

The U.S. Weight Loss & Diet Control Market **(13th Edition: April 2015)**

Table of Contents

	<u>Page</u>
<u>Introduction, Scope, Methodology</u>	1-5
<u>Executive Overview (\$300)</u>	6-42
<ul style="list-style-type: none">- 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- Outlook for new 2105 diet season, discussion of rise of MLM firms, DIY trends, company programs, competition from apps, advertising strategies- Summary of major market developments & trends of 2013-2015- \$ size of market and its 9 segments, forecasted 2015-2019 growth rates for segments- Market Segment Outlooks for 2014, 2015, 2019: commercial chains, diet soft drinks & artificial sweeteners, low-cal foods, meal replacements & appetite suppressants mkt., medical weight loss programs (hospitals & clinics, bariatric surgery, Rx diet drugs), status of diet food delivery market & weight loss websites	
<u>Tables:</u>	
<ul style="list-style-type: none">- 2013-2014 \$ value of diet products vs. services- Historical market revenues \$ size, by segment: 1989-2015- Revenues of top commercial chains: 2009-2014- Diet soft drink sales: 1989-2019 F- Revenues of health clubs industry: 1993-2019 F- No. of bariatric surgeries in the U.S. – 1992-2019 F- Value of meal replacements and OTC diet pills sales: 2005-2019 F	
<ul style="list-style-type: none">- Highlights of ALL study chapters.	
<u>Dieter Demographics (\$200)</u>	43-66
<ul style="list-style-type: none">- Scope of the American obesity epidemic, number/percent obese or overweight, latest CDC data, obesity rates by state, recent dieter trends (shift to do-it-yourself methods during last recession), ranking of top diet programs by U.S. News- Discussion: how many Americans diet, how often, why diets fail, methods used- Dieter actions don't match intentions: survey results, the January diet surge- To healthy eating trends of 2015 – predictions, top 10 diet types used by consumers- Typical dieter profile, by age, sex, income – number of diet attempts per year- Number of dieters by method used, no. of dieters by type plan (2014)- Dieter profiles by: BMI, budget, starting weight, preferred diet program location, type food desired, previous diet plans used, readiness, exercise plan desired, % needing psychological support, % with special foods needs (BestDietForMe.com – 2005-2012 data)- Analysis of current & historical dieting trends, 10-year shifts in dieting methods- Table: State/regional obesity statistics: % of population, 1991-2013	
<u>Findings of Dieter Surveys/profiles by:</u>	
<ul style="list-style-type: none">- <u>Calorie Control Council</u> (2010), no. of U.S. dieters & low-cal food/beverage users, top dieting methods used, low-cal food/beverage usage by kind, diet attempts	

American Exercise Trends, Health Clubs & Weight Loss Programs (\$250)

67-89

- Status Report of U.S. Health Clubs Industry - no. of facilities, type clubs, number of club members, recent trends, Industry receipts: 1993-2019F, characteristics of club members, drop-out rates, members by type club, estd. share of clubs with diet programs. (IHRSA)
- ASCM's top fitness trends for 2015, forecasts
- 15 top participant sports -1995-2011, (NSGA), 2001-2011 % chg. In participation
- Most popular women's sports: types of exercise equipment, home exercise trends
- How women keep fit, most popular types of exercise equip. used, general trends in exercise, home exercise and gyms.
- Health clubs' involvement with weight loss, % with programs, using clubs as weight loss method, samples/costs of typical diet programs offered by health clubs (Think Light plan).
- Reasons why health clubs' weight loss programs fail, programs vary greatly in price & content-consultants' analysis, private label wt. loss programs (A. Rothafel)

Company Profiles: Curves, 24 Hour Fitness, LA Fitness - their weight loss programs.

Commercial Weight Loss Chains (\$695)

90-188

- Summary & nature of competitors, status report/major developments since 2013 (no. of centers left, avg. cost of major commercial plans vs. medical and self-help plans 2013-2014 segment performance, 2015 outlook, estd. revenues of leaders, 2015 forecast)
- 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 diet season, program customization, latest fad diets
- Obamacare's effects on commercial programs, competitive disadvantage
- Positive/negative factors affecting growth from 2015-2019

Table: Avg. cost of popular diet programs (Forbes)

Industry Structure & Key Ratios

- 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)
- Avg. revenues per co.-owned/franchised center for Jenny Craig & LA Weight Loss
- Avg. costs 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.)

