Validity of Using the Business Model from a Business Networking Events Company to Provide a Weight Loss Solution

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I would like to thank my family for their love and enduring support - it means the world to me.
Executive Summary

In 2008, almost a quarter of adults (24% of men and 25% of women aged 16 or over) in England were classified as obese (BMI 30kg/m2 or over). (Department of Public Health, 2009) Although obesity is known to be a disorder of energy balance, a true understanding of its causes and treatment remains elusive.

It has been established in the interpretation of the literature, it is a consequence of environmental change, therefore the most logical solution to the problem would be aggressive environmental change, and however this would take serious action from the government which at present seems unlikely.

Obesity is currently costing the NHS £1 billion. and a further predicted £3.6 billion a year to the UK economy In addition to these figures, the analysis of data the NHS for 2004 showed the direct cost of heart disease was £15.7 billion, therefore it is understandable that obesity is a hot topic in the UK at the moment; the potential financial risk involved in the treatment of the obesity epidemic.

Current medical research is inconclusive as to the best way to reduce weight in the overweight customer at present, as the way in which the body processes both inputs and output of energy create a complex web of reactions which are not fully understood at present. It is understood that some reduction in calories needs to occur, without the body going into a state of starvation this can be achieved by changing the composition of the diet towards lower energy density while maintaining the food quantity, by increasing protein and fibre and limiting fat.

Many of the long standing methods of weight-loss have shown to be successful over a limited period of time, however often these are not sustainable and therefore lose their validity. It has been identified that consumers need flexibility, education and support in order to combat their weight problem.

At present the idea of adapting the model of a basic business networking company in order to tackle the problems of weight loss and the maintenance of weight loss for the overweight population does not seem to be a valid one, the need for consumers to have flexibility and tailored treatment. Weight loss customers are fiscal and the high
dependence on fees as 95% of the revenue would be incredibly risky. However there are aspects of this model that may work if further investigations were made into customer interests in the areas already identified, market research would also need to be done into the finer detail of possible products and customer spending and priorities to ensure that pricing and cost strategies are more flexible in this turbulent market.
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Chapter 1 - Introduction

1.1 Introduction

This project was born out of many others. My interest over the past six months has hovered around three main areas; health and wellbeing events, weight loss and social enterprise. During this time these elements have combined in many ways to look at a variety of problems that I feel there is a need to address and in which I have a personal interest. However, I have several times come up against apparently insurmountable obstacles and, in the light of this, I have re-evaluated my opinions. What has evolved from all this is that I have settled on a problem that is, not only of interest to me, but that has a sizeable market to be tapped into and I feel it is within my own capabilities to do this.

1.2 Research Context

Obesity: “Britain is in the grip of an epidemic.” All very dramatic, but this is the government’s stance on the matter! OK, so our bottoms are a little bigger and our waists a little thicker, but nothing we can’t solve by eating less calories and doing more exercise, right?

Currently the government estimates that almost two thirds of adults and a third of children are either overweight or obese. However it should be noted that of this two thirds of the adult population, only one third is actually clinically obese leaving, just over 40% of the population merely a little on the heavy side (NHS, 2010). This provides a massive target market.

So, what is the cause of the problem? The problem for half of the country is that the supposed solution “eat fewer calories and do more exercise” is too simplistic, it does not educate the person in any way of the most productive way in which to do this. Nor does it inform them of how to maintain the weight loss afterwards. In fact, whilst looking at the current literature, I found that the answer isn’t that clear at all. There are many issues that need to be considered, such as the suitability of various interventions, the environmental issues at the heart of the problem and how policy on food is being managed.
The current weight-loss market mainly consists of diet plans and quick fixes, which are actually ill-equipped to deal with the real long-term problem of weight loss and the subsequent maintenance of that weight loss. We are in fact looking at obesity prevention. With four in ten people stating balanced diet and exercise as the keys to a healthy life, why does the market not cater for this ethos? Mintel (2009) have predicted the next major market trend to be one of healthy living and self regulation, while a survey conducted by Sound vision foundation (2010) shows that 86% of people who are successful at losing weight and subsequently maintaining their weight loss already do so, under their own volition. This would seem to imply that a new product or service is needed in the market that caters for this ethos of self help and offers support to those who are looking to embark upon their journey to self improvement.

1.3 Research Problem

In 2008, almost a quarter of adults (24% of men and 25% of women aged 16 or over) in England were classified as obese (BMI 30kg/m2 or over). (Department of Public Health, 2009) Although obesity is known to be a disorder of energy balance, a true understanding of its causes and treatment remains elusive (Halton and Hu 2004). Obesity prevention is necessary to stem the steady rise of obesity. However, although experts agree that prevention is essential, almost no research exists in this area (Muller et al. 2001). In addition to this, the issue of body weight maintenance after weight reduction is a major challenge in the prevention of obesity. Only ‘20% of individuals could be considered as successful weight-loss maintainers when weight-maintenance success is defined as intentionally losing 10% of initial body weight and maintaining that loss for a minimum of one year’. (Ayyad and Andersen, 2000)

Body weight management is a complex task involving the interplay of behavioural components with hormonal, genetic, and metabolic processes (Douglas et al, 2008). The service currently in development is the adaptation of a model of business networking companies to tackle the problems of weight loss and maintenance for the overweight population (those with a BMI of between 25 and 30) to act as an obesity prevention programme. The objective of this service is to facilitate the above changes in lifestyle, providing information, resources and support.

1.5 Research Aims

The aim of this project is to:
adapt the model of a basic business networking company in order to tackle the problems of weight loss and the maintenance of weight loss for the overweight, but not yet obese, population

thoroughly understand the problem being tackled both by the organisation as a whole, and by its customers

examine the market that is being entered and the current available offerings within this market

identify a gap in the market and clearly define it in order to provide the greatest possible opportunity for success

ensure that the proposed offering is appropriate for the chosen target market and their needs.

The trends turning towards a change in lifestyle rather than diet, are most prevalent within several market segments and this has allowed a very specific target market, which is defined, briefly, below:

- Age 25–45
- Particularly Socio economic groups A, B and C1
- Family Life stage - for families with children of different age groups, although slightly different offerings may be appropriate
- Mainly female
- Body weight – overweight but not obese – BMI 25-30

1.6 Objectives

The primary objective of this paper is to identify and define a clear emerging gap in the current weight loss market and to ensure that it corresponds with the chosen target market. In order to do this I have broken this task into five distinct areas:

1. Investigation into the validity of a healthy-living approach to weight control and obesity prevention
2. Critical analysis of the current weight loss market
3. Exploration into the reasons behind the success or failure of various methods
4. Investigation into what is lacking in the products currently available
5. Development of product ideas

After having done this, it is hoped that a clear set of products and services can be developed and sourced in order to bolster a strong weight loss brand.

1.7 Research Methodology

The research of this project has been broken down into four consecutive sections in order to tackle the five objectives detailed above:

1.7.1 Literature review

This is broken down into two chapters, the first of which will examine what constitutes a healthy lifestyle, how it is defined and how this has been developed through history. Several models have been identified, one of which is particularly fitting for the approach of healthy lifestyle.

The author has then gone on to examine modern thought in the field of weight loss, identifying gaps in this information which may need to be examined in primary research by applying weight loss to this model of health, particularly in the field of obesity prevention.

The second chapter looks more carefully at current offerings within the weight loss market and their current success. Upon identifying the highest selling products, each one has been critically evaluated in terms of modern-day scientific thinking (as reviewed in the first chapter).

This review has brought to light several short-comings in the literature, which will need further investigation in the primary research:

- Why are various methods more successful than others?
- What preventative measures against obesity are appropriate for the individual?
- What are the products that the market is lacking?
- What are the problems that those in the target market are currently experiencing?
1.7.2 Focus Groups

Two focus groups will be used to explore the gaps in the literature from several angles, firstly by interviewing three individuals within the target market who have failed to prevent obesity and have later recovered from this problem - looking specifically at:

- the reason why they feel they have become obese
- the reasons why they have continually failed to recover the situation earlier, when they were merely overweight
- an examination of the diets they have embarked upon and why they have failed
- what may have allowed them to make an earlier recovery if available to them

Following on from this – in depth interviews will be conducted with three individuals from the target market who have succeeded in controlling their weight over the last twenty years, looking specifically at:

- What methods they have tried, the degree of success of these methods and any compensations they have made in order to ensure the success of these methods
- What steps they have taken in order to self regulate their weight
- What tools they would have found to make this process less labour intensive or more accessible.
- What problems have they encountered

1.7.4 Questionnaire

The primary objective of the survey will be to assess the pricing and brand strategy of this service set (this is primarily to be used in the following business plan for this service rather than directly for this project). However, it will also provide information on the following:

- Customer drivers for the weight loss market
- Current barriers to success
- Customer opinion of the diet market
1.7.5 building business network’s business model

This is being addressed directly working alongside an expert in this area who currently works in business networking and will therefore help to produce an informed business model diagram, to be discussed on examining the results of the focus group and questionnaire.
2.1.1 What is the definition of Health?

"Perhaps the most perplexing and ambiguous issue in the study of health since its inception centuries or millennia ago, is its definition."

Sander Kelman (1975)

The purpose of this paper is to investigate the validity of a ‘healthy living’ approach to weight control and obesity prevention. In order to do this we first need to clearly define health and healthy lifestyle: so, what is health? And how do we measure it? Rene Dubos (1961) addressed this very question in his book ‘The mirage of health’ and came to the conclusion that it was exactly that - a ‘receding mirage’ - that, from a distance, appears to be a clear concept but, as we begin to look at it more closely, and create a more concise definition and measures of health, it disappears.

According to Kelman (1975) this is perhaps the most perplexing issue within the study of health. Often this is due to the complexity and number of possible components which can go towards such a definition, such as medical, social, or spiritual. It can also be defined through the methods of measuring health (longevity, absence of illness, strength etc) (Feinstein 1992; Brown et al. 1984; Larson 1998). Through my search for the answer to this question, I have come across various approaches to the problem, the answer to which seems to have been moulded by societies over millennia to create four different models: The Medical model, The WHO model, The Wellness model and the Environmental model - as outlined by James Larson. The battle for pole position of these models seems to be largely dependent upon both the society being examined and the scale upon which health is being measured.

2.1.1 History of Public Health

In order to develop a clear picture of the current definition of health I feel it is important to examine how health has been defined and measured and shaped by events throughout history.

George Rosen (1979) believed that ‘throughout human history, the majority of problems of health that men have faced have been concerned with community life (e.g. provision of water and food of good quality) in fact the earliest
records of health which come from China and India show evidence of this, and can be traced back to around 2233BC to the time of Fu His (Basche 1999) who educated his people on how to live well. The Chinese concept of health was built around the idea of harmony, both within itself (yin and yang, male and female, or positive and negative), and with its environment (Basche, 2001). This is further backed by archaeological excavation sites in India dated approximately 2000 BC, which show evidence of community planning (which implies the enforcement of building regulations) and complex water and sanitation systems (Rosen, 1979). These both draw some comparisons with the environmental model of health (see section 2.2.4) and some comparisons to the Wellness model (see section 2.2.3).

As early as 2700 BC, Shen-Nung published a set of books that held many aspects of Chinese medicine, including traditional pharmacopeia and acupuncture points, (Basche, 1999) a form of medicine that is now looked upon as a holistic therapy and until recent years was not accepted by modern western medicine (Basche, 2006). Records from India show evidence of a medical practice called Brahmanistic Medicine between the period of 800 BC and 1000AD, diagnosis was made through observation of the patient’s appearance, pulse and excretions (Zysk, 1993). Emphasis was placed on diet, hygiene and mental preparation - perhaps early evidence of preventive measures of health care and promotion of healthy lifestyle to combat disease.

Our next clue lies in the Mediterranean classical periods, with Hippocrates (460-370BC) and friends, when health was viewed as a blend of the four humours (blood, phlegm, yellow bile and black bile) defining disease as an imbalance. Many of the cures for these diseases appeared to work well enough to continue to be in use up the 19th Century (UTM, 2010). Literature from classical Greece also provides the first mention of communicable disease starting the modern day study of endemics (Rosen, 1979).

The first scientific concept of health originated with the development of the Descartes (1578-1657) machine model of the human body (Kelman, 1975). At this point we move away from an environmental or wellness model of health, placing the definition of health as the perfect working order of the human organism (looking upon it as machine) (Rossdale, 1965; Kelman, 1975), whereas Pascal said it is impossible to know the parts without studying the whole. Descartes’ method has prevailed in modern medicine, (the medical model clearly at the forefront) and the approach has enjoyed great success. But Pascal’s holistic approach continues to influence medicine and points out the limitations of scientific analysis (Gremy 1986)
The first real attempts at international disease control occurred as early as 1348 when the Black Plague reached the crowded cities of the British isles, physicians didn't know what had hit them and blamed it on a multitude of things e.g. alignment of the planets. Despite this the contagious nature of the disease lead to forty-day quarantines in many ports (Basche, 1999).

With the advent of the renaissance period and the dawn of modern medicine (Larson, 1999) Francis Bacon was the first to talk of medicine as a means for prolonging life (Illich, 1976; Larson 1999).

One of the most important turning points in biological and medical history was the consolidation of the germ theory this may be first piece of evidence validifying the concept of an environmental model of health

The study of aetiology has revealed many interesting patterns where the great epidemics of the late 19th and early 20th century are concerned, e.g. when looking at the tuberculosis epidemic in New York in the early 1800's, it is clear that the cycle of the disease is not linked to immunization programmes that were put in place to prevent it (Dubos 1953). The death rate peaked in 1812 at about 700 per 10,000 by the time a vaccine became available in 1882 that number had already slipped to 370 and further to 180 by the time that the first sanatorium opened in 1910. Ivan Illich (1976) is again sceptical about the power of the physician within this recovery, preferring rather to state the environment factors, such as improving diet as a probable cause for this turn around. However it is important to note that the 1800's were a time of great change and industrial revolution so there was a constant flux in other environmental elements such as sanitation (Basche, 2006).

The industrial revolution was another major turning point for the way health was assessed and legislated. With a huge influx of people to the cities, housing was built hastily, with little thought to building regulations and sanitation, resulting in squalid conditions. As the first industrial nation, Britain was the first to experience communication disease of large industrial cities, and therefore the first to respond (Porter, 19...). To humanitarian problems that came along with the influx of people from the countryside to the cities and the working conditions provided by greedy factory owners. In particular, these environmental features caused a wave of outrage and a rising tide of humanitarianism (need a ref). All things came to a head with the Cholera epidemic of 1831-33.

