

U.S. Weight Loss Market Grows Only 1.7% to \$61 Billion

Do-it-Yourself Diet Trend Boosts Multi-level Channels & Online Programs

TAMPA, Fla. - April 2, 2013 - [PRLog](#) -- Marketdata Enterprises, Inc., a leading independent market research publisher of “off-the-shelf” studies about service industries since 1979, has released its biennial 420-page study: *The U.S. Weight Loss & Diet Control Market* (12th edition). This is a complete analysis and forecast of ALL ten major segments of the U.S. diet market.

“America’s estimated 108 million dieters—about 82% of whom try to lose weight by themselves, are hunkering down. The new diet season, which starts January 1st and ends around Memorial Day, is off to a slow start this year. First, none of the major diet companies has anything that compelling or radically new. Secondly, we have a very weak economy, high gas prices and rising payroll taxes. Bad winter weather and many snowstorms in the Midwest and Northeast didn’t help weight loss center attendance either. Celebrity endorsements can go only so far in this environment.”, according to Research Director, John LaRosa.

Major Findings:

* **Market Value...** Marketdata estimates that the total U.S. [weight loss market](#) grew just 1.7% in 2012, as most market segments were flat or marginally up. Revenues were \$61.6 billion in 2012, and \$60.6 billion in 2011, (up 3.8% from \$58.4 billion in 2010). Revenues are forecast to grow 2.6% in 2013.

* **Do-it-yourself Dieters...** Dieters shifted toward greater use of free and low-cost do-it-yourself diet plans, (diet websites, OTC diet pills, meal replacements and diet books). Marketdata finds that the share of dieters that prefer a self-directed program is now 82% during 2012—near the highest ever. Historically since 1989, about 70% of dieters have used a self-directed plan, but this share has risen due to the last recession.

* **Commercial weight loss chains...** Sales of all commercial weight loss chains were flat in 2012—no growth. Marketdata analysts estimate this segment at \$3.42 billion, and we expect 2.7% average annual growth to 2016. Weight Watchers and NutriSystem revenues were flat in 2012, while Medifast was up and Jenny Craig declined to an estimated \$343 million.

* **MLM Rules As A Sales Method...** Multi-level marketing has emerged as the growth engine for weight loss companies. Not franchising. Not adding more company-owned centers. This non-traditional method of selling via hundreds of thousands of “independent contractors” or “distributors”, is working extremely well for a few companies. Herbalife, surprisingly, is now the #2 weight loss company in the United States. The company posted North American weight loss product sales of \$529 million in 2012, up 21%. Medifast sales reached a new high of \$357 million last year and 65% of this was related to its Take Shape For Life MLM division. Furthermore, Visalis Sciences, another MLM company, saw its sales of meal replacements rise five-fold in 2011, to \$220 million in wholesale sales. These three companies are among the fastest-growing weight loss companies at the current time.

* **Diet Drugs...** No blockbusters yet. Large drug companies and the medical community are realizing that developing an effective [diet drug](#) with no significant side effects and weight loss in excess of 5% of body weight is more difficult than they thought. Qsymia sales started out slowly in late 2012 and should increase in 2013, but Marketdata does not expect much of an impact on dieter behavior or competitors from this drug, or from Belviq, slated to enter the market in the coming months.

* Untapped Niche Markets... American [diet companies](#) will seek to boost revenues by looking at untapped or under-tapped markets and niches, such as: the men's market, teen market, African-American and Hispanic markets, the diabetic market, the elderly market, the \$859 million worksite-based B2B market, and the \$6 billion Canadian market.

* Retail Diet Pills & Meal Replacements... The weak economy and tighter consumer weight loss budgets definitely helped this "do-it-yourself" category. Dieters are attracted by the low price and easy availability. Marketdata estimates that the combined sales of diet pills and meal replacements was up about 2% to \$2.78 billion last year. To 2016, Marketdata forecasts 6% annual gains in sales.

* The strong momentum is now with meal replacements (shakes, nutrition bars) – not OTC diet pills. Meal replacements are safer for producers – no ingredients that cause side effects. They can also be easily private labeled.

* Diet Websites.. [Online dieting](#) is worth at least \$1.1 billion, by our estimates, and is growing 8% per year. Most sites are not profitable and are moving to a user-free, ad-supported model. WeightWatchers.com is #1, with 1.7 million paid subscribers and 2012 revenue of \$504 million.

* Weight Loss Surgeries... The number of bariatric surgeries is significantly less than reported by the ASMBS (bariatric surgeon's national society). Surgeries peaked at 135,000 in 2008, according to government healthcare agency data (not 209,000 reported by the ASMBS). However, since then, insurers have gotten tougher on coverage and the number has fallen 15% to an estimated 114,000 last year. This reduced the size of the total weight loss market by \$2.6 billion and translated into less business for bariatricians and VLCD programs.

* Diet Food Home Delivery Services.... This is an \$858 million segment of the weight loss market that has declined 7.5% from 2009 levels. NutriSystem captures 46% of sales, but has suffered five consecutive years of declining sales. 2011-2012 continued to be challenging years for all diet food home delivery services. Four of them went out of business. Even NutriSystem, which is priced at the low end of \$250-\$300/month, felt the effects of the recession, cut prices and offered weeks of free food for auto-ship clients. The share of dieters that wants diet food delivery averaged 5.8% over the past eight years, but that fell to 4.5% in 2012.

About The Report:

The U.S. Weight Loss & Diet Control Market, published in March 2013, is an independently researched "off-the-shelf" study. The study is 420 pages long and contains 160 tables/charts and 30+ in-depth competitor profiles. The study costs \$2,295 and is also sold by individual chapters at lower cost. Available in digital or print format. Free table of contents available by mail, email or fax. . Visit <http://www.marketdataenterprises.com> for Table of Contents and details. (See Report #FS22). John LaRosa is available for interviews.

A 40 pp. Overview of major findings is available to the public for \$99. (Report OV4)

About Marketdata Enterprises:

Marketdata, a 34-year old publisher, has published market research studies (<http://www.marketdataenterprises.com/>) about service and healthcare sectors since 1989, and also provides consulting and custom research. We specialize in niche markets and hard-to-find information about small privately owned companies. Contact: Marketdata Enterprises, Inc., Regents Park Drive, Suite 120, Tampa,

FL 33647, (813) 907-9090

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