national market study about this \$869 million business. 39 Competitor Profiles are provided for: NutriSystem, Jenny Direct, Medifast, Diet To Go, Bistro MD, eDiets, Chefs Diet, The Fresh Diet, Seattle Sutton's Healthy Eating, and many more.

"The diet food home delivery or "home meal replacement" market in the U.S. is a niche segment of the overall weight loss market, appealing to the most affluent dieters. NutriSystem and its heavy advertising, coupled with demand from convenience-seeking, time-pressed moms, executives, working couples, senior and others, fueled this growth through 2007. Then the recession hit and NutriSystem sales declined five years in a row. However, new companies have entered the market and firms serving up fresh, high-quality food to local markets appear to be holding their own.", according to Marketdata's Research Director, John LaRosa.

Report Findings

- **Market Size...** Marketdata estimates that the market was valued at \$869 million in 2012, down slightly from \$958 million in 2011. We expect a moderate 4% gain to \$904 million in 2013. Marketdata forecasts 5% average yearly growth to 2017, reaching \$1.08 billion. Growth of this market depends in large part on how NutriSystem and Medifast perform, since their sales represent 46% of the total.
- **Customers...** Most of the diet food home delivery services' clients skew higher female than male—60%-70% female. NutriSystem defines its core customer as a 44-year-old woman weighing 210 lbs. and who wants to lose about 60 lbs. Most clients stay on a diet delivery plan 8-12 weeks and it's common to return once or twice during the year. Some clients stay on for years.

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- Many companies in this market focus on serving either or both New York City or Los Angeles. The other “hot spot” seems to be Florida. Several firms closed shop since 2011 but they were outnumbered by at least 8-10 new ones that emerged. One, Z.E.N. Foods, obtained \$1 million in funding by a pool of investors.
- Based on visitors to Marketdata’s website BestDietForMe.com, the share of dieters that now prefer a home-based program stands at more than 82% -- the highest level seen since 2005. This should bode well for diet food home delivery services. However, price is still the main obstacle this year, as even affluent households are squeezed by the economy. The “average” price for a monthly plan is now \$873. In 2012, 4.5% of dieters expressed an interest in diet food delivery, down from a peak of 6.8% in 2007.
- There are two segments in this market: 1) companies that ship food nationwide (shelf-stable or frozen – Medifast, NutriSystem, The Fresh Diet, BistroMD, etc.), and 2) local firms shipping to city markets (fresh daily/weekly). The first group, serving the mass market at a low price, was hit hard by the recession, while the second group held up well.
- **The Price...** Costs for these services range from \$10-40 per day, or \$70-280 per week, or \$300-1,500 per month. Marketdata found two price tiers, the lower end of about \$280 per month versus the high end at an average of about \$750.
- Small competitors in this market had to operate smarter to counter the recession. They became more efficient, increased marketing, and tapped into new end-user markets such as: such as seniors, vegetarians, organic foods, hospitals, corporate wellness departments, children, and cardiologists. There has been a lot of discounting and special offers of free days or weeks of food as well. Some companies have added lower-priced plans and “jump start” packages.
- Profit margins vary widely and are higher for the bigger competitors – as much as 45% of net sales.
- Most of the small competitors don’t really advertise, preferring word-of-mouth and loyal long-term clients. Diet food delivery has not become a mainstream service yet, especially in rural areas, the Midwest and suburban areas, and companies see potential for future growth as the message gets out.

The Diet Food Home Delivery Market is 162 pages in length, costs \$1,395, and contains 61 tables & charts. It is available in digital or print format. The study covers: the nature of the market, demand factors, pricing, distribution & franchising, how companies are formed/operate, profitability, customer demographics, market size (2005-2017 forecast), management outlooks and the competition. Contact: John LaRosa for interviews. Marketdata Enterprises, Inc., (813-907-9090).

A 22-page, \$99 Overview is Available for the General Public

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