

# The Obesity Epidemic

by **Susan Porjes**



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# Introduction

## The scale of obesity

The majority of Americans weigh more than they should. According to Simmons consumer panel data from Experian Marketing Services, almost 39% of all U.S. adults, representing 87.8 million Americans, are watching their diet to either lose or maintain their weight. Similarly, a January 2013 poll by healthcare provider Kaiser Permanente of 11,840 of its members found that 87% have a health-related goal for 2013, with weight loss topping the list of goals at 40%.

Almost **70%** of Adults and One Out of Three (32%) School-Age Children and Adolescents Are Either Overweight or Obese

## Obesity by the numbers

Percentage of U.S. Adult Population Who Are Overweight or Obese, 2009-2010

Classification	All Adults	Men	Women	Non-Hispanic White	Non-Hispanic Black	Hispanic
Overweight*	68.8%	73.9%	63.7%	66.7%	76.7%	78.8%
Obese	35.7	35.5	35.8	34.3	49.5	39.1

\* Includes obesity.

Overweight = BMI of 25.0 or higher

Obese = BMI of 30.0 or higher

Source: National Health and Nutrition Examination Survey (NHANES), a program of the National Center for Health Statistics, U.S. Centers for Disease Control and Prevention (CDC)

## Body Mass Index (BMI)

Health professionals use a measurement called body mass index (BMI) to classify an adult's weight as healthy, overweight, or obese. The formula calculates body weight relative to height by dividing weight in kilograms by height in meters squared ( $\text{kg}/\text{m}^2$ ). Or the weight in pounds may be multiplied by 703, divided by the height in inches, then divided again by the height in inches.



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**An Obesogenic  
Society**

# The Obesity Epidemic

The causes of being overweight or obese are multifaceted. At the bottom line, it's about consuming more calories than the body burns off in energy. However, this imbalance may be triggered by many interconnected factors, including environment, psychological, cultural, and socioeconomic factors, as well as overeating, lack of exercise, slow metabolism, and genetic makeup.

**Calories In > Energy Out = Overweight or Obesity**

On its Overweight and Obesity webpage ([www.cdc.gov/obesity](http://www.cdc.gov/obesity)), the U.S. Centers for Disease Control and Prevention (CDC) states that, “Behavior and environment play a large role causing people to be overweight and obese. These are the greatest areas for prevention and treatment actions.” In fact, the CDC calls American society “obesogenic” because it is characterized by environments that promote increased food intake, unhealthy foods, and a sedentary lifestyle.

## Is the Food Industry Partly to Blame for Obesity?

For over a decade, articles, books, and even films have charged that in its quest for profits, much like the tobacco industry, the food and beverage industry has deliberately created and marketed foods that are nutritionally unsound and even “addictive.”

- The book ***Fast Food Nation*** (2001) examines the corporate influence of McDonald's and the three largest U.S. soft drinks companies.
- The 2004 documentary film ***Super Size Me*** examines how a diet of only McDonald's food for one month harmed the filmmaker's health and emotional state, and how the fast-food industry encourages poor nutrition.
- ***The End of Overeating: Taking Control of the Insatiable American Appetite*** by former FDA Commissioner Dr. David Kessler (2009) describes how since the 1980s, the food industry and restaurants have added to America's growing obesity problem by creating and heavily marketing nutritionally unbalanced foods that are overloaded with fats, sugar and salt, which combine to produce changes in brain chemistry that cause people to crave more of these substances.
- At the CDC's *Weight of the Nation* conference in May 2012, a report took aim at "overexposure to advertising that promotes unhealthy foods" and at sugar-sweetened beverages because they "contribute more calories and added sugars to our diets than any other food or beverage."

