



Understanding the Weight Loss Market

By Peter Leighton



The Weight Loss Market

Not a single category, but rather a stratified market based upon consumer attitudes, behaviors and motivations.

Ranges from low involvement (sacrifice) to high involvement.

Each segment seeks different solutions (products) and is driven by unique motivations.



“Lesser Evil” Foods

Includes diet soft drinks, low-fat foods and low calorie product offerings. This segment is estimated to be \$18.3B in U.S., but more likely \$90B.

Limited consumer sacrifice; Ubiquitous product offerings. Last year 90% of American shoppers used low fat foods and 85% used low calorie foods.

Driven by macro health & nutrition trends.



Diet Supplements

This segment is estimated to be \$4 billion in U.S.; 7% of dieters. 12% of Americans take dietary supplements for weight management; 26% have tried them at one time. 34% of the population has tried an OTC diet pill.

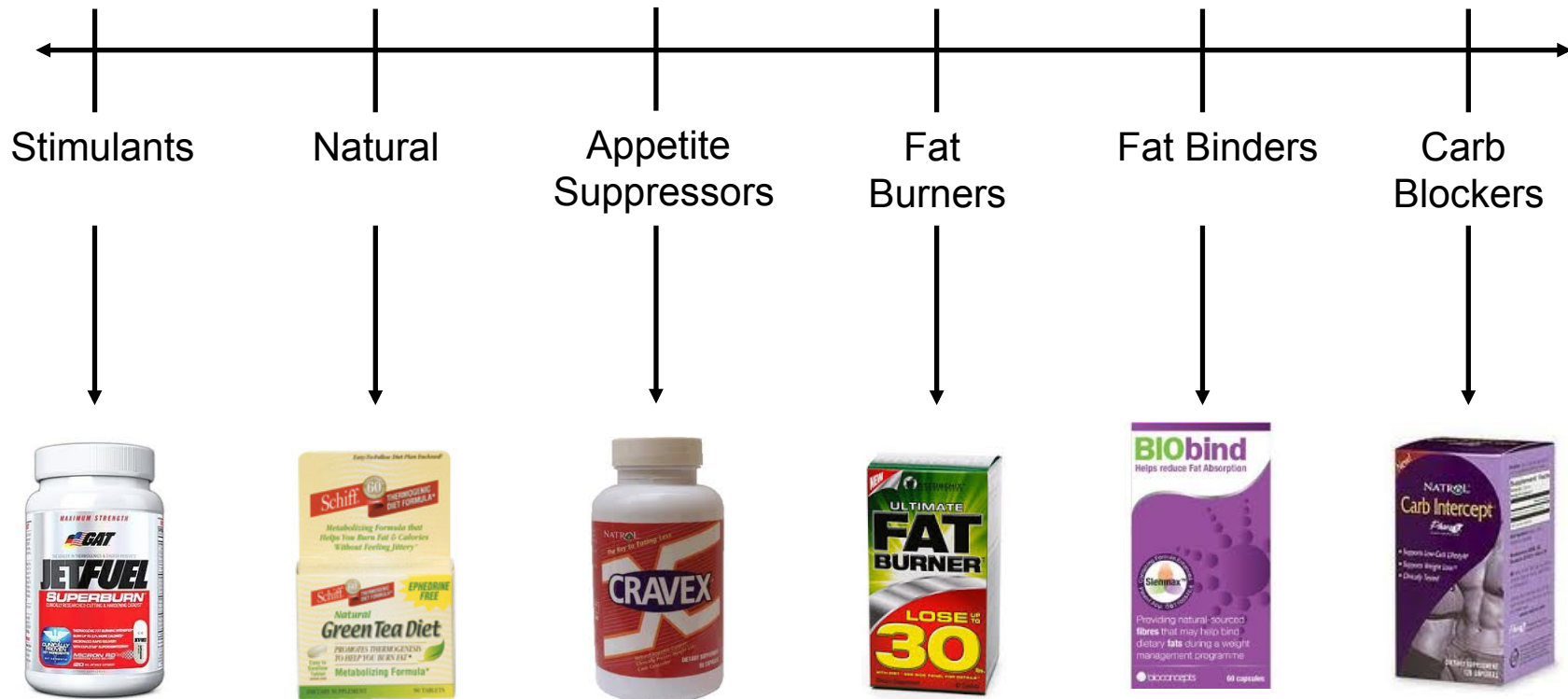
Limited consumer sacrifice. Most usage is event-triggered; cyclical dieting.