Tables

- 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)

Other Tables:

- 1982-2019 F commercial weight loss center revenues
- No. of U.S. weight control services (1991-2015)
- Number of commercial centers (2007, 2008, 2010, 2012, 2014 - top chains)
- Sales of the top chains (incl. Wt. Watchers, Jenny Craig, NutriSystem, Medifast): 2001-2014

Company profiles: in-depth company history, current status, how programs work, costs, franchise systems, 2009-2014 & historical revenues, new programs, strategies, address/website):

* Weight Watchers International	137
* Jenny Craig	150
* NutriSystem	161
* Medifast	171
* Health Management Group (Diet Center, Physicians Wt. Loss)	178
* Metabolic Research Centers	186

Online Dieting: Weight Loss Websites & Mobile Apps (\$200)

189-211

- Nature of diet websites and nutrition services, how they work, status report/trends for: Sparkpeople.com, WeightWatchers.com, Diets In Review, Calories Count: advertising costs and new challenges, importance of search engine optimization.
- Market \$ size: 2005-2019 F, major trends
- Discussion: Is online dieting effective?
- Traffic – who gets the most? - list of major diet websites, analysis of Alexa traffic rankings for top diet websites in 2015, effects on other diet companies/market
- **Profile of online dieter characteristics: Bestdietforme.com** visitors by: sex, age, BMI, starting weight, medical conditions, budget, preferred program sites, interest in surgery and diet food home delivery, previous plans used, type food desired, readiness, exercise preferences, need for psych support. – annual metrics as 2005-2012
- List of the top diet websites, parent co. name, address
- **Diet Apps – how big a threat to commercial chains?** Why the threat is overblown, shortcomings of brick & mortar companies/what they can do to compete better.
- Descriptions of top weight loss apps
- **My Fitness Pal – Company Profile** (funding, growth, buy-out by Under Armour) p. 209

The Diet Soft Drinks & Artificial Sweeteners, Diet Food Markets (\$350)

212-246

The Diet Soft Drinks Market P. 212

- Status Report 2015, why the slump continues, diet soft drinks as % total soft drinks, mkt. nature and historical growth, forecasts, demographics of consumers, diet's share of all carbonated soft drinks (Beverage Industry, Beverage Digest),
- Recent research studies could hurt, pricing, new sweeteners, packaging
- Total soft drink retail \$ sales, diet share of gallons/retail sales: 1989-2014, 2015-2019 forecast
- 1989-2019 F diet soft drink \$ sales
- Table: Demographics of diet soft drink consumers, historical nature of the market.

The Artificial Sweeteners Market P. 224

- Status Report of the mkt., developments rebellion-high fructose corn syrup, Stevia, Sucralose, Splenda, consumer trend to avoid artificial ingredients, 2010 data from Calorie Control Council regarding use by consumers
- Sweeteners by end use (% for soft drinks vs. **tabletop sweeteners** mkt.)
- Description of major types (Aspartame, Neotame, Saccharin, Sucralose, Stevia, Acesulfame)
- Market size & growth, historical sales 1991-2014 performance, 2015, 2019 forecasts.

Low-cal Diet Entrees & Low-carb Foods Market p. 232

- Mkt. Status Report, definition of "diet" foods, discussion of dinner entrees, the major brands, Consumers shift to fresh foods away from frozen, actions by food industry to spur sales
- Trend toward eating more high protein foods
- Marketdata mkt. size estimates for 1994 to 2019 F
- Outlook and sales estim. For 2013-14 \$ volume for Lean Cuisine, Smart Ones, Healthy Choice
- Low-cal **"diet" entrees mkt.** size: Healthy Choice, Wt. Watchers, Lean Cuisine retail sales, brands outlooks in 2013-2014

