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Press Release

Diet Food Home Delivery Market Faces Tough Year

Tampa, FL, February 24, 2009 -- Marketdata Enterprises, Inc., a leading independent market research publisher, has released a groundbreaking new 146-page market study entitled: [Diet Food Home Delivery Services: A Market Analysis](#). This is the ONLY publicly available national market study about this \$1 billion business. 29 Competitor Profiles are provided for: NutriSystem, Jenny Direct, Medifast, Diet To Go, Bistro MD, Atkins At Home, eDiets, Chefs Diet, Sunfare, Seattle Sutton's Healthy Eating, and many more.

"The diet food home delivery or "home meal replacement" market in the U.S. is a niche segment of the overall weight loss market, appealing to the most affluent dieters. It had grown rapidly until 2008, and attracted new competitors. NutriSystem and its heavy advertising, coupled with demand from convenience seeking, time-pressed moms, executives, working couples, the elderly and others, have fueled this growth. At least 30 companies compete, and the number is growing.", according to Marketdata's Research Director, John LaRosa.

Report Findings

- **Market Size...** Marketdata estimates that the market fell 1 % to \$1.05 billion in 2008, in stark contrast to the 33% gain in 2007. An estimate of growth in 2009 and beyond depends in large part on how much NutriSystem grows, since its sales represented 70% of the market value in 2008. Marketdata estimates that the diet food delivery market will be worth \$1.09 billion in 2009. This represents a 3.7% gain over 2008.
- **Customers...** Most of the diet food home delivery services' clients skew higher female than male—60%-70% female. NutriSystem defines its core customer as a 44-year-old woman weighing 210 lbs. and who wants to lose about 60 lbs. Most clients stay on a diet delivery plan 8-12 weeks and it's common to return once or twice during the year. Some clients stay on for years.
- Based on visitors to Marketdata's website BestDietForMe.com, the share of dieters that now prefer a home-based program stands at more than 75% -- the highest level seen since 2005. This should bode well for diet food home delivery services. However, price will be the main obstacle this year, as even affluent households are squeezed by the recession.

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- Some companies in this market have been around for 22 years, but the market took off in 2002-2003. Most companies are small and serve local areas, but several have expanded nationwide and have grown by selling franchises and setting up distributors in several states.
- **The Price...** Costs for these services range from \$10-40 per day, or \$70-280 per week, or \$300-1,500 per month. Marketdata found two price tiers, the lower end of about \$280 per month versus the high end at an average of about \$750. The average price is \$726 per month.
- Many companies in this market focus on serving either or both New York City or Los Angeles. In fact, at least 8 of the companies do so. The other "hot spot" seems to be Texas. In Canada, it's Toronto.
- Looking forward, as the economy recovers in 2010 we should see consumer confidence and spending return. We will probably see another dozen or so companies formed, either as independent start-ups or franchises that are bought by people that were laid off. As NutriSystem and others resume growth, Marketdata analysts feel that this niche market can sustain 10-12% annual growth, reaching \$1.53 billion in 2012.

"Selling a weight loss program directly to the consumer has become the most successful model during the past few years. The fastest growing part of Jenny Craig's business now is their Jenny Direct service, and HMR At Home is the best performer for Health Management Resources. Fully 65% of Medifast's sales are direct to the customer. Many dieters today seem to prefer to have their meals planned out and delivered to them, without visits to a counselor. Although many services reported a strong January, I wonder what will happen for the balance of the year.", according to Marketdata's research director, John LaRosa.

Editor's Note

The Diet Food Home Delivery Market is 146 pages in length, costs \$995, and contains 48 tables & charts. It is available in digital or print format. The study covers: nature of the market, demand factors, pricing, distribution & franchising, how companies are formed/operate, profitability, customer demographics, market size (2005-2012 forecast), management outlooks and the competition.

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A \$79 Overview is Available for the General Public