## Too Little Exercise

Despite widespread news coverage of the growing obesity epidemic and the benefits of exercise, the majority of Americans continue to lead sedentary lifestyles. The 2008 Physical Activity Guidelines for Americans, developed by the U.S. Department of Health and Human Services, recommends that adults get at least 150 minutes per week of moderate-intensity aerobic activity (i.e., brisk walking) or 75 minutes per week of vigorous-intensity aerobic activity (i.e., jogging or running). However, more than one-third of American adults (36%) do not engage in appreciable leisure-time physical activity.

## 36% of Americans Don't Get Enough Exercise

### The Socioeconomics of Obesity

Data also demonstrate strong correlations between obesity, low education, and low income.

- Based on 2008-2010 data, nearly 33% of adults who did not graduate high school were obese, compared with 21.5% of those who graduated from college or technical college.
- More than 33% of adults who earn less than \$15,000 per year were obese, compared with less than 25% of those who earned at least \$50,000 per year.

Nonetheless, a significant proportion of obese adults theoretically have enough income to afford “healthier” less-fattening foods, weight management programs, and other diet aids.

# 2

## **The Costs and Politics of Obesity**



Obesity not only takes a toll on people's health, but it also places a financial burden on the nation's healthcare system. A study by Cornell University that appeared in the January 2012 issue of the *Journal of Health Economics* calculates that obesity currently accounts for almost 21% of total U.S. healthcare costs—more than twice that of previous estimates.

As delineated in *F as in Fat: How Obesity Policies are Failing in America, 2012*, the latest of nine annual reports by the Trust for America's Health and the Robert Wood Johnson Foundation, the medical cost of adult obesity in the United States is difficult to calculate, but estimates range from \$147 billion to nearly \$210 billion per year. Most of the spending is generated from treating obesity-related diseases such as diabetes. Medicare and Medicaid are responsible for \$61.8 billion of the \$147 billion. Much of the cost is generated from treating obesity-related diseases such as diabetes.

At the CDC's *Weight of the Nation* conference in May 2012, a new report presented by study leader Eric Finkelstein, a Health Economist at Duke University in Durham, NC and published in the May 2012 issue of the *American Journal of Preventive Medicine* projected that the ranks of obese Americans would swell even further in the coming years, rising to 42% of the adult population by 2030 and adding nearly \$550 billion in additional medical costs over the next two decades.

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## Reduced Productivity

Obesity also is associated with lower productivity at work, which costs employers \$506 per obese worker per year. As a person's BMI increases, so do his/her number of sick days, medical claims, and healthcare costs. A number of studies also have shown obese workers have higher workers' compensation claims.

## Government Efforts to Fight Obesity

Due to obesity's scope as a national healthcare problem, it has also become a political issue, with federal, state and local governments trying to help bring the crisis under control through new legislation, nutritional guidelines, and public health initiatives.

Public health experts believe that the best way to attack the obesity crisis is to prevent people from becoming obese in the first place. They especially emphasize the health of children, based on a finding from the landmark Bogalusa Heart Study conducted by Tulane University between 1972 and 2005: 77% of obese children go on to become obese adults, while only 7% of non-obese children do.

Other studies show that school-based programs can help prevent and reduce obesity. Over the past decade, school-based efforts have focused on improving the quality of food served and sold in cafeterias, vending machines, and school stores; limiting sales of less nutritious foods and beverages; improving physical and health education; and increasing physical activity.

In 2009, the Obama Administration took aim at obesity—particularly childhood obesity—with First Lady Michelle Obama's "Let's Move" campaign, which brings together several federal agencies to focus on improving nutrition and encouraging exercise. State and local governments are also trying to combat obesity by legislating policies and food environments to make healthy nutrition and physical activity choices more available and affordable. Some local governments are providing tax breaks and streamlined permits to encourage fresh-food grocers and farmers' markets to set up shop in neighborhoods that need them, and zoning neighborhoods to encourage more sidewalks and bicycle paths.