The Low-carb Foods Market

- Analysis of no. of people using Atkins as diet plan, why the trend has faded but is not dead/some resurgence in low glycemic foods, Paleo Diet, popular diet books
- Low-cal **user demographics**: consumer use of low-cal foods/beverages: Calorie Control Council survey, most popular low-fat foods, top reasons people choose them

Company Profile: **Atkins Nutritionals** p. 244

Diet Food Home Delivery Services (\$250)

247-266

- Nature of the mkt. - How services operate, how services are formed/why some fail, no. of mkt. competitors, pricing, national vs. regional distribution, customer demographics
 - **Status Report: 2013-2014**: NutriSystem sales rebound/2014 performance, acquisition of The Fresh Diet, Medifast performance
 - Competitor outlooks for 2015 by: The Fresh Diet, BistroMD
 - Mkt. size/growth: potential no. of home delivery clients, rationale for estimates
- Table: Top competitors by sales: 2012, 2104, 2015 F
- Marketing/advertising methods used
 - Address list of mkt. competitors (NutriSystem, Jenny Craig, Atkins At Home, Diet To Go, Sunfare, Chefs Diet, Bistro MD, HMR At Home, Dinewise, Zone Chefs, more)

Retail Meal Replacements & Appetite Suppressants Market (\$350)

267-299

- Definition/nature of meal replacements vs. over-the-counter (OTC) diet pills, ingredients being used today, new herbal products: coffee bean extract, HCG drops
- History/nature of mkt.- cyclical shifts from mid-1980s
- **User demographics**: no. and % of dieters using diet pills and meal replacements (Consumer Reports, Bestdietforme.com surveys: 2005-2012 data).
- 2015 Status Report of the market: estd. Channel sales (diet pills, meal replace.), findings of Nutrition Business Journal (NBJ) research, top diet pill brands sales: 2013, top meal replacements brands sales
- Why growth outlook is strong for meal replacements, preferred by MDs, MLMs, commercial Chains, why OTC diet pills mkt. still struggles for legitimacy
- Regulatory actions, FTC fines marketers (Acai berry, Lipozene, QuickTrim), waning of the Dr. OZ effect/warning on touting "miracle" products for weight loss, Hydroxycut's fall
- Marketdata discussion of traditional/nontraditional distribution channels
- **Mkt. size/growth**: true size of the mkt. - why estimates differ widely
- NBJ estimates of diet pill & meal replacements \$ and % sales, by distribution channels, discussion of multilevel firms (Advocare, Shaklee, Herbalife, Quixtar, Nu-Skin, EAS, Atkins)
- Marketdata estimates of growth for diet pills & meal replacements 2015-2019, demand factors.

Tables:

- Marketdata estimates of OTC diet pills, meal replacements, combined sales - 1981-2015
- Revised estimates of above markets, based on new NBJ research: 2005-2019 F
- Discussion of 2013-2014 market performance, 2015 outlook, 2019 forecasts
- Top OTC diet pill brand sales in 2007, 2010, 2011, 2013

Company profiles: **Slim-Fast, Herbalife, Visalus Life Sciences** (revenues, strategies, product lines, marketing, Herbalife war with H. Ackman's hedge fund, effect on other MLMs rapid rise and fall of Visalus)

Medically-Supervised Weight Loss Programs (All medical sections: \$695) **300-410**

Hospital & Clinic Chains Weight Loss Programs (\$250) **300-338**

- Types of plans offered (low-cost, moderate-cost plans, estd. no. of hospitals providing each, typical cost), Medicare new coverage
 - Physician-based diet programs: diet drugs/other methods used, consumer attitudes, limitations, estd. no. MDs with a weight loss program – independents vs. affiliated with chains, meds used, typical cost of MD programs
 - How **Obamacare** has provided a game-changing opportunity for MDs to add weight loss & counseling services via PAs, RDs, Nurses
 - Profiles of a hospital-based weight loss program: Johns Hopkins
 - Major Medical Chains: **Lindora Clinics, Centers for Medical Weight Loss, Smart for Life Medi-Weightloss Clinics, Medical Weight Loss of Michigan, new chains: Nuviva, Thinique, Dr. G's, let's Lose, JumpstartMD** (in-depth company descriptions, plan costs, estimated revenues, no. of centers, franchising growth strategies, etc.)
- Tables: Avg. revenues per site, avg. plan cost to patient, avg. income statement, start-up Costs for top 8 medical weight loss chains/franchises/licensors.