Edwin Chadwick headed a royal commission into the health of the labouring population of Britain. Chadwick argued the urgent need for sanitation and clean water, and pointed out that the majority of working class children died
before their fifth birthday (Chadwick, 1842). Along the way major actions were put into place to start sanitary reform in England in the form of four principal movements:

- the forming of 1200 locally elected boards of health (mainly concerned with environmental health)
- Poor laws of 1834 - provided basic health services
- 1933 Factory Act - Provision of inspectors
- The Registration Generals Office - register birth, marriages and deaths to enable further demographic information

Amongst all this, in 1840 the great sanitarians of the day (need names, am I right in thinking nightingale etc) took on the task of tackling the 'filth diseases' and cleaning up the cities and facilitating personal wellbeing (porter, 19...)

“When the National Health Service was established 60 years ago, its architects were preoccupied with the lives taken and destroyed by the major infectious disease epidemics that had swept Victorian Britain. Since then, huge progress has been made in tackling infectious disease and the modern NHS has made common-place, what just 50 years ago would have seemed medical miracles. These improvements in care and quality of life have saved millions and transformed our experience of healthcare. But they have also exposed a growing problem of the so-called ‘lifestyle diseases’ of which obesity is the foremost” (Brown, 2008)

In the late 1970s, both Ivan Illich (1976) and Sander Kelman (1975) criticised western culture for its failure to evolve in its outlook on health and the destructive manner in which health care is practiced. At this stage the most prominent concepts of health are still the machine model and the germ theory of disease (Kelman, 1975), Illich specifically attacking the use of vaccines and the mediatisation of life and public health. However, disease as abnormality or damage, either physiological, biochemical or psychological, was a widely held definition for the past century (Baxter, 1990).

### 2.2 Models of Health

Looking at health from the perspective of health can be problematic. Currently the medical model is the most widely used definition in the United States, however it is widely criticised as being too simplistic and the World Health
Organization (WHO) Model has gained in popularity during the past several decades. In addition, there are other newer models—the Wellness Model and the Environmental Model—that are adding new meanings to the definition of health (Larson, 1999).

2.2.1 The Medical model

The medical model is the most widely used conceptualization in medical research (Larson, 1999). The World Health Organisation (1947) clearly encapsulated the model when they said ‘the absence of disease and infirmity’. Of course this brings the question of ‘What is disease?’ According to Ludwig (1975), ‘sufficient deviation from normal represents disease, that disease is due to known or unknown natural causes, and that eliminating these causes will result in cure or improvement in individual patients’. This definition raises many problems; one of which is in defining normal - what is normal? Normal for whom? Normal for what? (Blaxter, 1990) The Oxford Dictionary (1999) defines normal as ‘conform to standard; usual or expected’. Specifically, in reference to a person: 'free from physical or mental disorder'. This makes the bio-medical definition of ‘health’ as a deviation from the normal still very hazy and open to interpretation.

Also, with the idea of ill health being seen as a deviation from the norm, it does not take a huge leap to come to make the connection of such deviations being that of social and moral norms, causing society to consider them as tainted or bewitched (Blaxter, 1990) inevitably causing social unrest and poor wellbeing, this can be easily seen through the attitude of the press toward weight issues – indifference or blame in the case of obesity, and sympathy and awe in the case of eating disorders (Hill, 2006).

There are many criticisms of the Medical Model: Kelman criticises this model as it is unable to incorporate emotional and psychosomatic processes, and the social and environmental rather than individual causes of illness. It has been under criticism for some time as inadequate in the modern world. Half a century ago Rene Dubos (1569) asked: ‘Why does infection not always produce disease? Why is disease comparatively rare, when infectious agents are everywhere?’ Also, the model’s lack of flexibility with regard to emotional and psychiatric disorders has long been under examination (Larson, 1999).
‘The dangers inherent in pursuing a narrow biomedical approach to illness are ever present, and have led some to set up parallel psychosocial systems in competition to, and in conflict with the biomedical system.' (Stott, 1989) The following three models are the ones that I have found to be most commonly used in current literature.

2.2.2 The WHO Model

"A state of complete physical, mental and social wellbeing and not merely the absence of diseases and infirmity." The World Health Organization 1942

A more holistic view of health was taken by a newly formed WHO in 1947 (World Health Organisation). The WHO Model ventures into new territory of social health. It defines the social health of an individual as "that dimension of an individual’s wellbeing that concerns how he gets along with other people, how other people react to him, and how he reacts to social institutions and social morals". This approach was revolutionary in 1948 and deemed to be utopian, but now is considered conventional wisdom by many (Greenfield and Nelson, 1992; Larson, 1999). However it still has its shortcomings in the simplification and absoluteness of the definition, as it is easily discredited: for example, “In a 14-day period the average adult experiences about four symptoms. Viewed in this light, we are all sick” (Wood, 1986)

One of the other main problems with this definition of health is in the measurement and definition of its parts (Goldsmith, 1972). How does it measure social wellbeing? This was attempted by Alameda County Study in USA where the WHO definition was used to measure the health of the population

The study did however highlight that five common habits were strongly and independently related to mortality:

- smoking cigarettes,
- consuming excessive quantities of alcohol,
- being physically inactive,
- being obese or underweight, and
- Sleeping fewer than 7, or more than 8 hours, per night.
These associations were not due to pre-existing disease, and health practices predicted mortality independently of socio-economic status, race, and psychological factors (Berkman and Breslow 1983).

2.2.3 The Wellness model

The Wellness Model says that health is more than the absence of illness and also has positive dimensions such as wellbeing, energy, ability to work, and efficiency (Schroeder 1983). Greer (1986) points out that health is greatly influenced by personal feelings, energy, comfort, and the ability to perform, therefore it is important to realise that health is far more complex than other models may indicate. The Wellness Model recognizes that very large numbers of diseases are healed by the body itself (Dubos 1979). Dubos (1979) also recognises that as disease is personal, we are also expected to actively seek recovery. This takes the responsibility away from the governmental agencies and puts the onus on the population itself.

In short, by choosing health you are far more likely to achieve it.

This is the only model to take into account aspects of life such as religious faith. Ellison (1990), looked at the effect of religious devotion and concluded that its effect on wellbeing “is direct and substantial: individuals with strong religious faith report a higher level of life satisfaction, greater personal happiness, and fewer psychosocial consequences of traumatic life events”.

This was further investigated in a study at Yale University, when 2,811 non-institutionalized elderly respondents demonstrated that “higher levels of public religious involvement” are associated with “lower levels of functional disability and depressive symptomology” and that women’s health improves with “public religious involvement”, while men’s health is more strongly associated with “private religiousness” (Illich, 1976). However this does not perhaps tell the whole story; “public religious involvement” may in fact promote many other things, such as greater physical activity, stronger and wider social support network, community involvement promoting a greater sense of purpose. “Private religiousness” may also have different advantages, beyond spirituality, such as entering a meditative state of prayer, promoting deeper consideration of life’s problems, strong moral codes and in turn perhaps better social connections.
2.2.4 Environmental Model

In his paper 'The Social Nature of the Definition Problem in Health', Sander Kelman (1975) covers many inadequacies of modern medicine in the treatment of the mental and physical illness and the lack of preventative environmental care which is undertaken by the health system. The Environmental model is based on the idea of health as harmony between the individual and their environment. According to Illich (1976) the study of disease trends over the last century has shown that environment is the primary determinant of the health of the population.

Although there is evidence of an environmental model of health as early as 2000 AD in India, (see section 2.1) it wasn’t until the mid twentieth century that the idea has been brought forward in modern western medicine (Blaxter, 1990).

Cancers have, since the 1970s, been recognised in 60-90% of cases to be the result of environmental carcinogens, and chemotherapy or surgical removal prescribed, rather than environmental prevention (Kelman, 1975)
2.2.5 Conclusion

Breslow (1989) contends that health status measurement should be expanded to include the dynamic equilibrium of people with the environment and their capacity to live physically, mentally, and socially. This measurement would combine the environmental and WHO models of health, and Breslow believes that this would be a significant advancement in health status measurement. However I think that it is important to look at health from many angles and, despite the many contradictions involved in defining health within these models, I feel nevertheless that all models need to be considered.

When looking at an epidemic such as obesity it is very easy to put forward the simple solution to ‘eat less and move more’. However this does not take into account the complexities of modern-day life and the personal challenges that this may present to individuals and does not begin to tackle the issues that have been identified. It also does not take into account the enormous impact of the environmental changes which have evolved over the last forty years.

Amongst the many problems presented by today’s society: the constant, overly-commercialised bombardment with unsatisfactory ‘choices’; the accelerated pace of living; the ever-lessening demand for physical activity and the constant increase in stress; increased technology and ‘remote controlled’ energy saving devices; ready-made and convenience foods and the decline in pedestrian shopping; run your own world from the convenience of your computer chair ... obesity is a symptom of our own making – not a problem dealt by nature.

Obesity prevention is necessary in order to stem the steady rise in cases of obesity and, although all experts agree that prevention is what’s needed, almost no research exists in this area (Muller et al. 2001). However it appears, when looking at the problem from the aspect of public health, that the most obvious solution lies in the use of an environmental model of health (see section 2.2.4).

Government agencies need to approach the matter from the idea that obesity is majorly an environmental problem which needs to be dealt with as such, both in terms of obesity prevention and treatment, by promoting the right options and inhibiting as much as possible the wrong ones. However, even with this strategy strongly in place, there is still a need for the treatment of the individual, as environmental changes take time to have an effect. This requires a more holistic approach, meaning that a combination of environmental and wellness models needs to be
used. This again can be partly orchestrated by the government (possibly by the provision of funding), but could also be provided by private companies that are operating within the weight loss market.
3. Literature Review - Healthy Lifestyle for weight loss and maintenance

3.1 Problems of obesity

Unlike many species of animal, humans have the ability to thrive in a wide variety of different environments on a variety of diets. However because we can eat most foods, we do - and now that the food industry has evolved to a point where it is feasible to eat at a constant rate and our physical environment is such that less physical activity is needed, as a result we have become obese (Jenkins, et al. 2010).

The terms ‘obese’ and ‘overweight’ refer to the two levels of excess of body fat, (Mintel 2007) that allow us to assess the level of the problem within the population. Currently in the UK 41% of men and 33% of women are overweight and a further 25% and 20% obese respectively (Food Standards Agency and Department of Health 2004). Market research company Mintel (2007) say that this global problem is due to ‘more calories in and fewer expended’. It is our ‘increasingly sedentary lifestyles and eating habits that encourage snacking and processed foods over freshly-prepared meals are seen as the root causes.’

But what problems does this actually cause?

The number of patients being diagnosed as obese has increased by 837% over the past ten years (Department of Public Health, 2009). As a result, obesity is currently costing the NHS £1 billion. In 2008, the number of prescription items dispensed for the treatment of obesity was 1.28 million; this is ten times the number in 1999 (127 thousand) (Department of Public Health, 2009) and a further predicted £3.6 billion a year to the UK economy (Gilmore 2006) and is looking to overtake tobacco as a cause of premature death (Mintel, 2007). In addition to these figures, the analysis of data the NHS for 2004 showed the direct cost of heart disease was £15.7 billion, a major risk factor for obese individuals (Mintel 2008). It was also found that 47% of men and 44% of women in the obese category had high blood pressure compared to 16% of adults in the normal weight group (Department of Public Health, 2009). Therefore it is understandable that obesity is a hot topic in the UK at the moment; the potential financial risk involved in the treatment of the obesity epidemic.
Worryingly it doesn’t look set to disappear anytime. With the government advice taking the straight forward approach of ‘eat fewer calories and exercise more’, there is a serious failure to tackle both the environmental issues causing obesity as well the major challenge of maintaining weight loss. Only an estimated 20% of individuals manage to intentionally lose 10% of their initial body weight and maintain that loss for a minimum of one year (Ayyad and Andersen, 2000). It has been shown that individuals that have successfully maintained their weight loss for two to five years have a far greater chance of long term success. However it requires a constant focus on diet and exercise over this period (Wing and Phelan, 2005), making the simple solution of ‘eat fewer calorie and do more exercise’ seem somewhat inadequate. What is really needed is more extensive environmental and lifestyle changes including diet, physical activity and psychological adjustments for a major proportion of the population.

3.2 The Past Solutions

Methods of weight loss are varied, with cutting down on fat, the front runner in the battle to fight the flab. KeyNote forecasts that the market for RFRS products and slimming products will increase in value by 11.2% between 2008 and 2012, to reach £3.02bn and then later slow as consumers turn to more natural products and functional foods (Keynote, 2009). However Mintel state that this is already occurring (mintel, 2009) and the natural food market is already a big player in the weight-loss market.

The most common dietary strategies for weight loss were to restrict certain foods (87.6%), limit quantities (44%), and count calories (43%) (Wing and Phelan 2005). Reducing fat intake has been a common strategy adopted in the treatment of over weightness or obesity for the past twenty years (Brand-Miller, Holt, Pawlak, and McMillan, 2002).

3.2.3 Fad Diets, Quick Fixes and False Promises - history of diet

The ever rising number of obese individuals is a testament to all the times we have signed up to a fad diet, for a quick fix and found only a false promise.

Dietary fads are known from ca. 500–400 B.C. (Williams 1989), when athletes and warriors used to consume foods that were thought to promote certain qualities such as deer liver or lion heart to promote bravery, speed or strength, (Applegate and Grivetti, 1997).
The human race has tried countless methods since those early diets to get what we need from our bodies, whether that be better performance or a smaller waist - we have tried it all. To name but a few: the Duke of Normandy William II on gaining a little weight went on an alcohol only diet; the Edwardians chewed every mouthful fifty times and Dr Gustav Zander invented a machine designed to massage away your fat in the 1850s. (ABC News, 2005)

It was only in the twentieth century that we really started to understand the relationship between diet and improved performance, with the dawn of research into understanding muscular work, fuel use during exercise, and the specific roles of protein, fat and carbohydrate (Horstman 1972, Van Itallie et al. 1956). Science took the leading role. However we seem to have simply ignored it like a petulant child, hell bent on doing exactly what we think is best! So, in the twentieth and twenty-first centuries, we have turned our eyes to the stars. Celebrities can offer often the worst examples of weight-loss programmes, and yet we seem intent on ‘giving it a go’. To name just a few throughout the ages, the “Sleeping Beauty Diet” (being sedated for several days), ”The Three-Week Trance Diet,” "More of Jesus, Less of Me" and “the tape worm Diet” (ABC News, 2005).

Even today we are struggling with this problem. For some years there has been an interest in exploring the effects of high-fat and high-protein diets on the control of body weight (Jenkins, Mirrahimi, Nguyen, Abdulnour, Srichaikul, Shamrakov, Dewan, Sievenpiper, Kendall, 2010). Mostly backed up by various nutritional studies on the weight loss benefits of a diet with certain macronutrient ratios, however there is a fundamental flaw in most obesity research which we will discuss in the next chapter.

So at present we don’t appear to have got there just yet as a species but, has the scientific research provided us with an answer?