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# 3

**Foodservice  
Addresses  
Obesity**

## National Menu Labeling Is On the Way

One of the lesser known provisions of the federal Affordable Care Act (dubbed “Obamacare”) signed into law in March 2010 mandates all chain restaurants with 20 or more locations to provide calorie counts on menus. Four states—California, Maine, Massachusetts and Oregon—as well as several cities including New York City, Philadelphia, and Seattle, already have their own menu legislation in place. The Food and Drug Administration is expected to issue rules for menu labeling by the fall of 2013, with the rules to take effect in 2014.

In September 2012, McDonald's got the jump on the new federal requirements by placing calorie labels on restaurant and drive-thru menu boards nationwide. Some restaurant chains, such as Panera Bread Co. and Au Bon Pain, also post calorie counts on their menus, but McDonald's is the largest chain and the first fast-food company to do so on a national level.

## NYC's Proposed Soda Ban


With sugary soft drinks under siege from critics who call them a major contributor to the obesity crisis, in September 2012, the New York City Board of Health approved New York City Mayor Michael Bloomberg's controversial proposal to ban the sale of sodas, energy drinks, smoothies, and other sugar-sweetened drinks larger than 16 ounces at restaurants, street carts, and movie theaters—the first restriction of its kind in the country. At the 11th hour (literally—on the afternoon before the ban was to take effect at midnight March 12, 2013), a New York State judge struck down the restrictions, calling them “arbitrary and capricious.”



Proponents of the ban said they intended to appeal the decision. The law would have exempted a variety of retailers—including supermarkets, grocery stores, 7-Eleven and its iconic “Big Gulp” drinks, and vending machines, which are regulated by the state, not the city. Meanwhile, when Mayor Bloomberg of New York was questioned about these inconsistencies, he suggested that New York State, which regulates retail stores, adopt the ban statewide.

## Public Opinion Split over Government Intervention

Although most Americans agree that obesity is a national health crisis, a poll conducted in November-December 2012 by The Associated Press-NORC Center for Public Affairs Research (National Opinion Research Center) found that Americans are split over how much the government should do to help—and most draw the line at attempts to force healthier eating. Some 8 out of 10 support the government adding more physical activity in schools or providing nutritional guidelines to help people make better choices, and 70% like the idea of restaurants posting calorie counts on their menus.



**6 out of 10  
oppose “soda  
taxes” or “fat  
taxes” on  
unhealthy food**

Three out of four respondents nationwide say that the government should not restrict what people buy—such as New York City’s recent attempt to ban supersized sodas.



# 4

**Foods and  
Beverages  
against Obesity**

## Marketers Avoiding “Diet” Positioning

Food and beverage marketers increasingly are avoiding the word “diet” in their marketing pitches because many consumers have a negative perception of “diet,” associating it with deprivation. Instead, they are talking in positive terms like “health/healthy,” “fit,” and “satisfied.”

The tagline for the latest marketing campaign for ConAgra’s Healthy Choice brand is “**Don’t diet. Live healthy.**”

*Top Weight Management Food & Beverage Categories (in millions of dollars)*




Category	2012 Mass-Market Dollar Sales	% Chg vs. 2011
Refrigerated Skim/Lowfat Milk	\$7,226.2	-3.0%
Low-/No-Calorie Carbonated Beverages	4,627.7	-2.7
Frozen Dinners/Entrees	1,724.2	-2.7
Yogurt (excluding Greek)	810.3	-12.5
Ready-to-Eat Cereal	550.7	-3.4
Sugar Substitutes	415.6	-1.3
Bread & Rolls	395.6	1.4
Soup	306.1	-3.7
Low-/No-Calorie Drink Mixes	273.4	8.1
Shelf-Stable Bottled and Aseptic Pack Juice Drinks	237.3	-9.1
Ready-to-Drink Tea	206.3	5.8
Refrigerated Juice Drinks	164.5	26.0
Rice/Popcorn Cakes	161.3	-5.9
Frozen Pizza	140.1	-1.3
Shelf-Stable Salad Dressings	80.8	0.4
Cookies	71.1	-19.8
Crackers	7.7	-23.8
<b>Total Tracked Products and Brands</b>	<b>\$17,399.0</b>	<b>-3.0%</b>

## Diet Coke the Largest Brand

Diet Coke—with all its variations such as Caffeine-Free, Coke Zero, Diet Coke with Lime, etc.—is the single largest brand of weight management products, with almost \$1.9 billion in retail sales through mass-market channels (supermarkets, drugstores, and mass merchandisers except Walmart) in 2012.