Motivated by vanity: “Do-it-yourself” dieting, no need for discipline.



Diet Supplements Sub-Segments

Even within the diet supplement segment, there are different mechanisms that drive growth.



Meal Replacement Foods

This segment is estimated at over \$1 billion in U.S.; Nearly 25% of the population has bought them at one time; Currently 10% of dieters.

Moderate consumer sacrifice (taste).

Motivated by vanity: “Do-it-yourself” dieting, limited discipline required. Consumers have a need to alter diet in order to achieve weight loss.

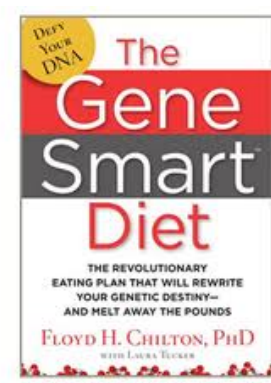
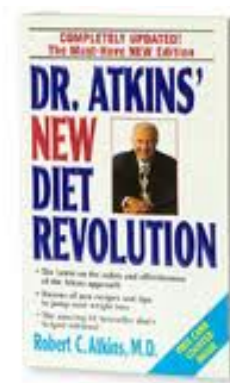
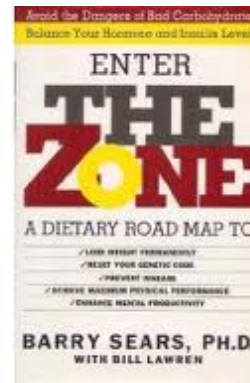
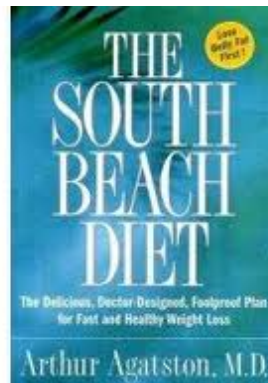
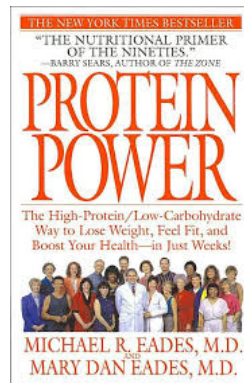
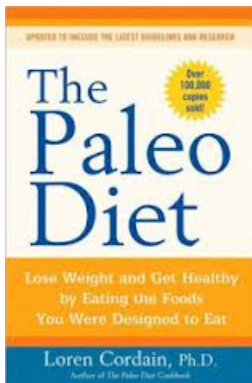


Popular Diet Programs

There is limited data on the segment size as these consumers are fad driven, fragmented and cross over into other segments.

Significant consumer sacrifice, depending upon program (taste, lifestyle, money).

Motivated by third party validation (media, friends).



Exercise Programs

Includes Health Clubs/Gyms.

Total U.S. revenues at \$12B, but likely 30% is diet related. 60M Americans exercise on a regular basis.

Significant consumer sacrifice (time, money, effort).

Motivated by vanity, guilt. *“No pain, no gain (loss)”*.



Commercial Weight Loss Programs

Marketmedia Enterprises estimates total U.S. revenues at over \$1.5B.

High consumer sacrifice (time, money, lifestyle).

Motivated by need, guilt and socialization. Consumers seek direction and motivational support.



Medically Supervised Programs

Includes VLCD, Ornish, Rx, Hospital-based, etc.

Marketmedia Enterprises estimates total U.S. revenues at \$1.8B.

Very high consumer sacrifice (time, money, lifestyle, effort).

Motivated by health need and driven by physician validation.



A medically supervised weight management program

Qualitative Research Findings

Exercise and eating healthy are generally considered the “right” way to lose weight.

Dieters often recognize that changing dietary habits is necessary, although very few diet segment users are willing to do this.

38% of U.S. households have a member dieting for appearance (vanity) reasons; 23% for health reasons.

Although there is the recognition that losing weight can require effort, deprivation is not an appealing idea to anyone.

The word “diet” usually makes people start thinking about what they can't have.

Some are more motivated than others, some are more health oriented than others, but overall people do not want to have to feel bad while trying to lose weight.

Opportunity Observations

Target a specific diet segment and address the motivations and needs of that group.

Overall, the diet market is “fashion-oriented”, seeking new and innovative alternatives.

Explore innovative products that combine bioactive nutraceuticals and high value food forms.

Incorporate weight loss utility (function) into everyday products.



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Contact:

Peter Leighton
peter@abundasolutions.com
+001 (801) 550-6962
SKYPE: advana_science