

The U.S. Weight Loss Market in 2018 - Forecasts

2018 “Diet Season” Looks Strong – Commercial Chains To Benefit

Tampa FL, Dec. 6, 2017 – Marketdata LLC, a leading publisher of “off-the-shelf” market research studies about service and healthcare industries since 1979, has tracked the weight loss market performance during 2017. It has several significant forecasts for 2018.

“There are very few negatives in next year’s outlook for the U.S. weight loss market. The largest competitors are back in high-growth mode, unemployment is down, obesity rates are still high, and more DIY dieters seem to be joining structured programs.”, according to Research Director, John LaRosa.

2017 Performance:

- Commercial chains are posting a strong turnaround. Marketdata estimates a 14% sales gain in 2017 to \$3.15 billion. NutriSystem expects a 27% gain to \$695 million, Weight Watchers an 11.7% gain to \$1.3 billion, Jenny Craig up 5.7% to \$334 million, and Medifast up 8.1% to \$296 million.
- Marketdata estimates that about 500,000 do-it-yourself dieters were converted to customers of structured programs such as Jenny Craig, NutriSystem and Weight Watchers.
- The total market is estimated to grow to \$68.2 billion in 2017—a 2.7% gain. Growth varied significantly by market segment. For example, diet soft drink and artificial sweetener sales are falling while commercial chain revenues are growing strongly.
- Medical weight loss programs by physicians, hospitals and clinics lost momentum in 2017, due to uncertainties over Affordable Care Act repeal efforts and being far outspent in advertising and marketing by the commercial players such as Weight Watchers and NutriSystem.

- Multi-level marketers (MLMs) such as Herbalife that sell weight loss products will remain a popular distribution method for meal replacements and diet supplements. Herbalife is the #3 weight loss company, with projected North American net sales of weight loss products valued at \$544 million in 2017 (Marketdata estimate based on 9 month data.)

2018 Forecasts

- The total weight loss market is expected to grow 3.2% in 2018, to a value of \$70.3 billion, with commercial chains and meal replacements leading the way.
- Millennials now are the largest population group, outnumbering the Baby Boomers. Their weight loss efforts are likely to focus on clean eating, exercise, convenience, and avoiding artificial sweeteners and highly processed foods. This favors Weight Watchers and meal replacements, but not NutriSystem, Jenny Craig, diet soft drinks or artificial sweetener sales.
- There is evidence that the size acceptance movement is gaining, as “plus size” models become more popular and women become more empowered. This could be one of the few headwinds for diet companies.
- Marketdata analysts predict that weight loss services will continue to move toward more retail distribution. Both Walmart and Amazon.com have made it clear that they want to be major players in the healthcare system. We'll probably see them increase the number of in-store mini-clinics, where weight loss services can be provided, following in the footsteps of CVS, Rite-Aid and other drugstore chains.
- **Commercial weight loss companies** are expected to post another strong year in 2018, helped by a stronger economy and higher disposable income. Weight Watchers will be buoyed by a new CEO, a more flexible Points program, and Oprah's continuing role. NutriSystem should benefit from the newly added South Beach Diet food line. Marketdata analysts expect a 12.7% gain to \$3.55 billion.

- **Meal replacements** (shakes, nutrition bars) are posting strong growth and are still popular. Sales of shakes and bars will outpace the growth of OTC diet pills to 2022 (7.2% per year vs. 4.8%). This market segment is worth an estimated \$4.42 billion in 2017—a 6.3% gain. We expect sales of \$4.7 billion in 2018. Multi-level marketing companies such as Herbalife, Shaklee, Isagenix rack up significant sales provide a major distribution channel for these products, since they are safe, portable and inexpensive.
- The trend toward eating more protein should continue strongly, in regular food diet plans, bars and shakes.
- Usage of free and low-cost diet and fitness apps will decline further in 2018. Most dieters need personal (human) attention and motivation. Apps are impersonal and can't provide that.
- Untapped and underserved niche markets include: overweight adolescents, seniors, men, overweight Black and Hispanic women, diabetics, people with medical conditions, worksite wellness programs, and persons with food allergies. Small entrepreneurs and medical diet chains will be the companies most likely to exploit these niches.

ABOUT MARKETDATA'S WEIGHT LOSS REPORTS

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)
- Medical Weight Loss Programs: A Growth Market
- Commercial Weight Loss Programs Market
- The Multi-level Market For Weight Loss Products
- Weight Loss Market Status Reports
- The Worksite Weight Loss Programs Market
- The Diet Food Home Delivery Market
- The Meal Replacements Market
- The Online Dieting Market.

- Guide: How To Start and Run A Profitable Weight Loss Business

ABOUT MARKETDATA

Marketdata LLC is an independent market research firm and 29-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 diet market teleseminars on You Tube, and teleconferences. It also operates a leading free weight loss news website: DietBusinessWatch.com. Mr. LaRosa is available for interviews.

Contact Information

John LaRosa,

Marketdata LLC, Tampa, FL

Phone: 813-971-8080

www.marketdataenterprises.com

www.DietBusinessWatch.com

email: john@marketdataenterprises.com