Diet Pepsi is a distant second with \$956 billion in tri-channel retail sales, a little over half Coke's revenues. In third place is Nestlé's Lean Cuisine frozen dinners/entrees, followed by Weight Watchers Smart Ones frozen dinners/entrees from H.J. Heinz, and Yoplait Light and Yoplait Fiber One yogurt from General Mills.

## Leading Marketers

- 
- In January 2012, Nestlé USA re-launched its Lean Cuisine line with “a fresh look that moves the brand beyond traditional perceptions of dieting to focus on ‘Modern Healthy Cuisine.’” Television ads juxtaposed fresh ingredients on one side of the screen with chic fashions on the other. “At Lean Cuisine, we believe that eating should be exciting—just like fashion,” says the brand’s director of marketing. A commercial for Lean Cuisine’s new Salad Additions line features award-winning chef Michelle Bernstein, who introduces herself as “your personal salad stylist” and demonstrates how “to take your lettuce from drab to fab.”
- 
- The latest umbrella marketing campaign for Kellogg’s Special K, launched in December 2012, is called The Gains Project. It features inspirational words and encourages women to share their own positive “gains” and motivational words and phrases in an online “What will you gain when you lose” gallery. Inspirations range from “health” and “self-confidence” to “knowing it’s okay to put me first” and “leaving the lights on.”
- 
- A new TV commercial for Dannon Light & Fit Greek yogurt shows two young women eating the yogurt at home before leaving on a road trip. Because the yogurt’s “creamy, thick texture helps satisfy you,” they are able to ignore the temptations of an ice cream stand, a hamburger stand, and a billboard advertising cupcakes as they cruise along in their convertible.





Building on the success of its Dr Pepper TEN, a 10-calorie soft drink launched in late 2011, in January 2013, Dr Pepper Snapple Group, the nation's No. 3 soft drink company, began rolling out 10-calorie versions of five of its other soft drinks: 7-Up, Sunkist, Canada Dry, RC Cola, and A&W Root Beer. The new sodas blend caloric and non-caloric sweeteners—high fructose corn syrup, aspartame, and ace-K—for just 10 calories per 12-ounce serving, delivering both low calories and great taste.

### Coke Weighs in on the Obesity Epidemic

As the soft drink industry faces increasing pressure from local governments and critics who say it is a major contributor to the nation's obesity epidemic, in January 2013, The Coca-Cola Co. began airing "Coming Together," a two-minute television commercial highlighting its efforts to fight obesity. In voice-over, the commercial, which begins with visuals of people engaging in lifestyle activities and goes on to show graphs and product shots, talks about what Coca-Cola is doing to fight obesity and promote responsible consumption of its products. An accompanying 30-second spot shows how easy it is to burn off the 140 calories in a regular can of Coke through activities like walking a dog or dancing.

Although critics called Coca-Cola's new campaign "disingenuous" (Huffington Post, January 17, 2013) and "deceitful" (Mark Bittman in New York Magazine, January 15, 2013), consumers' initial reactions were notably positive.

Want to learn more about Healthy Food Trends?  
Check out these great SlideShare stats!