3.2.4 Barriers to success

According to Mintel’s report on Functional Foods (2008), consumers have never been so conscious of the impact of their lifestyle or had more information about the benefits of a balanced diet to our health. This has resulted in the rapid expansion of the healthy-eating market, covering everything from superfoods and organic, through to foods designed specifically to cater for this market by claiming certain health benefits, such as the lowering of cholesterol. Despite this claim by Mintel, the perception of the general public is that no one ever succeeds at long-term weight
loss (Wing and Phelan 2005), not surprising, when weight loss maintenance is seen as one of the major challenges or obesity treatment (Ayyad C, Andersen T.2000).

Body weight management is a complex task involving the interplay of behavioural components with hormonal, genetic, and metabolic processes (Douglas et al, 2008) and although there are many interlacing reasons why people struggle with weight loss it would be beyond the scope of this paper to go into to the detail necessary to cover them all, however several are covered below:

3.2.4.1 Not fitting with current lifestyle

Consumers often follow commercial weight-loss programmes which can be expensive, very difficult to follow, impinge on family life and unbalance daily living (blades, 1993), such as Very Low Calorie Diet (VLCD) often promoted by diet plans and slimming club, such as Weight Watchers, or the Maple Syrup Diet or restricted content diets such as the Cabbage Soup Diet. As a consequence, life becomes more stressful and the imbalance progressively appears to outweigh the perceived benefits. The result is that the diet is not sustainable and eventually breaks down over time. Likewise, exercise programmes taken up at the beginning of a new slimming regime which, beyond the initial spurt of energy, begin to disrupt and impinge upon normal family lifestyle, also eventually result in waning enthusiasm, loss of momentum and become unsustainable.

3.2.4.2 Loss of confidence and the cycle of Yo-Yo dieting

As a consequence of the breakdown in following the planned diet and exercise regime, there is an immediate gain in weight and a resultant feeling of failure (blades,1993). Also, during the initial successful period of weight loss, new clothes have often been purchased and the inevitable weight gain can result in a return to the wearing of older, less fashionable clothes, with a subsequent loss of confidence, resort to comfort eating (by way of compensation), greater weight gain and the cycle continues. (blades,1993)

3,2,4.3 Unrealistic Expectations

For some people, their dissatisfaction with their current body image does not just apply to their weight but also to the general shape of their body. (Stice,1994) Their expectation when beginning a slimming diet may be that they want to lose weight from a particular ‘problem’ area, such as the waist or thighs. This is a feature which is likely to occur when the slimmer does not have any support, or lacks the knowledge of nutrition and exercise to realise the
inevitability of this. The slimmer has to be content with the fact that fat will be lost from many areas of the body including, for example, the face or the bust, even though this may not be the desired result. It is often the case that the required area may be amongst the last to lose persistent layers of fat, and this long delay and dissatisfaction with losing fat from undesirable areas may result in giving up and regaining weight. This problem illustrates the huge advantage of slimming clubs and personal trainers, as they have someone on hand to reassure and encourage them at these hard stages, however it does highlight the shortcomings of many diet books and other ‘at home’ weight loss methods.

**Stress and Binge Eating**

The society we live in is evidently becoming more stressful and people are increasingly suffering from stress related illnesses. A recent investigation into psychosocial stress in relation to changes in weight (8) confirmed that stress relating to both home and the workplace was responsible for weight gain in both men and women. Needless to say, gaining weight, inability to lose weight or general dissatisfaction with body image is a cause of stress in itself. Many people counter stress by binge eating in order to compensate for their undesirable stressful state. However in the main, obesity and eating disorders are regarded as separate problems (Hill, 2006) and therefore has only been looked at briefly as it sits outside the scope of this report.

**Diet causing a state of Starvation**

Then there are the diets themselves: those which involve fasting or very restricted portions with low calorie (VLCD) intake can mean that muscle proteins are used by the body for energy purposes and that potassium levels may also become depleted; giving rise to possible heart problems and also to depression of the body’s basal metabolic rate. This change in metabolic rate, in effect, means that the body’s reaction to the drop in calories is that it instinctively fears it is in a dangerous state of possible starvation and goes into energy conservation mode, consuming the calories it takes in as food at a slower rate in an effort to build up fat stores to hoard as energy. The effect on the body is an increase in weight – setting up a classic yo-yo dieting cycle, which actually compounds the initial weight problem. (blades,1993)

Following the second world war, research into human starvation carried out by biological researcher Ancel Keyes (1950) revealed that in the three-month period after the semi-starvation ended, people were found to be much
more obsessed with food than is normal - and liable to eat up to eight times as much food as they had done before the study began. Their restricted diet amounted to about 1500 calories per day (similar to many calorie controlled diets such as Weight Watchers, Rosemary Conolly, Atkins and Zone) and this would appear to indicate that food deprivation is not a successful route to sustained weight loss. (4) It is necessary to add at this point that many diets may not be based on restricted caloric intake, however they are in fact that through other mechanisms designed to reduce caloric intake, such as high protein levels, promoting higher satiety levels and therefore intake of less calories (ref here)

3.2.4.4 Lack of Exercise in the weight loss Process

Exercise has long been recognized as being of additional benefit to slimmers, in assisting them to lose weight and maintain it at a healthy level. However, it has been noted that rigorous exercise is often followed by increased hunger and tiredness, resulting in increased food intake and less activity, which can in turn negate the weight-loss benefits which have been accrued. Cloud (2009) concludes that it is not clear whether strenuous forms of exercise such as running carry more benefits than a moderate activity like walking while carrying groceries, and that ‘fiery spurts of vigorous exercise could lead to weight gain’. This highlights the problems with undertaking a vigorous exercise regime that does not fit with the dieter’s lifestyle and in some way discredits the attitude of health and leisure centres in their approach to exercise.

3.2.4.5 Less activity makes you hungry

Batmanghelidj (1998) studied the way the body breaks down fats and proteins for their energy value. Whilst each gram of protein or sugar provides only four calories of energy, each gram of fat provides nine calories of energy and so the body has greater reserves of energy and consequently feels less hungry. When muscles are active, they activate a fat-breaking enzyme called ‘hormone sensitive lipase’ which can continue to be produced for up to twelve hours after the activity has ended. However, when muscles are inactive, their protein is broken down for conversion into sugar, providing less energy and therefore greater hunger. Thus, a vital component of any dieting regime should be muscle use (exercise) for its long lasting primary and physiological effect on fat breakdown and increased energy.
3.2.4.6 Repeated Dieting (Yo-Yoing)

Obesity is regarded as a preventable cause of premature morbidity, and yet obesity rates have increased substantially in recent decades, (Navarro-Barrientos, et al. 2010) despite increased research into its causes and some radical solutions, including extreme diets and surgery - which it is found often lead to a regain of the weight lost over a period of one to five years. (Navarro-Barrientos, et al. 2010)

Some people, who often become obese, have a slightly different attitude to food. Whilst, for many people, normal eating is initiated by internal cues such as hunger pangs, Schachter (2007) argues that many obese people are far more susceptible to external cues such as: seeing food, tasting food or merely recognizing the ‘time of day’. (6b) Their overall ‘desire’ for food was not shut off by feeling satisfied after eating an adequate amount, but allowed them to continue to eat far in excess of what the body needed, if they were enjoying the eating experience. (Hodgeson, 2007) This evidence was born out in a number of different experiments involving: taste; prominence of display and immediate availability - and obese people were most likely to overeat or ‘take the bait’ than people of a normal size in every event. (Hodgeson, 2007) Some people may therefore fail to maintain their weight loss because it is simply more difficult for them to resist food and keep control of their food intake than it is for others.

This is a considerable nail in the RFRS coffin. These foods often allow people to eat as much as they normally would of a product without reducing portion size, and these are also often highly processed foods, something which has been shown to be a major cause of hunger dis-inhibition. Kenton (2004) prescribes a more natural diet in order to combat the problems of dis-inhibition. This problem also applies to many diet products, such as the weight watchers meals, supermarket RFRS ready meals and meal replacements, such as ‘slim fast’ and ‘biggest loser’

3.2.4.7 Lack of Water

Dr F Batmanghelidj’s (1998) studies have indicated that many people are overweight because their brain mistakenly confuses the signal for hunger with that for thirst. This occurs because the body requires water in order to access the energy stores in fat and, once it has sufficient water to allow it to do this, it is then able to access the fat stores it already has. If the body is short of water it is unable to access energy stores and it presumes that there are none available and that it is therefore hungry. Many people were able to lose significant amounts of weight through
following his advice to drink water before eating food when they felt hungry. This enabled them to separate the two sensations and they no longer overate in order to satisfy what was often actually an urge for the intake of water.

Many slimmers who enjoy cold drinks are inclined to consume ‘diet’ drinks which contain no appreciable calories and it is assumed that these manufactured beverages can replace the needs of the body for water. They are sweetened with either saccharin or, in more recent years, aspartame and several scientists (including Blundell and Hill, 1986) have shown that these non-nutritive sweeteners in solution will enhance appetite and increase short-term food intake. Tardoff and Friedman have shown that this urge to eat more food after artificial sweeteners can last up to ninety minutes after the sweet drink. This is due to the brain retaining its urge to eat when the taste buds for sugar are stimulated without sugar having entered the system. The addictive properties of caffeine, also contained in these diet drinks, adds to the regularity with which they are drunk and many scientists feel that they are a major contributor to weight gain in the very people who are drinking them while seeking to lose weight.

Although this has been known for several decades, this is not public knowledge and many of the drinks provided by the drinks industry fit into this category. There are also few diets that address this issue directly and therefore educate the consumer as to how they should be treating their body in the long term.

3.3 Current Thinking – The cause of the problem

It is commonly held that overeating and inactivity are the major causes of obesity. However this does not fully explain the matter. Energy intake is on a downward trend; total energy intake for 2008 was 2,276 kcal per person per day, a decrease of 1.9% from the previous year (Department of Public Health, 2009), and there is evidence to indicate that the body’s natural weight-control mechanisms are not functioning properly in people with obesity (Baillie-Hamilton, 2002). As I stated earlier, body weight management is a complex task involving many aspects of human behaviour, as well as hormonal, genetic, and metabolic processes (Douglas et al, 2008) with a serious amount of commitment needed over a prolonged period of time (Aayad and Anderson, 2000; Wing and Phelan 2005; Ma´rquez-Quínones et al., 2010). This was illustrated in a study by Wing and Phelan (2005) that if individuals can succeed at maintaining their weight loss for two years, they can reduce their risk of regaining the weight by nearly 50%.
There is a silver lining on the black cloud of the obesity epidemic. Like many past epidemics (Cholera epidemic in the late 1800s) weight management has become a major public health issue, increasing interest and funding for research and more thorough comparative trials of weight loss diets (J. T. Winkler, 2004).

One of the most conclusive areas of research has been that into the causes of the obesity crisis, there is a growing body of evidence which states that the largest cause of the obesity epidemic is an environmental one.

*Energy intake and energy expenditure are consequences of behaviours (e.g. choosing foods, eating foods, watching TV, playing sports) that are themselves influenced by a wide range of internal and external determinants. These include the characteristics of the food supply, the knowledge, attitudes, emotional state and experiences of the individual, and the social and cultural context in which the behaviour occurs.*

*Wardle, 2006*

Our environment has changed significantly during the last few decades in several ways:

- Reduced physical activity; China offers a clear example of the speed at which the problem of obesity can develop. It is estimated that over the past thirty years the urbanization alone in China has reduced daily energy expenditure by about 300–400 kcal per day as well as a further variation of 200 Kcals a day determined by transport choices, as well as a further 400-800 Kcal per day due to TV and computerization (James, 2007).

- Studies in humans and animals show that energy intake is affected by characteristics of the food environment (Wardle, 2006). Studies have also shown that calorie intake is higher when the meal consists of a variety of foods compared with a single food type, (Rolls, 1985) when the food is more palatable (Bobroff & Kissileff, 1986) and when it is presented in more energy-dense formulations and in larger portions (Ello-Martin, Ledikwe, Rolls, 2005).

Therefore an abundance, of easily available, and affordable energy-dense, highly palatable foods; often carbohydrate dense and in large portions are counterproductive to weight control and promotion and advertising provide additional exposure to food cues (Hill, 2006; Brand-Miller, Holt, Pawlak, and McMillan, 2002).
A huge increase in the production of a multitude of synthetic organic and inorganic chemicals (Baillie-Hamilton, 2002). These have in various ways made their way into the food chain, whether by directly administering them to plants and animals, through their food or simply through their polluted environment. Many of these chemicals counteract our weight loss efforts (e.g. estrogenic hormones given to cattle to induce faster growth, is then pasted into the population and increases their weight (Geary, 1997).

Most policy makers do not yet understand that the obesity epidemic is a normal population response to the dramatic reduction in the demand for physical activity and the major changes in the food supply of countries over the last forty years. A national focus on individual behaviour reflects a failure to confront the facts. Failure to recognize that the individualistic free-market approach to obesity prevention is guaranteed to fail.

James, 2007

All the above points make it clear that attempts to halt population weight increases by targeting the individual to alter their food consumption, without modifying their environment, are likely to have a limited impact (Wardle, 2006)

### 3.4 Government Approach

Most policy makers do not yet understand that the obesity epidemic is a normal population response to environmental factors which have caused the dramatic reduction in the demand for physical activity and changes in the food supply over the last forty years (James 2008). However there is evidence that the UK Government is heading in the right direction, with the current political campaigns, particularly ‘Healthy Weight, Healthy Lives’, strategy launched by the government in January 2008 with a budget a £372m and the ‘Five-A-Day’ Campaign in 2003.

We must do nothing less than transform the environment in which we all live. We must increase the opportunities we all have to make healthy choices around the exercise we take and the food we eat.

(Gordon Brown, Prime Minister, 2008)

According to Tackling Obesities: Future Choices, a report published by Foresight (the UK Government’s science-based futures think tank, based in the Government Office for Science), 60% of adult men and 50% of adult women
could be obese by 2050. The Foresight report predicts that, by 2050, 25% of all those in the UK under 25 will be obese. Obesity is largely viewed as a lifestyle-dependent condition with two primary causes: excessive energy intake and insufficient physical activity (Paddon-Jones et al., 2008).

