

U.S. Weight Loss Market: 2015 Forecasts

Dieters are complacent and need compelling programs to take action, says Marketdata.

Tampa FL, Dec. 9, 2014: Marketdata Enterprises, Inc., a leading independent market research publisher of “off-the-shelf” studies about service industries since 1979, has examined diet market company performance and consumer trends this year and has developed several significant forecasts for 2015.

“America’s estimated 108 million dieters—about 82% of whom try to lose weight by themselves, are fickle and jump from fad to fad. American dieters in 2014 were faced with a still weak economy and limited discretionary dollars for weight loss programs. Although the economy is improving, in 2015 they will still spend their weight loss dollars very carefully.”, according to Research Director, John LaRosa.

2015 Diet Season Forecasts:

- Convenience and price will be crucial. With more retail drugstore chains’ mini-clinics at CVS, Walgreens, Rite Aid and Target now offering weight loss plans, as well as Costco and Walmart stores (NutriSystem), it’s critical for diet companies to reach consumers where they shop, work out, and work, 7 days a week. Diet companies will need to re-think and broaden their distribution channels and have online and off-line services to reach customers when THEY are ready.
- Weight loss programs will need to be compelling and more customized, to attract clients. Recent research by Gallup shows a disconnect between what dieters want to do and what they actually do in reality (i.e. a lack of motivation and not dieting at all). 51% want to lose weight but only 26% are trying to. Structured programs that require dieters to visit a center or meeting weekly and pay \$500, \$1,000 or more will continue to struggle if the plan doesn’t produce significant weight loss, is too complicated, inconvenient or too costly.

- Service is now more important than diet foods/drinks—50.7% vs. 49.3% of revenues. Insurers will not pay for diet food, but they will pay for behavior modification sessions, MD exams, and lab tests. Diet companies will need to raise the bar for its coaches and counselors, upgrading them to the “professional” level (MDs, dietitians, physician assistants, nurses, certified health educators). This is a challenge, since these pros require higher salaries.
- Medical weight loss programs will have the competitive advantage in 2015. Why? Because the Affordable Care Act's Preventative Care Benefit, which took effect Jan. 1, 2014, mandates that insurers pay for diet programs for people with a BMI of 30+, that are counseled by qualified weight loss professionals (MDs, RDs, PAs, Nurses). This benefit is worth \$1,625/year and covers up to 14 counseling sessions in 6 months, with the Medicare population included. This is an unprecedented opportunity for medically supervised weight loss programs to provide a higher level of service than commercial diet centers--essentially free of charge!
- Advertising strategies will shift in 2015 to the use of regular people and away from highly paid celebrities. Consumers are jaded. They know that celebrities, paid millions by diet companies, get the diet plan and food free of charge, and have the money to also pay for a personal chef and trainer. This is not the situation of the average dieter. In addition, the return on investment for diet companies using a celebrity is less than in past years, and it's always a risk that the celebrity will gain the weight back or do something stupid.
- Diet companies in 2015 will need to develop more bite-sized and affordably priced videos, webinars, webcasts, teleseminars, etc. delivered via the Internet to dieters on their PCs, tablets and smartphones—without joining the program. There will be more a-la-carte offerings like these, as a “teaser” or entry point to a company's diet plan.
- Diet companies will find growth only in untapped and underserved niche markets—overweight adolescents, seniors, men, overweight Black and Hispanic women, post-menopausal women with hormone imbalances, diabetics, people with anti-depressant weight gain, worksite wellness programs, persons with food allergies, for example. In addition, “one size fits all” programs will continue to be shunned by consumers.

- Diet and fitness apps and wearable monitoring devices will peak as a trend in 2015, and lose their attractiveness as a DIY weight loss option. Consumers will find that it takes more than an electronic device to motivate them over the long term. Research studies have shown that they are not very effective.

“Flat is the new growth in the \$60 billion U.S. weight loss market. The magic pill is still not here, and likely won’t be here in 2015. Diet companies will either innovate and diversify, or face a continued decline in sales.”, according to Research Director, John LaRosa.

ABOUT MARKETDATA WEIGHT LOSS MARKET STUDIES

All Marketdata studies are independently researched and are “off-the-shelf” reports. Studies are also sold by single chapters. Following are some titles:

- The U.S. Weight Loss & Diet Control Market (covers ALL mkt. segments)
- The Multi-level Market For Weight Loss Products
- 2014 Weight Loss Market Status Report
- The Worksite Weight Loss Programs Market
- The Diet Food Home Delivery Market
- Quarterly Online Dieter Preferences Reports
- Weight Loss Websites: The Online Dieting Market.
- Guide: How To Run A Profitable Weight Loss Business

ABOUT MARKETDATA

Marketdata Enterprises, Inc., is an independent market research firm and 25-year analyst of the U.S. weight loss industry since 1989. Marketdata publishes many weight loss market studies covering all diet market segments, performs consulting and custom research projects, has 9 diet market teleseminars on You Tube, teleconferences, and conferences. It also operates a leading free weight loss news website: DietBusinessWatch.com. Mr. LaRosa is available for interviews.

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