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5

**What About Meal  
Replacements  
and Pills?**

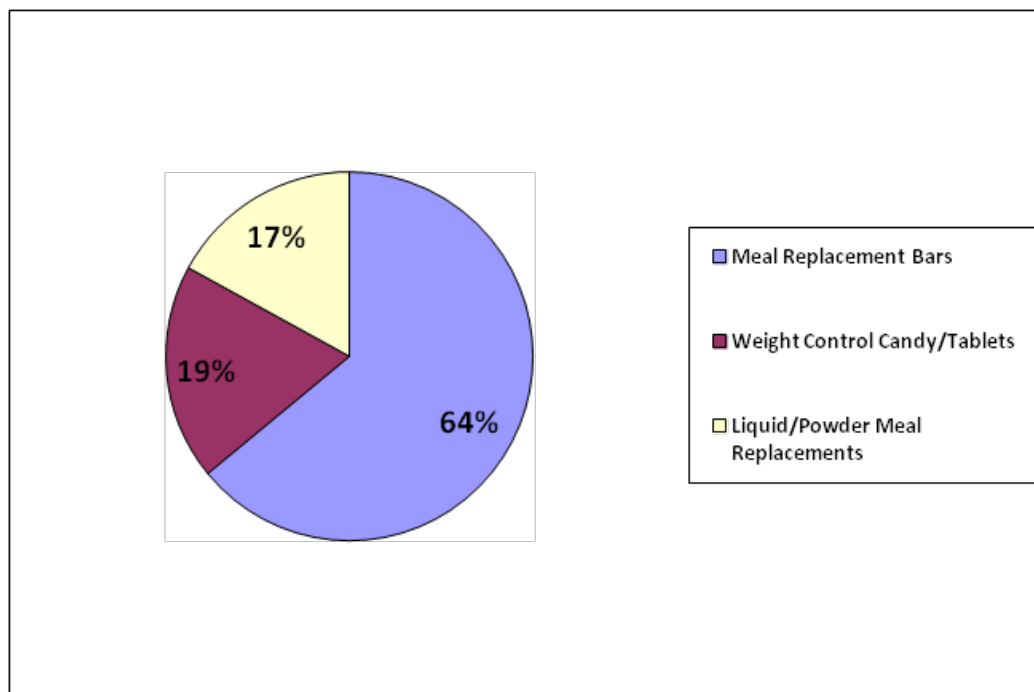
## Meal Replacements

Low-calorie meal replacements can help jump-start a diet because consumers can see visible weight loss in as little as one week. In addition, shelf-stable bars and bottled/canned meal replacement drinks can easily be stashed in a desk drawer, pocket, purse, or briefcase for quick meals, appealing to dieters who need to eat on-the-run as a quick way to have a nutritious meal.

## Definitions

- Meal Replacements come in the form of nutrition bars or shakes (ready-to-drink, or powders meant to be mixed with water or milk). Those meant for weight loss are especially formulated to provide an optimum balance of protein, carbohydrates, fats, and essential nutrients in a low-calorie meal.
- Over-the-counter (OTC) diet aids include products such as non-prescription diet pills, chewable “candies,” herbal supplements, and crystals to sprinkle on foods. In retail stores, diet aids usually are merchandised in the “diet aisle” adjacent to vitamins, supplements, and nutritional meal replacements.

Share of U.S. Retail Dollar Sales of Weight Management Meal Replacements and Beverages by Category, 2012 (percent)



Source: Packaged Facts

## Meal Replacements Can Be Effective for Weight Loss

- Sales of diet aids containing raspberry ketones and green coffee bean extract exploded in popularity in 2012, thanks to recommendations by celebrity Dr. Oz on his TV show.**

Many OTC diet aids make claims that they suppress appetite or increase metabolism. However, the active ingredients in virtually all diet aids have potential side effects or are ineffective in producing weight loss. Alli is the only over-the-counter diet pill that has been approved by the Food and Drug Administration (FDA). Marketed by pharmaceutical company GlaxoSmithKline, Alli is a 50% weaker version of the prescription fat-blocker Xenical (orlistat).

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## **Weight Management Programs**

## Weight Management Program Types

Types of weight management programs include non-clinical programs, do-it-yourself programs, and clinical programs.