### 3.4.1 Healthy Weight, Healthy Lives

‘Healthy Weight, Healthy Lives’ is a government policy launched in 2008. It has brought together a series of health campaigns, related to weight and other basic health issues. The focus in this initiative shifts from obesity to a more general promotion of healthy weight including those that are just overweight rather than obese. (Mintel 2008) It was designed with the express aim to reduce levels of population weight through environmental change by the following measures:

- Identify at-risk families as early as possible and promote breastfeeding as the norm for mothers – *Originally part of the Healthy Start initiative*
- give better information to parents about their children’s health by providing parents with their child’s statistics from the National Child Measurement Programme (NCMP) – *not in fact a new initiative, it has been running since 2005*
- invest to ensure all schools are healthy schools, including making cooking a compulsory part of the curriculum by 2011 for all 11–14 year-olds (Healthy Schools has been running since 1999 (healthyschools.gov.uk) - *in theory this is a fantastic idea, although there is a section of the syllabus which directly relates to nutrition and health, (KS3 Curriculum, 2011). In order for this policy to be of real value this section of the syllabus would need to be a major priority.*
- ask all schools to develop healthy lunch box policies, so that those not yet taking up school lunches are also eating healthily. (*Originally part of Healthy Schools program*)
- develop tailored programmes in schools to increase the participation of obese and overweight pupils in PE and sporting activities
- invest £75 million in an evidence-based marketing programme which will inform, support and empower parents in making changes to their children’s diet and levels of physical activity – this is the Change4life Campaign.
• Invest in improving cycling infrastructure and skills in areas where child weight is a particular problem, as part of the recently announced package of further funding of £140 million for Cycling England – this has now been axed as part of the recent government cutbacks!

The government claim that as a result of these initiatives, child obesity is now declining and is at its lowest level since 2001, as demonstrated in figure 1.

This initiative is a marked improvement on the past efforts by the government, only 6 months ago the Change4life website was much more basic, with several major flaws:

• Very limited information available
• Some weight loss advice was counter-productive (e.g. the advice to eat foods that were high in additives and sweeteners)
• Too simplistic advice
The newer version of this website is colourful and accessible, with easy navigation and the advice tallies closely with the leading medical research, far better than any previous government advice and many diet websites.

In addition to this campaign the Food Standards Agency has also introduced a traffic light labelling system for food and Ofcom has placed restrictions on advertising.

3.4.2 Food standards Agency-Food Labelling

There is new evidence that a labelling system, which is based on selecting low, medium and high criteria for the fat content of the food and then labelling it graphically with a traffic light system of green, yellow and red warnings, leads to immediate consumer recognition (23) and changes in food purchases, if this has been accompanied by clear publicity telling people that a high-fat diet is bad for them (James 2008). Inevitably, increasing numbers of consumers who are actively managing their diet will read ingredients and nutritional information on labels as well as considering the calorie, fat and sugar content of foods that they eat. (Mintel, 2008b)

3.4.3 Advertising

Children have been shown to be intrinsically vulnerable to messages which often manipulate them to persuade their parents to purchase products which are far from beneficial to their health (James 2008). OFCOM has introduced restrictions on the aiming of advertising of food and drink at children, especially those with high fat, salt and sugar content. These restrictions were initially aimed at children less than ten years old but, from 1st January 2008, to coincide with the launch of “Healthy Weight, Healthy Lives”, this was also applied to children under sixteen years of age.

3.4.4 Exercise

Current government guidance advises that all adults should be doing a minimum of thirty minutes exercise per day, on at least five days of each week (Hodgeson, 2007) According to the ‘Taking Part: The National Survey of Culture, Leisure and Sport’ preliminary findings published by the Department for Culture, Media and Sport enjoyment in March 2010, only 24.3% of participants took part in moderate intensity level sport and active recreation for at least thirty minutes on at least three separate days during the past week.
With the government’s new attitude to weight loss as an environmental problem, this leaves enterprises free to really tackle the problems experienced by the individual.

### 3.5 What is working

The National Weight Control Registry (NWCR), established in 1994 by Rena Wing, Ph.D. and James O. Hill, Ph.D. from Brown Medical School and the University of Colorado, to investigate the characteristics of individuals who have succeeded at long-term weight loss. Currently the NWCR is tracking over 5,000 individuals who have lost significant amounts of weight and kept it off for over five years. Detailed questionnaires and annual follow-up surveys are used to examine the behavioural and psychological characteristics of weight maintainers, and the methods they use to maintain this success (NWCR, 2010).

Data from NWCR, suggests that among the common features of successful methods of long-term weight loss and weight maintenance was the adoption of a low-fat, high-carbohydrate diet (Hill JO, Wyatt H, Phelan S, Wing R. 2005). However more recent data indicates that diets with moderate fat content may also be effective (Yancy WS Jr, Olsen MK, Guyton JR, Bakst RP, Westman EC 2004). The positive outcomes associated with increased dietary protein are also beginning to show high levels of success (NWCR, 2010).

Interestingly, about one-half (55.4%) of NWCR members reported receiving some type of support with weight loss (such as slimming clubs, physician, nutritionist, counselling - similar to that offered by Lighter Life), whereas the others (44.6%) reported losing the weight entirely on their own. Eighty-nine percent reported using both diet and physical activity for weight loss; only 10% reported using diet only and 1% reported using exercise only for their weight loss (Wing and Phelan 2005). Registry members reported eating 1381 kcal/d, with 24% of calories from fat (NWCR,2010). This reinforces both the need to eat a healthy, balanced, reduced calorie diet and the importance of exercise in weight loss methods. The single best predictor of risk of regain was how long participants had successfully maintained their weight loss. Those who had kept their weight off for two years or more had a significantly better chance of maintaining their weight over the following year (NWCR, 2010), which indicates that successful weight loss maintainers continued to act like they had just finished weight loss programs for several years following the initial loss.
Another predictor of successful weight loss maintenance was a lower level of dietary disinhibition, which is a measure of periodic loss of control of eating. Participants who had fewer problems with disinhibition were 60% more likely to maintain their weight over one year. Similar findings were found for depression, with lower levels of depression related to greater odds of success. These findings point to the importance of both emotional regulation skills and control over eating in long-term successful weight loss and eating a more natural diet in order to reset disinhibition levels. (Wing and Phelan 2005)

However we do still have a problem, it is clear that in order for an individual to lose weight that some reduction in calories needs to occur, without the body going into a state of starvation. Studies have shown that restrained eaters have stronger appetitive responses to palatability and lower responses to internal satiety signals (Herman CP, Polivy J., 1990), this can be achieved by changing the composition of the diet towards lower energy density while maintaining the food quantity, (Lindström et al.,2005) this can be affectively done by increasing protein and fibre and limiting fat.
Chapter 4 – Methodology

4.1 Introduction

The aim of this research is to adapt the model of a basic business networking company to tackle the problems of weight loss and the maintenance of weight loss for the overweight population, to thoroughly understand the problem being tackled both by the organisation within this market as a whole, as well as its customers. In order to ensure the success of a new product or service entering this market, meaningful market research is essential in identifying and defining a clear gap in the market in order to achieve the greatest possible degree of success.

It is also important to ensure that the proposed offering is appropriate for the chosen target market and their needs. The trends turning towards a change in lifestyle rather than diet, are most prevalent within several market segments, this has allowed a very specific target market (for further information on how this as defined see appendix k) which is a mainly overweight female audience, in the family- lifestage, in socio economic group A B or C1 and aged between 25-45

The objectives of this study have been broken down into 5 clear sections:

1. Investigation into the validity of a healthy living approach to weight control and obesity prevention.
2. Critical analysis of the current weight loss market
3. Exploration into the reasons behind the success or failure of various methods
4. Investigation into what is lacking in the products currently available
5. Development of current ideas

4.1.1 Research to be undertaken

The research of this project has been broken down into four consecutive sections in order to tackle the five objectives detailed above:
4.1.1.2 Literature review

This is broken down into two chapters, the first of which will examine what constitutes a healthy lifestyle, how it is defined and how this has been developed through history. Several models have been identified, one of which is particularly fitting for the approach of healthy lifestyle.

The author has then gone on to examine modern thought in the field of weight loss, identifying gaps in this information which may need to be examined in primary research by applying weight loss to this model of health, particularly in the field of obesity prevention.

The second chapter looks more carefully at current offerings within the weight loss market and their current success. Upon identifying the highest selling products, each one has been critically evaluated in terms of modern-day scientific thinking (as reviewed in the first chapter).

This review has brought to light several short-comings in the literature, which will need further investigation in the primary research:

- Why are various methods more successful than others?
- What preventative measures against obesity are appropriate for the individual?
- What are the products that the market is lacking?
- What are the problems that those in the target market are currently experiencing?

4.1.1.3 Focus Groups

Two focus groups will be used to explore the gaps in the literature from several angles, firstly by interviewing three individuals within the target market who have failed to prevent obesity and have later recovered from this problem - looking specifically at:

- the reason why they feel they have become obese
- the reasons why they have continually failed to recover the situation earlier, when they were merely overweight
- an examination of the diets they have embarked upon and why they have failed
- what may have allowed them to make an earlier recovery if available to them
4.1.4 Questionnaire

The primary objective of the survey will be to assess the pricing and brand strategy of this service set (this is primarily to be used in the following business plan for this service rather than directly for this project). However, it will also provide information on the following:

- Customer drivers for the weight loss market
- Current barriers to success
- Customer opinion of the diet market

4.1.5 Building business network’s business model

This is being addressed directly working alongside an expert in this area who currently works in business networking and will therefore help to produce an informed business model diagram, to be discussed on examining the results of the focus group and questionnaire.

4.2 Research Types

4.2.1 Primary and Secondary Research

Secondary research is examining and bringing together information that already exists within different forms of literature. This is often used as a basis for creating a clear picture of the current and previous research conducted in this field, and providing a well grounded set of background information commonly used as a precursor to all new research (Malhotra and Birks, 2006).

Primary research is the collection of new information through use of an accepted research methodology (Riley et al, 2000). The major advantage of primary research is that it can be used to reach new conclusions, that at present are not catered for in present research, and that can be tailored to the researcher’s particular needs.

Both primary and secondary types of research will be used in this study in order to be able to reach the research goals. Secondary research will be collected in the form of a literature review in order to create a clear picture of the current weight loss methods and the scientific backing of these methods and external environment within which they are sitting. The primary research will take this information and investigate its shortcomings, as well as the
opinions of the desired target market of this market segment, in order to create a clearer picture of what is needed
and whether the proposed service or product would satisfy the needs of this market.

4.2.2 Descriptive, Exploratory and Causal Research

Descriptive research looks to uncover clear facts as to what is happening in a situation, whereas exploratory research
looks to uncover (the reasons) why something is happening (Hakim, 2000). To give an example, descriptive research
would be looking at how many people subscribe to a particular diet. Exploratory research would be looking at the
reasons behind people choosing which particular diet to follow. The advantages of descriptive research are that it
provides clear factual data upon which a product or service can be built. No interpretation of the results is necessary
and it provides a provable foundation upon which to base decisions. The disadvantage is its inability to find out
things that aren’t being directly tested and look at what is causing the information gathered (Churchill and
Lacobucci, 2005).

The advantage of exploratory research is that it can be used by the researcher to find out new information which
they may not already know, rather than just measure factors they are aware of. The disadvantage of this method is
that the results of this research rarely provide grounds to base decisions on and for this reason it tends to be used to
inform descriptive research (Malhotra and Birks, 2006).

Causal research looks to establish a clear causal link between the impacts of one variable on another variable. An
example of this would be a study into what impact the government’s ‘5 a-day’ campaign has had on the number of
people in a community that eat five pieces of fruit or vegetables in a day. The problem with causal research is that it
is very hard to prove one thing to be directly the cause of something else. What is more often the case is that there
are a number of impacting factors, which means that getting accurate figures about what impact a particular
variable is having is very hard (Birn et al, 1990).

For this research a mix of exploratory and descriptive research will be used in order to get the most complete set of
results. Exploratory research will be used to explore the secondary literature on investigation into the validity of a
healthy living approach to weight control and obesity prevention and the Critical analysis of the current weight loss
market.

It will also be used during the focus groups in order to:
• look at the reasons behind the success or failure of various methods (according to the end user),

• investigate what is lacking in the products currently available and

• develop current ideas.

Finally the exploratory information will be used to create a descriptive survey in order to confirm findings from the previous research.

4.2.3 Quantitative and Qualitative research

Qualitative research is concerned with looking at non measurable aspects such as thoughts, opinions, feelings and the reasons behind actions. Unlike quantitative research it is most often conducted among small samples.

Qualitative research provides less solid conclusions than quantitative research because it relies heavily on how the researcher interprets the information they receive from the sample (Riley et al, 2000). The advantages of this type of research are that it allows the researcher to gain new knowledge rather than just test factors relating to existing knowledge. For this reason it is often used to work out what should be tested in quantitative research. ‘It is often appropriate to plumb people’s opinions first using qualitative techniques before determining exactly what should be measured’ (Birn et al, 1990). The disadvantages are that the reliability of the results is dependent upon the ability of the researcher to objectively interpret the data. It also fails to provide clear testable conclusions upon which decisions can be based.

Quantitative research results in a statistical outcome which is very hard to dispute without finding a problem in the research methodology. The purpose of quantitative research is to provide specific ‘hard’ data, capable of suggesting a final course of action’ (Parusuraman et al, 2007). This is achieved through finding a way of measuring important factors on a numerical scale in order to be able to show clear distinctions between variables (Riley et al, 2000). One of the main advantages of quantitative research is that no human interpretation is needed and researcher bias is easily illuminated (Malhotra and Birks, 2006). These results can then easily be converted to visuals in order to demonstrate the worth of this data. However, it only allows the subject to answer within a number of set responses and therefore is not the best tool for gathering information on people’s opinions and feelings (Birn et al, 1990). Another disadvantage is that usually a large sample is needed for any results gained to be considered accurately.
representative of the sample group, as anomalous results can influence the overall results and result in inaccurate figures.

This research will use a qualitative research technique to gain the opinions and attitudes first by a series of in-depth interviews with three individuals within the target market, who have failed to prevent obesity and have later recovered from this problem. Looking specifically at:

- why they feel that they have become obese
- the reasons why they have continually failed to recover the situation, both when they were merely overweight and when they have become obese
- an examination of the diets they have embarked upon and why they have failed
- what may have allowed them to make an earlier recovery if available to them
- what has finally allowed them to reduce their weight, and why has this been effective

Following this, three individuals from the target market who have managed to control their weight over the last twenty years, looking specifically at:

- What methods they have tried, the success of these methods and any compensations they have made in order to ensure the success of these methods
- What steps they have taken in order to self regulate their weight
- What tools they have found to make this process less labour intensive or more accessible
- What problems have they come across

The results of this qualitative research shall then inform a piece of quantitative research which shall be used to measure the levels of importance the consumers place on the factors identified. Quantitative research was chosen to test this because of the large number of people needed to test in order to get more reliable and accurate results, and the ability of the results to be comparable because they can all be easily measured. It also means that this section can be accurately repeated by others in the future without having the added variable of potential researcher bias. The disadvantage of this approach is that it prevents the consumers from revealing any new information and may lead them to rate certain things as more important than they actually are just because the factor has been
A potential way to help overcome this problem is to add an option at the bottom of each question for the subject to add in anything which has not been mentioned.

