

As Obesity Booms, So Does Weight Loss Business

by Karl Greenberg, Yesterday, 4:17 PM

What is surely a darkening cloud over the U.S. health care system is a silver lining for the weight-loss business. Market research firm Packaged Facts says that per government stats, about 70% of adults and almost 32% of school-age children and adolescents are either overweight or obese. The prevalence of obesity between 1988 and 2008 increased 48% among adults and more than 72% among children and teenagers.

The good news -- at least for weight control companies -- is that the weight-loss category is booming, per Packaged Facts. The firm cites Simmons panel data from Experian Marketing Services: almost 39% of all U.S. adults, representing 87.8 million consumers, currently are watching their diet to either lose or maintain their weight.

Packaged Facts' own study, "Weight Management Trends in the U.S.," says weight management products and services will reach \$38.0 billion in 2013 and \$40.9 billion in 2016. The study says foods and beverages will grab the largest share -- almost 80% -- of sales in a category that also includes meal replacements, diet aids, and commercial weight management programs. However, while the food beverage segment still dominates, sales of weight management comestibles have been slipping for several years.

New York Mayor Michael Bloomberg's nearly successful attempt to banish super-sized sodas from the city was aimed at what the Centers for Disease Control and Prevention dubs our "obesogenic" culture of higher intake of unhealthy foods, paired with a sedentary lifestyle, exacerbated by marketing of such foods.

The firm says that, because of the worsening of the obesity problem, there is more demand by consumers both for behavior changing products, low-calorie foods that also suppress urges, and exercise programs. Marketers need to recognize that consumers are shifting which approaches they are taking, arguing that commercial weight management programs like Curves, eDiets, Jenny Craig, Healthy Wage, Medifast, Nutrisystem and Weight Watchers are set to regain steam by 2015 as marketers offer targeted new programs.