## Non-Clinical Programs

Non-clinical weight management programs provide dietary counseling, exercise programs, and/or behavioral modification programs, but do not include direct medical supervision for individuals. Some programs are geared toward weight loss only, while others are geared toward both weight loss and weight maintenance. Some programs require participants to use the program's food or supplements. Examples of non-clinical programs include Weight Watchers International, Jenny Craig, Medifast, Nutrisystem, eDiets, Curves International, and other chains or independent providers.

## Do-It-Yourself Programs

Efforts to manage weight by oneself or with a group of like-minded individuals through support groups such as worksite or community-based programs fit into the “do-it-yourself” category. People using do-it-yourself programs rely on their own judgment, group support, and products such as websites, mobile phone apps, and diet books for advice.

## Clinical Programs

Run by trained medical professionals who monitor patients for progress and possible side effects, clinical weight management programs are meant for people who are severely obese or have medical problems. Services are provided in a healthcare setting (such as a hospital, clinic or physician's office), by licensed health professionals such as physicians, nurses, dietitians, or psychologists. Besides offering services such as nutrition education, exercise programs, and behavior change therapy, clinical programs may also use other weight loss methods, including very low-calorie diets, prescription weight loss drugs, and bariatric surgery, to treat severely obese patients.

Packaged Facts estimates that U.S. revenues of commercial weight management programs reached \$3.3 billion in 2012, a 3% increase from 2011 revenues. This business has yo-yoed throughout the past five years, driven by strong growth by Weight Watchers International in 2011, and the effects of the Great Recession in 2009.

### Major Programs

Only four major companies compete in the commercial non-clinical weight management programs sector.

- **Weight Watchers International:** The granddaddy and leader among weight management programs is now 50 years old and has \$1.8 billion in worldwide revenues, most of which derive from meeting attendance and online programs.
- **Jenny Craig:** In distant second place, this subsidiary of Nestlé S.A. offers portion-controlled meals delivered to consumers' homes and in-person support through its Jenny Craig Centers.
- **Nutrisystem:** Focuses primarily on home-delivery of portion-controlled meals but provides counseling only online and by telephone.
- **Medifast:** In fourth place and expanding rapidly. Offers portion-controlled meals through in-person counseling programs, online, a growing chain of Weight Control Centers, and medical providers.

Scores of smaller marketers also offer weight management programs for a fee, from online meal delivery plans like eDiets (now owned by direct marketing giant As Seen On TV), to fitness clubs and gyms like Curves International.

Competing with all these programs are websites and apps that let consumers track their weight, food, and exercise for free. Popular free programs include MyFitnessPal.com, PEERtrainer.com, and SparkPeople.com.



Programs like HealthyWage specialize in organizing weight loss challenges and contests in which participants can win money for losing weight.

## Corporate Initiatives

In the past few years, commercial weight management programs increasingly have partnered with big employers looking to cut healthcare costs by trimming their workers' weight. For example, in January 2012, Weight Watchers began offering weight management programs for American Express, the New York Stock Exchange, and NBC Universal. American Express pays 100% of the cost for its employees to attend Weight Watchers meetings for a year, and also covers 50% of the cost for their dependents. About 8% to 10% of Jenny Craig's client base is corporate accounts. Its corporate clients include AT&T, CVS Caremark Corp., Verizon Communications, and Wells Fargo & Co.

## Nutrisystem Targets the Corporate Market

While this market may seem like a ripe plum ready for picking to marketers of commercial weight management programs, they face strong competition from major healthcare providers and medical weight loss programs that also provide corporate wellness programs, including the Mayo Clinic, Optifast, Welcoa (Wellness Council of America), and many others.

## Conclusion

Ultimately, the complex assortment of elements that led to the current obesity epidemic – sedentary lifestyles, poor nutrition, lack of access to information, and more – will require a holistic approach to reverse. Public health officials, and community awareness have created public service campaigns that are showing signs of positive change in consumer behavior. More work remains to be done, yet many feel optimistic that the search for solutions has started in earnest.



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