The primary objective of the survey will be to assess the pricing and brand strategy of this service set (this is primarily to be used in the following business plan for this service rather than directly for this project). However, it will also provide information on the following:

- Customer drivers for the weight loss market
- Current barriers to success
- Customer knowledge of the weight loss market
- Customer opinion of the diet market

4.3 Sample

There are two main types of sampling - probability sampling and non-probability sampling.

4.3.1 Probability Sampling

Probability sampling is used when the total number of people who share a relevant characteristic is known and then a proportion of these can be selected at random using a variety of different methods. The benefit of this type of sampling is that you have a clear idea as to how representative your sample is of everyone in that group which means that any claims made from the research can be more accurately validated. Riley et al (2000) describes it as, ‘the most effective means by which a detailed study of a sample can lead to legitimate and justifiable generalisations about the population from which that sample is drawn’. However the disadvantage of this method of sampling is that the total number of people in a specific group must be known in order to accurately work out how representative the sample tested is.

4.3.2 Non-probability Sampling

Non-probability sampling does not involve random selection of a population and so for this reason it is a lot harder to make generalisations about the results of the research because there is no way of knowing how representative the sample is of the overall population (Birn et al, 1990). However, there are sometimes circumstances where, for
feasibility or practicality issues, this type of sampling is necessary. There are two main types of non-probability sampling, accidental/convenience sampling and purposive sampling (Malhotra and Birks, 2006).

### 4.3.2.1 Accidental/Convenience Sampling

Accidental/convenience sampling is a method of sampling which just tests anyone the researcher can get to do the experiment/research. An example of this would be a researcher stopping random people on the street to get their opinion on something. This type of sampling is completely unrepresentative as there are no known parameters about the sample to make informed generalisations from their information.

### 4.3.2.2 Purposive sampling

This type of sampling is done where the researcher has a predefined idea about who they plan to collect information from. This type of sampling can be very useful when the researcher needs to, ‘reach a targeted sample quickly and where sampling for proportionality is not the primary concern’ (Trochim, 2006). It involves targeting people who are likely to fulfil the criteria required for the research and testing that this is actually the case at an early stage. One of the problems with this kind of research is that it increases the chance of getting an uneven spread of users within a population; differing time constraints of subjects within the target population might mean that most of the results came from people with more free time and therefore didn’t accurately represent those who were busier.

Another type of this Purposive sampling is Expert Sampling. This method tests the view of an expert in the researched area to gather information rather than approaching the target population instead (Malhotra and Birks, 2006). While this type of research doesn’t provide evidence which is as conclusive as targeting a large number of the target population, it has the advantage that it can provide valid background to another area of study without the need to conduct additional research. This type of sample selection can also be used when conducting research on a target population that is unwilling to undergo testing (Trochim, 2006). The disadvantages of this method are that experts can sometimes be wrong and that relying solely on their advice reduces the reliability of the final results.
4.3.3 Sample Method Chosen

4.3.3.1 Focus group sampling

The first part of the research looks to find out six members of the target markets opinions and attitudes toward the diet market and the current offerings. Currently there are many reviews of how various diets perform when tested with a sample of overweight individuals, however, this does not necessarily mean that the results found are not relevant when looking at an overweight target market, nor does it provide any conclusive information as to the reasons why these diets have various levels of success. The other great gap in the research is the area of obesity prevention, despite the agreement of several experts that such methods are necessary to put a stop to the rising levels of obesity. The in-depth interviews will explore these gaps in the literature from several angles; firstly by interviewing three individuals within the target market, who have failed to prevent obesity and have later recovered from this problem. These have been selected by contacting various weight loss programmes, and requesting that they ask one of their successful members to partake in this study. Stress was placed on finding individuals who fulfilled the following criteria in order to take part in the study:

- A long standing weight problem (having been in the obese or morbidly obese range for at least ten years prior to recovery)
- Return to the overweight BMI Range in recent years (between 25 and 30)
- Constant attempts at various weight loss methods over the past ten to twenty years
- Fitting the target market criteria (aged between 25 and 45, socio economic group A B and C1 and in the family lifestage)

Following this, three individuals from the target market who have managed to a large extent to control their weight over the last twenty years, have been identified. These have been identified by contacting local Weight loss groups, with the following factors stated as the necessary criteria, in order to take part in the study:

- Being in the overweight BMI category (between 25 and 30)
- Having maintained their weight over a long period of time
- Never having reached the obese BMI category in their lifetime
- Having used various diets to maintain their weight and lose weight over the past twenty years
• Fitting the target market criteria (aged between 25 and 45, socio economic group A B and C1 and in the family life stage)

4.3.3.3 Survey sampling

For the final part of the research, the target market segment for the weight loss market was tested. The very specific market segmentation makes calculating the total number of people it applied to impossible. For this reason a probability sampling method was adopted with a clear set of questions at the beginning of the research to identify whether the respondent was actually a member of the target research population. In order to increase the probability of contacting the appropriate participants, these questionnaires where circulated in various ways; firstly via suitable groups created on social networking sites, and secondly by contacting various groups of interested parties such as gym members and weight loss groups. As an incentive for potential participants, a review of the current literature on weight loss methods was sent to all participants. The disadvantage of this approach however is that it is likely that only certain types of people completed the research and there is no available data as to who these people were. There was no upper limit set on the number of responses wanted, however it was deemed necessary that a sample of more than one hundred and twenty would provide a representative view of the target population in order for conclusions to be drawn from the results (Parusuraman et al, 2007).

4.4 Research Methods

While there are a wide number or research methods available (a number of which were listed in the Research Types section), the Interview, focus group and Questionnaire methods have been chosen for this research for three reasons: Firstly because of the types of information that are needed to be found out; secondly because of the size of the samples being tested and thirdly because they are the most reliable and proven methods (within the cost and time limitations of the researcher) to gather the information needed. Further details on how these research methods meet these needs and why they have been chosen follow.

Questionnaires and interviews are tools that can be used to test a wide range of issues and be used to gather both quantitative and qualitative data. However, it is important to work out exactly who is being tested, what you want to find out, how much subjects know about a topic, how you plan to measure responses, what method you are going
to use to conduct the research and what language to use to avoid influencing the subjects responses (Riley et al, 2000; Malhotra and Birks, 2006).

4.4.1 Focus group style

The purpose of the focus group was to gather qualitative information about the attitudes, knowledge and opinions of the target market. An interview approach was chosen as a basis to further research in the form of a focus group, and to ensure that the focus group was as ‘to the point’ as possible. Fortunately all participants lived within a fifty mile radius of one another and therefore it was possible to conduct face to face interviews. This had the advantage that the researcher was able to see the reactions and facial expressions on the subject being interviewed, which could potentially have led to misunderstandings had the interview needed to be conducted over the phone (Riley et al, 2000). The subject was also informed prior to the interview what kind of things would be asked about in order for them to prepare the relevant information and not be surprised by any of the questions and forget to mention anything important. A carefully worded, non-leading semi-structured interview approach was taken with set questions prepared beforehand but not a rigid schedule of questioning to allow the researcher to gather more information in any areas where it was judged the question had not been answered fully. This has the disadvantage that it reduced reliability because of the subjectivity of the researcher judging what was considered a full answer or not. Other potential disadvantages were the subject providing responses which he believed the researcher wanted to hear, or pride related to weight loss failure may cause them to leave out details of those failures.

Because the topic of discussion is one that may be of a sensitive nature, therefore it is important to allowing the participants to have freedom to talk, more information may be offered than if they are asked direct questions.

4.4.3 Questionnaire

The primary objective of the survey will be to assess the validity of the findings of the in-depth interviews and specifically it will provide information on the following:

- Customer drivers for the weight loss market
- Current barriers to success
- Customer knowledge of the weight loss methods
- Customer opinion of the diet market
All questions were non-disguised, as knowledge of what the questionnaire was about was viewed to have no significant impact on the subject’s responses (Malhotra and Birks, 2006). However, the questions from various sections have been spread out to avoid subjects answering questions in a biased way based on how they feel they should act (Laroche, 2001). The Likert scale was used to measure attitudes as it provided a clear and well known system on which subjects could measure their responses (Riley et al, 2000). However the disadvantage of this system is that how people answer is subjective and how people interpret what each level means is different between people. This was why a Likert scale with seven options was chosen instead of a scale with five options, as it was thought to be able to give more reliable results. The questionnaire was trialled with a number of subjects to ensure that the questions were clear, easy to understand and the wording not considered leading. A review was made to the first version of the questionnaire as it was deemed to be too long and additional ‘unsure’ boxes were added in on polar questions to avoid forcing the subject one way or another. The disadvantage of this was that it perhaps prevented people from spending as much time considering their answer to a question as they just had the ability to tick the unsure option - however it was deemed necessary, in order to provide accurate results (Malhotra and Birks, 2006). The questionnaire was distributed: firstly via suitable groups created on social networking sites, and secondly by contacting various groups of interested parties such as gym members and weight loss groups. As an incentive for potential participants, a review of the current literature on weight loss methods was sent to all participants (rather than mail, phone or conducted in the street) because of cost and time limitations and all questionnaires were sent out and received back within four weeks.
5. Results

The brief interview with the business networking company director allowed the following business plan to be developed:

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Proposition</th>
<th>Customer relationships</th>
<th>Customer segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Their Members, All major purchases are made from within their community, therefore negating the need for outside partners</td>
<td>Developing and maintaining web content</td>
<td>B2B networking for senior decision makers only!</td>
<td>Networking, One-to-one meetings</td>
<td>Senior Decision Makers</td>
</tr>
<tr>
<td>Key Resources</td>
<td>Keeping up to date with current affairs</td>
<td>It’s all about working together</td>
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<tr>
<td></td>
<td>Running a variety of events</td>
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<tr>
<td></td>
<td>CR system built</td>
<td></td>
<td>Channels</td>
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<td></td>
<td>IT infrastructure</td>
<td></td>
<td>Events, Website</td>
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<td></td>
<td>Website</td>
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</table>

In order to give a quick overview of the result of the focus groups, below is a quick summary of the major finding, however more detail will be given in the discussion

5.1 Focus group 1

(Transcript can be found in appendix A)

Individuals who have failed to prevent obesity and have later recovered from this problem - looking specifically at:

- the reason why they feel they have become obese
  - Pre-disposition to excess weight
  - No self control/lazy
  - Exercise is boring
- the reasons why they have continually failed to recover the situation earlier, when they were merely overweight
  - Diets just don’t work for me
- Find diets hard to stick to
- Diets and exercise do not fit around their life
- Family commitments prevent giving the problem my full attention
- Diets not sustainable in the long run

- an examination of the diets they have embarked upon and why they have failed
  - Self-regulated – didn’t work or couldn’t sustain
  - Diet plans – felt too hungry, didn’t fit with lifestyle, didn’t work or are boring
  - Slimming Clubs – easy to follow but don’t maintain weight loss, often aren’t very healthy, often feel hungry
  - Slimming Pills – side-effects, hunger, not sustainable, didn’t always work

- what may have allowed them to make an earlier recovery if available to them
  - more one on one support
  - something that fitted in to more everyday situations such as eating out or in company
  - more satisfying food
  - more education

### 5.2 Focus group 2

Transcript can be found in Appendix B

Specifically at:

- What methods they have tried, the degree of success of these methods and any compensations they have made in order to ensure the success of these methods
  - Self-regulated – somewhat successful, but lacked motivation when didn’t know enough about what techniques work or are healthy
  - Slimming Clubs – tended to focus on healthier aspect of the diet
  - Exercise programs – adapt intensity to own fitness level, often lost enthusiasm
  - Join the Gym – preferred classes but often drop off if not with companion

- What steps they have taken in order to self regulate their weight
  - General healthy eating
  - More constant movement in everyday life
  - Introduce more protein
  - Drink lots of water

- What tools they would have found to make this process less labour intensive or more accessible.
  - Some general education on nutrition and exercise
  - A trusted source of useful information to boost self confidence in self regulation
• Easy way of finding information on food composition
• What problems have they encountered
  • Lack of all of the above

5.3 Questionnaire

Each of the following points of investigation can be represented graphically for ease of viewing, the information below refer to quite a vast number of weight loss methods. The top ten are represented below

- Customer drivers for the weight loss market
• Current barriers to success

• Customer opinion of the diet market
For more detailed comments on these weight loss methods see appendix C
7. Discussion

All parties appeared to feel the need for the provision of some level of education, perhaps most notably the group of participants that had struggled to regain control of their weight seemed either the least interested or the least aware of their lack of education in this field. This was clearly reflected in the methods of weight loss they had attempted in the past, their general attitude towards diet and their frustration at their lack of success, often leading to beliefs of the problem being the result of their natural disposition.

There were several barriers to success that were mentioned continuously, although it was noticeable that many of the opinions of dieter greatly conflicted each other highlighting a need to create an adaptive business model so that the offering can be moulded to the individual needs of the customer.

Time was also a major barrier to all participants; many find current methods of weight loss not fitting around their current lifestyle and family commitments, along with this lack of flexibility and sustainability was mention by all groups but particularly those who had lost control of their weight at some point. On the other hand those who had maintained control of their weight, were more keen on education in order to self regulate diet, this group having realised the need for confidence in their action if they are going to stick to their weight loss programs, also understanding that it was necessary to take control of the situation rather than to apportion blame else where (something which appeared to be occurring in the other focus group.

As regards Exercise, which both groups declared to be boring and too time consuming, the controlled weight group seemed keen to find ways in which to increase exercise in the rest of their life whereas the uncontrolled weight group seemed to have little interest in any type of exercise at all.

The uncontrolled weight group appeared to also feel more self conscious about there weight, feeling the need for support, but not enjoying the group sessions in the same way as the controlled group did (felt that the show and tell of loss or gain applied welcome pressure to eat well) they also had appeared to perceive more barriers to losing weight and would prefer a much more one on one situation within which to receive support.

Trust is also a major issue for all groups with each mentioning this as a considerable barrier. All these issue are vitally in need of being addresses by the weight loss market at present, leaving the perfect opportunity for a maverick company to come in and really shake the market up.
8. Conclusion

Weight loss is no small problem as it has been established in the interpretation of the literature, it is a consequence of environmental change, therefore the most logical solution to the problem would be aggressive environmental change, and however this would take serious action from the government which at present seems unlikely.

This brings us down to a more individual level of intervention, which will need to battle against these environmental issues.

Current medical research is inconclusive as to the best way to reduce weight in the overweight customer at present, as the way in which the body processes both inputs and output of energy create a complex web of reactions which are not fully understood at present. Much of the research can in some way be contradicted or complicated by some other study, leaving scientists baffled never mind the general public. This general confusion and incomplete picture created by current research has seeped out into the market, with products being produced in response to one piece of research, only to be contradicted by another leading to poor press coverage. This has resulted in a general mistrust of the diet market and a desire for a greater understanding of the potential solutions to the problem.