Bariatrician Programs (\$100) **339-347**

- status report of profession, ASBP survey results (MDs by: age, income, size practice), how they're trained, number practicing, certification by ASBP, use of diet drugs, treatment methods used, plan effectiveness/cost, business is up due to more surgeries, less surgeries – opinions of industry consultant.

The Weight Loss (bariatric) Surgery Market (\$250) **348-371**

- Discussion of gastric bypass & lapband procedures, why demand grew strongly to 2007, status report, 2014 estimated surgeries, 2015 & 2019 forecasts, costs per surgery by type payor, pros/cons, who qualifies, **effect of Obamacare** on coverage by 25 state exchanges
 - **Surgery mkt. smaller than thought** – better data from government/AHRQ data proves 2009-2012 decline, revisions of prior estimates based on ASMBS estimates
 - Surgery utilization and outcomes, mean cost per surgery
 - Major insurers' coverage today, status report, Medicare position, role of liaison firms (The Wish Centers, Barix Clinics, Liv-Lite, Journey Lite - addresses), avg. cost of surgery.
 - Types of surgery: Roux-en-Y, lap banding, minigastric bypass, sleeve, consumer pros/cons
- Table: No. of bariatric surgeries performed: 1992-2015
Table: \$ value of the market: 1992-2019 F, outlook under Obamacare
- Associations: ASBS, Obesity Action Coalition, increased lobbying efforts.

VLCD/LCD Fasting Supplement Programs (\$250) **372-392**

- **Status report** of low-calorie modified fasting programs in 2013-2014, effect of bariatric surgeries, outlooks by mgmt. at HMR, strong demand from hospitals for tunkey programs characterizing the mkt. (price, programs, no. of sites, increased direct-to-customer sales)
 - Historical nature of market - development from 1970s-1990s, enrollments, drop-out/completion rates, problem on insurance coverage, market indicators, positive/negative trends/factors
- Table: Marketdata estimates of VLCD enrollments for 1995-2015 (new vs. repeat patients, fasting vs. maintenance), \$ value of mkt. for 1984-2019 F.
Company Profiles: Detailed descriptions of companies/plans, program revenues:
Health Management Resources, Optifast (Nestle)
Table: VLCD enrollments, \$ mkt. value: Marketdata estimates: 2007-2014.

The Diet Drugs Market (\$200)

393-410

- Discussion of viewing obesity as a disease, major obesity medications used today, FDA position, role of MDs, commercial chains' involvement with diet drugs, why it's tougher than thought to develop anti-obesity drugs that are effective and with minimal side effects.
- Status Report: Contrave, Qsymia & Belviq sales & outlooks, FDA rejections of: Acomplia, Taranabant, other Rx diet drugs
- Other new obesity drugs in development: Saxenda, Beloranib, Mirabegron
- Existing drugs used (Xenical, Phentermine) - descriptions
- Tables - prescriptions written and \$ sales for: Meridia, Xenical, Phentermine, 12 other anti-obesity drugs (2003-2014), historical sales 1995-2000
- Marketdata's 2015 and 2019 outlooks for prescription diet drugs, effect of new drugs on mkt. Size, discussion of this market's potential vs. drawbacks, overcoming MD and consumer Attitudes, side effects, effectiveness. Moderate weight loss not enough for most dieters.

The Diet Books & Exercise DVDs Market (\$150)

411-425

- Overview of total book buying market, the rise of e-books
 - Diet books – nature of the mkt., new 2014 & 2015 diet books, buyer demographics, what makes Bestsellers, book buyer demographics, recent titles by Dr. Phil, Al Roker, Jillian Michaels
 - Exercise DVDs mkt., summary, top names in the field, categories, top distributors, mkt. size
 - Marketdata estimates of combined diet books/exercise DVDs mkts. For 2014, 2015, 2019, Outlooks and rationale, popularity as DIY method.
- Table: \$ sales of diet books & exercise DVDs: 1989-2019 F

Reference Directory of Weight Loss Information Sources

426-431

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