Many of the long standing methods of weight-loss have shown to be successful over a limited period of time, however often these are not sustainable and therefore lose their validity. It has been identified that consumers need flexibility, education and support in order to combat their weight problem. Desires many weight loss products claim to provide. This is not reflected at all in the primary research carried out for this paper and this is something that a product such as the one proposed needs to examine carefully.

At present the idea of adapting the model of a basic business networking company in order to tackle the problems of weight loss and the maintenance of weight loss for the overweight population does not seem to be a valid one, the need for consumers to have flexibility and tailored treatment. Weight loss customers are fiscal and the high dependence on fees as 95% of the revenue would be incredibly risky. However there are aspects of this model that may work if further investigations were made in to customer interests in the areas already identified, market research would also need to be done into the finer detail of possible products and customer spending and priorities to ensure that pricing and cost strategies are more flexible in this turbulent market.
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Appendices

Appendix A – focus Group 1 – Obese Dieters

AGENDA

‘Watching Your Weight’ Focus Group Meeting

8.00pm 7th December 2010

1. Format of meeting and recording methods

2. Need to control weight

3. Extent of weight problem

4. Methods of weight control employed

5. Successes and failures

6. Barriers to successful weight control

7. Most effective methods discovered

8. Summary

9. Any other business

Minutes of ‘Watching Your Weight’ Focus Group Meeting

Ince Blundell Village Hall

8.00pm 7th December 2010

Present: Kate Hayes, Elspeth Dewer, Betty Parton, Catherine Brown, Rebecca Carter, Pat Forsyth, Angela Edwards, Margaret Carroll, Cathy Every, Ann Billington, Linda Slee, Eileen Kelly, Georgina Cole, Nicola Frost, Michelle Gowney, Amy Winton
The meeting opened at 8.08pm.

1. Meeting format was discussed and no objections were raised to the recording of this meeting.

2. KH asked members of the group to share their experiences of the time in their life when they discovered they were experiencing problems with weight gain. Three members of the group said they had been overweight from an early age (childhood) and had felt that their weight had always been a problem for them. Most members of the group had begun gaining weight in their early to mid teens, although five did not become at all concerned about their weight until late teens or early twenties. In every case (all were mums), childbirth added to the weight problems and made it more difficult to gain control. Ages of the members of the group varied from twenty nine to sixty eight. Those who became overweight early in life (up to mid teens) were all under the age of forty five. The group felt that, on the whole, their experiences of weight gain were fairly typical of other people they had come into contact with who had severe weight problems.

3. The degree of unwanted weight-gain ranged from three stones to as much as eight stones. Mostly, this had steadily increased over a period of many years, plateauing from time to time for several years at a time. However, in two cases, weight gain had been fairly rapid, initially, over a period of about two years in their early twenties and there had been a more gradual increase over time.

4. In almost all cases, members had initially attempted to control weight gain by self-regulation and generally ‘cutting down’, but the limited success rate meant that something else was needed. Gradual weight gain continued whilst other methods were tried. Almost all the members of the group had tried slimming clubs to help them have a more structured approach. Weightwatchers was found to be simple to follow and some members lost several stone on this diet plan, however this was not sustained once the diet ceased and the weight crept back on and increased further. Others found they could not sustain the weightwatchers plan for a number of reasons: constantly hungry, couldn’t fit it in with family life, didn’t like the foods on offer, too many vegetables and fruit that don’t really fill you up … Many had tried Slimming World which allows unrestricted eating of certain combinations of foods and this had some degree of success as it was not necessary to feel hungry. Many had attempted to follow ‘fad’ diets which gained media popularity, such as Rosemary Conolly’s Hip and Thigh diet, The F-Plan and the Atkins Diet, which were all promoted in book form. The Atkins diet proved popular as this gave unrestricted access to meat proteins,
which seemed attractive, but proved in all cases to be unsustainable and not so attractive after a while as it felt like
an unhealthy option. Slimming tablets had been tried by the majority of the group and although they took away
appetite and produced some encouraging results, they had other side effects including fainting and nausea, which
made them unsustainable. Some members of the group had tried walking and swimming, as these were easier
forms of exercise for a bigger person to do – none of the group described themselves as particularly active people,
even in their youth. With continued failure, some members (six) had then gone on to more radical solutions such as
surgical procedures like a laparoscopic gastric band and stomach stapling. In this group, fifty percent had gone on
to take part in the Lighter Life slimming programme, which limits food intake to just four nutritionally balanced
powdered food packs per day and puts the body in a state of ketosis (as in the Atkins diet). It does not allow the
slimmer to stray from this and so there are no opportunities to cheat or weaken, without losing ketosis and wasting
several days’ efforts. It also involved weekly meetings, weigh-ins and counseling sessions to help them stay on track.

5. On the whole, all of the above proved to have some manner of success, although different degrees for different
people. A great degree of success came from the slimming clubs – although this proved unsustainable for all
members of the group apart from one, who had actually managed to sustain her weight loss of forty eight pounds
for two years and was happy to continue indefinitely with her maintenance diet. With regard to surgical procedures:
these proved successful in terms of weight loss, however, of the three who had had their gastric bands removed,
two had returned towards their previous weight levels and had gone on to find other methods to lose weight again.
The remaining members of the group had gone on to the Lighter Life programme and this appeared to give them the
quicker ‘fix’ they had been lacking. The fact that to cheat was to completely ‘leave’ the programme and negate past
efforts seemed to give them the resolve and the focus to stay on track. Six members of the group had been through
this programme and completed it at least one and up to two years ago and had managed to sustain their weight loss,
for the most part, since then. Four members of the group were in the middle of the programme and all four had
managed to move from the ‘morbidly obese’ weight range to that of simply ‘overweight’.

6. Many found that one of their biggest problems was trying to fit their own weight-control and ‘special diet’ in with
normal family living. Shopping for and cooking different meals to the rest of the family required planning, time and
was expensive. The pressures of trying to diet whilst looking after children, husbands and their needs, as well as all
of the pressures of modern day living, often coupled with a job, was such a ‘balancing act’ that it was difficult to
sustain. It was found to be easier if weight loss was successful but almost impossible, and tended to collapse, if weight loss was slow. Exercise regimes were often unattractive, as well as difficult to sustain for similar reasons. When family crises and personal problems, health or otherwise, came along, the increased stress and interruption of the regime resulted in loss of impetus and a return to normal habits. Having the right information and being able to trust it was felt to be a problem and that is why some uninformed and desperate measures were attempted. All members felt out of their depth when trying to decide upon the right course of action to take, when trying to lose weight. Many also found that the less they succeeded and the more stressed they felt, the more they felt the problem was insurmountable and they tended to comfort eat. Some members found decreased mobility due to health problems or injuries had a dual effect. When mobility was reduced, their reduced activity level simply compounded the problem. There was a distinct enjoyment of food for food’s sake for many of the members of this group and several had a real liking for more calorific foods such as double cream and thick butter. Some felt that alcohol intake had been a significant problem in their weight gain, although none felt that it was a particular danger to their health.

7. Of all the methods of weight loss discussed, the surgical procedures and the Lighter Life programme seemed to be the most successful in losing substantial amounts of weight and sustaining it. However, the counseling sessions which had accompanied both of these options seemed to be a major factor in re-educating the members in future lifestyle habits and eating habits. Many members of the group managed to fit in regular exercise in the form of walking or swimming, and all members said they felt rejuvenated, younger, like they recognized themselves in the mirror for the first time in years!

8. All members of the group enjoyed sharing their experiences and were looking forward to meeting again when the study was completed, to find out the results of our investigation.

The meeting closed at 10.40pm.

Appendix B – Focus Group 2: controlled dieters

AGENDA

‘Watching Your Weight’ Focus Group Meeting

64
Minutes of ‘Watching Your Weight’ Focus Group Meeting

Ince Blundell Village Hall

8.00pm 5th December 2010

Present: Kate Hayes, Barbara Lancaster, Betty Swift, Alison Shillington, Marika Jenkins, Brenda Carroll, Pam Bell, Nikki Ledsom, Margaret Paton, Sophie Ledsom, Terry Shillington, Valerie Ziebart, Natalie Jackson, Colette Bond, Katy Swift

The meeting opened at 8.05pm.

1. Meeting format was discussed and no objections were raised to the recording of this meeting.

2. KH asked members of the group to share their experiences of the time in their life when they discovered they were experiencing problems with weight gain. Apart from one member of the group who had been marginally overweight from a relatively early age (ten years old), the majority of the group started to feel their weight was in need of ‘watching’ during their late teens to mid-twenties. The groups ages varied from thirty two to sixty three and so covered a number of different ‘eras’. Largely speaking, the members of the group who were born in the 1940s and 1950s tended to have had slightly less problems in their teens and early twenties, with the onset of weight problems often connected with child-bearing and the aftermath of that experience. Those born in the 1960s and 1970s were more inclined to have gained weight in their late teens and early twenties and this was again compounded in ensuing years by child-bearing, in many cases. Two members have no children and had apparently
experienced less extensive weight problems overall. The group felt that, on the whole, their experiences of weight
gain were fairly typical of their friends, families and contemporaries.

3. The degree of unwanted weight-gain ranged from two stones to as much as five stones. Mostly, this had gone on
over a period of many years, plateauing from time to time for several years at a time.

4. In almost all cases, members had initially attempted to control weight gain by self-regulation and generally
‘cutting down’. Although this produced some initial success, this tended to be short-lived and tended to ‘fizzle out’
when weight loss did not continue. This tended to be closely followed by continued gradual weight gain. By way of
a more supported ‘diet’, many had attempted to follow ‘fad’ diets which gained media popularity at various times,
such as Rosemary Conolly’s Hip and Thigh diet, The F-Plan and the Atkins Diet, which were all promoted in book form
and enjoyed popularity in the 1980s and 1990s. These also provided only limited success and most members of the
group had resorted at some point to attending slimming classes, as they felt the discipline of the ‘once-a-week’
weigh-in provided a focus and that the support and feeling of accountability gave them more resolve to ‘stick at it’
and fifty per cent had actually achieved goal-weight. However, having left the class, this had resulted in either a
gradual or, in most cases, fairly rapid return to original weight. In almost every case, members continued to gain
more weight than before they had joined the slimming club. Over the years, some members of the group had joined
as many as three different slimming clubs. There had also been some attempts at increased exercise but these also
seemed mainly to be taken up erratically and some ‘fads’ had been followed such as Jane Fonda’s Workout Book -
‘going for the burn’, taking up step classes and buying exercise bikes and celebrity videos, to name but a few that
were mentioned.

5. On the whole, all of the above proved to have some manner of success, although different degrees for different
people. Definitely, the greatest degree of success came from the slimming clubs – although not for all members of
the group. However the success was mainly not sustained for more than a matter of months and often resulted in
further weight gain – or yo-yo dieting.

6. Many found that one of their biggest problems was trying to fit their own weight-control and ‘special diet’ in with
normal family living. Attempting to shop for and cook different meals to the rest of the family required planning,
time and was often more expensive. The pressures of trying to diet whilst looking after children, husbands and their
needs, as well as all of the pressures of modern day living, often coupled with a job, was such a ‘balancing act’ that it was difficult to sustain. It was found to be easier if weight loss was successful but almost impossible, and tended to collapse, if weight loss was slow. Exercise regimes were also difficult to sustain for similar reasons and many reported times in their lives where they had increased activity and tried different ‘fads’, but time constraints or temporary changes in family circumstances such as dependent family members such as elderly parents generally resulted in interruption of the regime and loss of enthusiasm. Exercise bikes which had been in regular use were gathering dust at the back of the garage and gym memberships, which required at least twice-weekly visits to be of any value, reduced to once a week ... once a month and eventual cancellation of membership. Media hype of various ‘fads’ resulted in great followings but many found, for example, that the Atkins diet did produce some initial success but was not a healthy or sustainable diet – and ‘going for the burn’ with Jane Fonda was also discredited as unhealthy. Having the right information and being able to trust it was felt to be a problem. All but two members felt out of their depth when trying to decide upon the right course of action to take, when trying to lose weight. Many also found that the less they succeeded and the more stressed they felt, the more they felt the problem was insurmountable and they ate to cheer themselves up. Some members found decreased mobility due to health problems or injuries had a dual effect. When mobility was reduced due to various complaints (sprained knee or broken ankle, bad back, hip problems . . . ) this reduced their usual activity level and certainly precluded carrying out additional exercise. However, the inactivity also caused increased weight gain and compounded the problem further.

7. Of all the methods of weight loss discussed, slimming clubs seemed to be the most successful in losing substantial amounts of weight – however, in almost every case, these had been attempted more than once over a period of several years; indicating that the success had not been a lasting one. Those members of the group (three) who managed to fit in regular exercise in the form of walking or swimming, for example, tended to be the most successful in keeping a greater degree of control over their weight. The same members were also most successful in their informed understanding of what they knew to be good for them in terms of healthy diet.

8. All members of the group agreed that they found the discussions to be interesting and informative. They looked forward to meeting again when the study was completed, to find out the results of our investigation.

The meeting closed at 10.35pm.
Appendix C – full list of responses from questionnaire

SLIMMING WORLD

What did you like about this method?

- There are no restrictions as such, just a method to enable anyone to learn how to manage a healthy way of eating on a continuing basis. It is not always easy. I have been at target for 3 years, but over each Christmas I have put anything up to half a stone on in three weeks, that have taken me three months to remove, but I have removed it.
- could eat without being hungry
- The hope that I might loose weight like others who where attending.
- Never hungry
- I liked the fact that it did not restrict quantity rather than category of food. I could eat eg a vegetarian curry made with quorn and was not restricted as to how much rice I could have, therefore I wasn't hungry.
- simple to follow
- quick results
- easy to follow
- quantity you could eat
- Ease of green and red days
- don't think it’s healthy
- based on calorie counting, which was simple to apply to any labeled food
- You could eat a lot of food.

What did you dislike about this method?

- It worked up to a point then I could only maintain unless I cut calorie intake
- It could be difficult eating out if the menu didn't fit in with 'the rules'.
- allowed to eat too much!
- required more planning.. not as much choice
- don't fit with family life
- I found it easier to be at the always losing stage than to be at target. I find it takes more effort to remain in target. But as it works for me, it is not really anything to dislike as such, just constant effort.
  I have not tried any other dieting methods and have never yo-yo dieted, I went to SW on recommendation when my weight became a problem to me.
- I found after a few weeks the food limiting and boring. I also hated meetings where people had to clap and say their weightloss each week. I felt it was just a money spinning and it you were not loosing weight they did not know how to deal with it even though the diet was being followed exactly.
- Didn't allow for a balance being vegetarian
- allowed you to eat an unhealthy diet
- I dont feel it taught you to moderate your food intake. Ultimately you have to exercise portion control and Slimming World didnt really advocate that.

WEIGHT WATCHERS

What did you like about this method?
- You could eat what you liked as long as you made an allowance for it in your points.
- Easy to fit into lifestyle.
- No foods banned.
- encourages more healthy eating
- choice
- no counting calories
- balanced diet - everything in moderation
- can still have your treats. encourages you to eat more fruit and veg
- easy to stick to
- Easy to follow.
- i had to admit how much overweight i was and account for any loss/no loss
- Meetings were beneficial and plenty of support and guidance
- teaching good habits
- support and motivation
- inspiration
- still eat normal food and decent amounts. It's just about making more sensible choices.
- Normal food in reasonable amounts. Educates for better food decisions.
- easy to control
- easy to keep track
- nothing banned
- nothing banned. all things in moderation.
- did work
- It did work and I did lose weight.
- easy to fit in my lifestyle
- Nothing is forbidden, which often with diets if you are not allowed to eat some thing it makes you want it even more.
- weighing in each week
- Easy
- Guided through the process and the weigh in.
- The food is healthy and nutritious.

What did you dislike about this method?

- Having to count the points and keep track of everything you ate.
- All foods have to be pro-pointed. - sometimes difficult.
- weighing, measuring and planning
- i dislike the meetings
- Getting bored with not being able to eat the foods you like as they would take up too many points.
- too much weighing and planning
- too much veg
- I don't like a lot of veg
- running out of points and being hungry
- You had to work out the points for everything you ate and this meant consulting food points directories or using a points calculator to work it out.
  Also, you could be struggling to stay within your points when you were hungry at the end of a day. I don't do 'hungry' very well!
- points can be confusing
- getting used to points
- It was a bit meticulous at first having to weigh every thing to work out the points value in your portion.
- Weighing food portions.
- I had too much weight to lose and would have gone on forever. I just did not have the self control to be on a diet for that long.
PEP Healthy Lifestyle Business Plan Based Upon Business Networking Model

A dissertation submitted to the University of Manchester Business School for the degree of 

Master of Enterprise

February 2011

By Kate Hayes
Abstract

The UK has a growing obesity problem and it is becoming more and more important to find a solution to this as, not only is it affecting the health of those involved, but it is putting financial strain on the country by stretching health care resources to the limit. Dieting has a very bad name due to the negative coverage by the media of fad diets, as well as the difficulty many people have at sticking to them.

PEP seeks to tackle this problem by creating a community of people who are not bound by strict diet rules, but rather are educated in how to make appropriate personal lifestyle changes that they can incorporate into their own lives, providing both themselves and their families with the opportunities to try new and interesting ways to become more active.

This report goes into detail of the financial responsibilities and challenges of setting up this company and it uses a number of different tools such as Porters, PESTEL, Osterwalder and SWOT diagrams to outline as clearly as possible who the customer segment is, where the value lies for them, what opportunities and threats the company faces and what it hopes to achieve in the future.
Acknowledgements

I would like to thank my family for their love and enduring support - it means the world to me.
Executive Summary

PEP follows a similar model to that of the business networking model. This has been adapted to create a premium product for overweight consumers within the customer segment ABC1. The reason this customer segment has been chosen is because they have more disposable income, are willing to pay a higher price if they receive a premium product, and they are one of the only growth areas during the current economic recession.

The business will have both an online presence and a physical presence. An online Wiki will be created on the site in order to create a trusted source of information for people to follow. This is an essential part of the business as one of the key areas identified to be lacking from the offerings of the competition is a reliable source of information that doesn’t change depending on the latest fads. Alongside this there will be a number of events run every month, a mixture of small events such as cookery classes with a guest speaker, dancing lessons and information on how dancing can have a positive effect on your lifestyle, as well as larger events such as snowboarding or surfing trips.

One of the key factors about this business is that it seeks to be a family orientated product rather than just a weight loss product aimed at the female market. One of the ways it looks to do this is by initially offering a child-minding service during sessions and then eventually extending that to looking after members children during the school holidays.
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Porters Five forces

Analysis of which weight-loss methods consumers have tried or considered
1. Introduction

1.1 Background

Britain is now the most obese nation in Europe. Through PEP’s research into the validity of weight loss through healthy lifestyle, many possible options of how to tackle obesity have become apparent. However the service set which I have developed has been built by looking at current trends in the market, most particularly the trend toward self regulation and motivation (Mintel, 2008) along with medical research which shows that exercise is a vital component of weight loss and maintenance (keynote, 2009). It is also widely known within the medical research community that obesity prevention is a necessity if we are to stem the tide of the obesity epidemic. Therefore what is proposed is a series of interconnected products and services to act as an obesity prevention service, creating an ethos of whole-lifestyle change and self motivation that is not currently catered for in the slimming market.

In order to test the validity of this approach, an investigation into the problem of obesity and the solution PEP is looking to offer has been thoroughly investigated in the paper entitled “Validity of healthy lifestyle for weightloss”, which has been submitted alongside this paper. This thoroughly reviewed not only the current literature, but investigated; through Focus group and a questionnaire what the consumer feels is missing from the current market.

1.2 Problem

Over half of the population feel that they “do look after their health”. (Mintel, 2008) Yet over the past ten years the number of patients diagnosed as obese has increased by 837%, costing the NHS £1 billion a year and is looking to overtake tobacco as a cause of premature death (Mintel, 2007). Currently the government estimates that almost two-thirds of adults and a third of children are either overweight or obese. However things aren’t all as grim as all that - 42% of the population sit in the overweight category rather than the obese category. Currently the government prescribes a simple individualistic solution of “eat fewer calories and do more exercise”, however medical research has proved time and time again that weight loss isn’t that straight forward. It is widely agreed within the research community that a key factor in slowing the tide of obesity is prevention - this overweight
proportion of the population are an ideal target for weight loss and weight control intervention, designed to actually prevent obesity from happening.

The obesity epidemic is a normal population response to the dramatic changes in our environment that have caused a reduction in the demand for physical activity and the major changes in the food supply over the last 40 years (James, 2007). Ideally, the solution to this problem would be a series of government initiated environmental changes (Wardle, 2006) (e.g. tighter regulation of processed foods, more support for fitness initiatives such as the ‘cycle2work scheme’). However, with this sort of societal intervention being unlikely in the near future), a more individual approach is necessary in order to combat obesity. One study suggests that in order to combat the environmental changes we may need to induce personal changes amounting to perhaps 500 Kcal per day involving both energy output and intake (James, 2007).

In an investigation into the needs and wants of the overweight population, several areas in the current market have been identified as lacking:

- Availability of more detailed nutritional information on the benefits and drawback of different foods
- With such a wealth of information it is not surprising that consumers are confused by expert advice (69% admitted to being so in 2004 (Mintel)) creating the need for a trusted source of information to nurture an emerging more informed consumer.
- Availability of information on lifestyle choices and their effect on individuals
- Opportunities to make lifestyles changes
- An intervention that educates about diet, exercise and psychological aspects of weight loss
- Inclusion or provision for the family unit
- A more personalised approach to weight loss
- Time constraints
- Need for support

1.3 Concept

All of the above creates a gap in the market for a weight loss intervention which incorporates both diet and exercise changes, while still remaining flexible enough to fit into modern lifestyles. In essence, what this brand is offering is the opportunity for its customers to change their own personal environment.
PEP is a healthy living community created to provide its members with the opportunities and information designed to help lose weight and maintain that loss, as well as also having a strong focus on helping to improve their family’s health and fitness in a sociable atmosphere.

The last thing I wanted to create was yet another slimming club, with a set plan for diet and exercise! If there is one thing I have learnt while researching this subject, it’s that every person’s weight control needs are different, whether that be due to their current/desired lifestyle, their personal goals or their own personal barriers, everyone needs a more personal approach to weight loss if they are going to succeed and maintain that healthy lifestyle in the long run. Therefore the main objective of PEP is to help you to make those changes by providing you with the information and the opportunities to do so. After all, it’s all about you and your life!

The main way this community will operate is through a series of fun and entertaining social events for members (and their friends and families), designed to help educate and encourage people to make positive changes to their lifestyles.

Examples of such events include things such as:

- Evening meals/lunches or picnics where information is provided about all the food which is available to you (from the basics of the calories to the benefits of individual ingredients to your health),
- Visiting guest speakers that can provide information on a multitude of lifestyle choices (from personal trainers talking about exercise that fits into your schedule, to scientists talking about the latest medical research, to famous sports personalities talking about how they train for their sport and passing on useful tips and hints about how to stay in shape)
- Start new fitness techniques, from yoga to martial arts to a new team sport
- Even adventure sports trips and weekends away to help demonstrate how much fun staying healthy and exercising can be, as well as introducing to sports or activities which may have been considered to be inaccessible otherwise (ranging from an afternoon hiking, to a weekend introductory course in wind-surfing, or a ski/snowboard trip) ensuring that all levels of ability are catered for.
To support this community there will be a regularly updated website and a monthly newsletter where members can find all the latest information on diet and exercise, use tools to assess the true impact of their weight loss action on their overall lifestyle, as well as keeping up to date on what events are coming up and how to get involved.

But vitally, we will work with individuals, one-on-one, or in a group, (whatever suits the customer) so that the customer can reach their own personal goals - whether that is to tone up or to provide their children with an appropriate diet to set them on the way to a long and healthy life.

Initial target market is set to be professionals (ABC1’s aged 25 -55), as this provides a greater scope for alternative forms of exercise. This target market tends to be far less likely to attend normal slimming groups and more likely to up their exercise than reduce their calorie intake. I had originally decided that it would be wise to target both men and women as the proportion of men with a weight problem in this age group is significantly higher than women and in the hope of opening up a new market, however on further examination of the literature and upon conducting some primary research, it has not been seen as a viable option at present, but may in the future (once a strong brand has been established) be an avenue for expansion.

Essentially the target market is set to be consumers in the family or Empty-nest life stage, and therefore provision will need to be made for either alternative child activities or additional family based activities

1.3.1 USP

PEP’s USP is its focus on educating its customers in order for them to make their own decisions. This has been chosen as the lack of trusted information was one of the major barriers identified in the focus groups (a summary of which can be found in Appendix A) in order to make long lasting lifestyle change and maintain weight loss efforts

1.4 Abbreviations

BMI – Body mass index, an indicator of an individual’s height to weight ratio, often used to categorise the severity of a weight problem

LCD – Low Calorie Diet

VLCD – Very Low Calorie Diet
1.5 Definitions

1.5.1 Socio-economic groups

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<thead>
<tr>
<th>Socio-economic group</th>
<th>Occupation of chief income earner</th>
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<tr>
<td>A</td>
<td>Higher managerial, administrative or professional</td>
</tr>
<tr>
<td>B</td>
<td>Intermediate managerial, administrative or professional</td>
</tr>
<tr>
<td>C1</td>
<td>Supervisory or clerical, and junior managerial, administrative or professional</td>
</tr>
<tr>
<td>C2</td>
<td>Skilled manual workers</td>
</tr>
<tr>
<td>D</td>
<td>Semi and unskilled manual workers</td>
</tr>
<tr>
<td>E</td>
<td>All those entirely dependent on the state long term, through sickness, unemployment, old age or other reasons</td>
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1.5.2 Weight classifications

<table>
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<th>Category</th>
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<td>BMI less than 18.5</td>
<td>Underweight</td>
</tr>
<tr>
<td>BMI 18.5 to less than 25</td>
<td>Normal</td>
</tr>
<tr>
<td>BMI over 25 to less than 30</td>
<td>Overweight</td>
</tr>
<tr>
<td>BMI 30 or more</td>
<td>Obese</td>
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<tr>
<td>BMI 40 or more</td>
<td>Morbidly Obese.</td>
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2. Market and Competitor Analysis

2.2 Market Overview

With over 40% of Britons currently classed as overweight, and with Government research predicting that by 2050 60% of adult men and 50% of adult women could be obese, the healthy lifestyle and weight-loss market is a fast expanding one. This will put a growing financial burden on the UK as health care costs increase due to the inherent health risks of being overweight such as heart disease, breathing disorders and diabetes - to name but a few, with the amount being spent on obesity treatment already rising by £3.6billion between 1999 and 2008 (Gilmore 2006). This has prompted a number of government campaigns throughout recent years encouraging people to eat more fruit and vegetables, exercise more and think more about the effect that their general lifestyle will have on their health.

With over a third of adults admitting to having been on a diet in the last three years (Mintel, 2010) and roughly a similar amount having used a health club or gym in the past year (Keynote, Slimming Market, 2009) there is no doubt that there is increasing consumer concern about this issue. However there are a wide variety of ways that consumers can choose to try and overcome this problem meaning that this consumer base is spread over a wide variety of market segments.

2.3 Market segments

As already mentioned, there are a number of ways for consumers to act against this trend in over weightness and obesity. These can be broadly split into three categories; Dieting and Weight loss products, Leisure and fitness centres, or by making changes by themselves to their own lifestyles (examples of which include buying healthier food, doing exercise at home etc) (Mintel, 2009). There is also the option for the consumers to choose to use all these products/services as participation in one does not stop them from doing any of the others. This makes working out the exact market potential of a product or service difficult to calculate, as consumers are not tied down to just one solution to the problem, and inescapably everyone could in theory just make changes in their own lifestyle that would negate the need for any additional products or services. This threat of a backwards integration away from the available products and services poses some danger to players acting within this market, however as already seen in
the focus case studies and questionnaires, in practice consumers have real difficulty in having the self control and discipline to make the necessary lifestyle changes without help from these external sources. A later section will look at what the different market segments currently have to offer consumers in order to see how PEP fits into this variety of market segments.

### 2.4 Porters 5 Forces

Conventionally Porters 5 forces model illustrates the micro medic forces being asserted on to an organization, however in assessing these forces qualities of the business and other forces which alleviate pressures on the organization can also be identified therefore a new model has been created which is a slight evolution of my original model which greatly cuts down on the amount of discussion which is necessary in order to analyze this model.
2.5 PEST Analysis of PEP’s Market

2.5.1 Political

According to *Tackling Obesities: Future Choices*, a report published by Foresight (2010) (the UK Government’s science-based futures think tank, based in the Government Office for Science), 60% of adult men and 50% of adult women could be obese by 2050. Obesity is largely viewed as a lifestyle-dependent condition with 2 primary causes: excessive energy intake and insufficient physical activity (Paddon-Jones et al., 2008).

Many governments have been criticized for a lack of understanding of the causes of the obesity epidemic. According to James (2008) this is a normal population response to environmental factors which have caused a reduction in the demand for physical activity and changes in the food supply over the last 40 years. However there is evidence that the UK Government has been heading in the right direction, since the publication of the government’s “Choosing Health” White Paper in 2004, there have been a large number of initiatives targeting overweight and obesity population in the UK.

The last government, in particular, made something of a crusade of tackling obesity levels and improving nutrition levels (Mintel, media and food). In particular ‘Healthy Weight, Healthy Lives’, strategy launched by the government in January 2008 with a budget a £372m and the ‘Five-A-Day’ Campaign in 2003. Both of these campaigns focus on providing the environment for a healthy weight - something which is has been greatly called for in a lot of the literature on the causes and treatment for obesity.

*We must do nothing less than transform the environment in which we all live. We must increase the opportunities we all have to make healthy choices around the exercise we take and the food we eat.*

(Gordon Brown, Prime Minister, 2008)

Along with these initiatives, OFCOM have updated restrictions on the advertising of food and drink and the FSA have introduced a new labelling system to aid consumers in making the right choices when choosing food.

The new focus incorporates adults rather than being mainly centred on children and there is new evidence that these measures are having a positive effect, with the levelling off of the childhood obesity levels over the last few years (ONS, Department of Health, 2000). All in all, at present the government’s promotion of a healthy lifestyle to
achieve a healthy weight is proving hugely beneficial in for businesses whose function is to target the weight loss market through healthy lifestyle, something which provides PEP with a strong starting point for promoting itself and more variation in funding opportunities.

2.5.1.1 Cutbacks

However the current coalition government has altered the previous Labour government’s strategy for promoting healthy eating. The Change4Life campaign is being played down and the government is looking to engage major food brands in the process of promoting responsible eating, giving these multi-national companies an excessive amount of power to influence what is thought of as healthy lifestyle (DailyMail, 2009).

Mintel (2010) are of the opinion that this will ‘create opportunities for brands to have greater ownership of the healthy message’. However this is ridiculed in the press as wishful and foolish thinking on the part of government, who think it is more likely that the brands will abuse this situation (DailyMail, 2009).

In a more positive move the regulations governing health claims are now more rigorous, due to the EFSA (European Food Safety Agency) new regulations produced in 2010 (EFSA, 2010) meaning the brands will need to provide strong research evidence to back up health claims. This new situation could materialise in many outcomes. If brands such as Unilever and Kraft abuse this opportunity, there may be one of 2 results;

- The more educated public will rebel against the notions being sold to them, increasing the need for an independent service (such as PEP) to provide reliable information on healthy lifestyle
- The power of such brands will silence the voice of smaller organisations and have a major effect on the trust of their target market. This is of course a major threat to PEP

On the other hand if these major brands make the right choice in the way they promote healthy lifestyle, this may hugely increase the size of PEP’s target market and lead to rapid growth for PEP.

Another victim of the cutbacks is Cycle England, this was introduced in 2005 and was brought in to the ‘Healthy Lives, Healthy Weight’ strategy in 2008. Its objective was primarily to promote cycling in any way possible and to provide the infrastructure to support it (Department for Transport, 2008). The current government guidance advises that all adults should be doing a minimum of 30 minutes exercise per day, on at least 5 days of each week. According
to the Taking Part: The National Survey of Culture, Leisure and Sport, preliminary findings published by the Department for Culture, Media and Sport, enjoyment in March 2010 only 24.3% of participants do moderate intensity level sport and active recreation for at least 30 minutes on at least three separate days during the past week. With the demise of Cycle England and the tightening of the belt of many government departments involved in promoting activity, this does not look to be about to improve anytime soon. If utilised correctly, this issue can be used to boost PEP’s membership by providing more interesting ways for people to reach this target of 30 minutes per day exercise.

Much of the literature on weight loss on an individual level, states that exercise is a vital part of weight loss and particularly maintenance, (ONS, 2010; James, 2007, Wardle 2006, Wing and Phelan, 2005) therefore this lack of promotion of exercise could be a major issue for PEP, leaving them with the responsibility of not only encouraging their customer base to get involved with such activities but educating them as to the benefits.

2.5.2 Economical

Due to the recession, unemployment levels are in constant state of flux. This will have a significant effect on the type of methods people employ to lose weight, turning towards more ‘at home’ methods of weight loss. This could in fact be a good opportunity for PEP, as despite the growth in unemployment the AB population is still experiencing growth (Mintel 2010) and where consumers may hesitate to commit a large sum of money to the weight loss of an individual family member, by creating a family based program based around general health and enjoyment of life the expense may be more easily justified as it is has a larger spectrum of benefits than those experienced by dieters.

According to the Scottish government’s website (2010) Gross Domestic Product (GDP) for the year ending June 2009 fell by 3.2% in the first quarter and a further 0.6 % in the second quarter of 2009. If this continues consumer are more likely to sacrifice more expensive Health products and weight loss regimes products for standard cheaper product (Keynote, 2008).

Inflation: In the year 2010 to October, the consumer prices index (CPI) rose by 1.5 per cent, reducing consumers’ spending power. (ONS, 2010) The higher cost of living may be another factor preventing consumers from buying weight loss products comparatively to the cost of non-RFRS food, which might otherwise be a barrier to
consumption, is at a record low level, with the lowest unit costs being for processed, energy-dense foods served in large portions. (Wardle, 2006) This is a major problem for the healthy eating and weight loss market.

The effect of obesity on the economy itself is also a major factor to be considered. The number of patients being diagnosed as obese has increased by 837% over the past ten years (Department of Public Health, 2009). As a result, obesity is currently costing the NHS £1 billion. In 2008, the number of prescription items dispensed for the treatment of obesity was 1.28 million; this is ten times the number in 1999 (127 thousand) (Department of Public Health, 2009) and a further predicted £3.6 billion a year to the UK economy (Gilmore 2006) and is looking to overtake tobacco as a cause of premature death (Mintel, 2007). In addition to these figures, the analysis of data the NHS for 2004 showed the direct cost of heart disease was £15.7 billion, a major risk factor for obese individuals (Mintel 2008), it was also found that 47% of men and 44% of women in the obese category had high blood pressure compared to 16% of adults in the normal weight group (Department of Public Health, 2009). Therefore it is understandable that Obesity is a hot topic in the UK at the moment, with the potential financial risk involved in the treatment of the obesity epidemic.

2.5.3 Social

Never before have consumers been so conscious of the impact of their lifestyle on their health and so exposed to information of the benefits of a balanced and healthy diet. This has resulted in the rapid expansion of the healthy eating market, covering everything from Super-foods and organic through to more conventional products that are lower in fat, calories or sugar (Mintel 2008). This can be clearly demonstrated by the number of products being released into the market in these areas.

As you can see, retailers are focusing largely on organic produce, perhaps as this is a trusted category of food when compared to the others which are often highly processed (TGI,2008). This shows a definite leaning toward a healthy natural diet rather than merely reducing calories or fat. Sales of specialist slimming products are also in decline due to a rising awareness and understanding of healthy eating, encouraging consumers to try to lose weight by adopting more balanced diets and exercising more regularly (Keynote Slimming Market 2009).

Many trends in the diet market are affected by the demographic of the population. ABC1s are better informed about food and health (Mintel, 2006) therefore the steady increase in the AB population (ONS,2010) may be one of 91
the main drivers in the trend towards healthy eating for weight control. These socio-economic groups are also the most likely group to be dieting and therefore there is little worry that this market will continue to grow. Further, such households are able and willing to pay for premium diet products provided that they are consistent with consumer attitudes and expectations.

Trust of the diet market is a major issue, the perception of the general public is that no one ever succeeds at long-term weight loss (Wing and Phelan 2005).

“thousands of cases have passed through my hands and were carefully studied. Every new theory, every new method, every promising lead was considered, experimentally screened and critically evaluated as soon as it became known. But invariably the results were disappointing and lacking in uniformity”

(Simeon, 2009)

It is largely triggered by the publishing of such comments as the one above, by leading scientists in this field and compounded hugely by media involvement and opinion, as many investigative campaigns run by the media are designed to discredit weight loss methods (Mintel, 2006).

Food and weight loss increase ratings of all sorts of media; TV Newspaper and magazine circulation, and online media such as blog and social networking (Media and food Mintel). This means that these channels have a vested interest in keeping these issues at the forefront of our minds.

In particular celebrity endorsement for weight loss products is big money, with many celebrities having workout DVDs. However lately the celebrities have been having their own ideas. Celebrity-led health campaigns like ‘Jamie’s School Dinners’ in 2005 were cited as the second-highest influence on eating trends. In 2005 Jamie Oliver brought the issue of childhood obesity and the issues of processed food to the forefront. Jamie Oliver in particular has been an ardent campaigner for real food - a stance that has been backed up by many other celebrity chefs, encouraging a diet of fresh food. The impact of Jamie’s School Dinners is arguably the most successful media campaign in this area of lifestyle in present times, not just because of the television ratings, but because of the action that it prompted at government level; Jamie got the media’s attention when his petition for better school meals gathered over 270,000
signatures and in response the Education Secretary immediately pledged over £200 million to improve school meals and formed the ‘School Meals Review Panel’.

Since this very blatant highlighting of food chain issues, it has been followed by many others, such as Dietician Gillian McKeith’s ‘You are what you eat’, Chef Gordon Ramsey’s ’F Word ‘and ‘Food Factory’.

The media also play a major part in shaping social perception of overweight and obese individuals. Often female celebrities are ridiculed for weight gain or weight loss, along with commentaries berating them on their lack of self-control or praising them for their dogged pursuit of thinness (Hill, 2006). This social stigma, often makes it hard for people to admit that they are overweight, often compounding the matter further (Mintel, 2008).

### 2.5.4 Technological

The Internet is playing an increasingly important part in the weight loss market, with all major slimming organisations having an online presence (keynote, 2009). Dieters are using the support network while in the comfort of their own home. This level of convenience and time management that could not previously have been offered.

It has also opened up an entirely new type of diet club, tescodiets.com (currently not a major player in the market) are one of several ‘on-line only’ diet clubs and pose a very real threat to conventional diet clubs in the future.

Women’s interest sites are also succeeding in attracting ABC1 audiences, e.g. ivillage.co.uk attracts 3.3 million unique users per month. With a market which spreads over all age groups, showing the broad appeal of such a site.

Additionally the advent of social networking and web 2.0 technology shows the evolution of a new way to communicate with the consumer.
3. Competitor Analysis

In order to show how the different forces act upon this industry, the following is a breakdown of the three different market segments that are competing for the overweight customer segment that PEP is interested in.

3.1 Leisure centres, Health clubs and Gyms

At the end of the 1980s there were less than 200 gyms and health clubs in the UK (The Times, 2008). Since then that number has increased dramatically and the number now stands at around 5,885 fitness centres with an estimated market value of £3.8 billion (FIA, 2010). These can be split into two categories; private fitness centres (which account for around 3500 of the UK centres) and public fitness centres managed by local authorities. There is a significant difference however between the consumers who use public and private facilities, with a large proportion of private health club members tending to be young high flyers in good health, living in city centre locations, earning high salaries and the majority have degree level qualifications (Leisure database, 2010). In contrast, those who use public facilities tend to be families on a medium-low income who have more of an interest in playing sport than using gym facilities. Interestingly both sets of consumers rate that the most important reason they go to leisure centres and participate in exercise is because they just enjoy it, with trying to keep fit being the next most important reason (Department of Culture, 2006). In contrast, only 2% of adults surveyed attended a fitness centre for the main purpose of losing weight. This is a substantial change from 2002 when around 9% of fitness centre members went with the main goal to lose weight (KeyNote, Slimming Market 2009). This can be explained by a shift in people’s attitudes and understanding of weight loss and staying fit.

In 2003 the gym and health club market was at the peak of its popularity with 8.7 million UK members. However, since then (despite profits within the industry having steadily increased (FIA, 2010)) that number has declined to just under 7.4million members. They also face steep dropout rates and low participation, with a dropout rate of around 60% of new gym members within six months and around 20% of members working out no more than once a month (Mintel, 2009). What is thought to be one of the key reasons for this, ‘is a growing realisation that gyms are sterile environments that focus on image rather than health, and that their clinical approach to working out becomes boring after a while’ (Maguire, 2007). This can be seen through the decline in gym and fitness club memberships during a period when the number of consumers taking part in some form of exercise has risen by around 6% with
around 46% of men and 39% of women taking part in some form of exercise every week (Health Survey for England, 2006).\(^\text{vii}\)

However tens of thousands of people still attend aerobics classes and fitness classes and there is no doubt that using exercise facilities at a gym or leisure centre can help reduce weight gain and prevent becoming overweight or obese. What can be fairly concluded though is that this kind of exercise is no longer perceived as the only way for people to lose weight and maintain that weight loss (Keynote, Slimming Market, 2009). Therefore it does not pose too great a threat to PEP.

### 3.2 Diets, Slimming Groups and Weight Loss Products

In a survey done by Mintel in 2008 on the diet market, a list of the top ten recognised (by the consumer) diet-related products was compiled:

- Weight Watchers
- Atkins
- Slim fast
- Kellogg’s Special K Diet
- Slimming World
- Cabbage Soup Diet
- F Plan Diet
- GI Diet
- Rosemary Connolley Diet
- Carol Vorderman Diet
- Grapefruit diet
- Cambridge health plan

These diets are spread over several categories; slimming clubs, very low calorie diets (VLCDs), Macronutrient exclusion diets, Micronutrients promotion diets, Diet Books, meal replacements, low calorie diets (LCDs), reduced fat reduced sugar (RFRS) diets, and internet diet plans.
Slimming clubs - These companies are currently evolving to embrace the internet as a new channel to reach their customer in addition to their original physical meetings. They are even starting to embrace social networking with two of the three market-leading diet plans having a presence on Facebook and twitter, in addition to physical meetings. There is also a growing number of online-only clubs, some of which are attached to strong brands, usually associated with more physical channels such as tescodiets.com.

Key Note’s consumer research (2009) found that 27.9% of women, would join a slimming club in order to lose weight (compared with just 6.6% of men)[NHS, 2010]], however The market for diet plans and products is losing its competitive position,[Mintel, 2008].

Sales of specialist slimming products are also in decline due to a rising awareness and understanding of healthy eating, encouraging consumers to try to lose weight by adopting more balanced diets and exercising more regularly (Keynote Slimming Market 2009).

3.3 The ‘at home’ Weight Loss market

Lastly, it must not be forgotten the role that household fitness and weight loss products play within the market segment. Mintel’s consumer research shows that a third of all respondents exercise at home on a regular basis (Mintel,2008). Growing concern about health and weight have meant that there has been a sharp rise in sales of home fitness equipment, ranging from traditional weights and exercise bikes to the new generation of computer based fitness equipment such as the Nintendo Wii or the Xbox Kinect. The top three types of exercise equipment currently used in the home are dumbbells/hand held weights (used by 24%), Nintendo Wii Fit (24%) and exercise DVDs (20%) (Mintel,2008). This increased concern about health and fitness has proved to create massive market potential when a product is correctly designed and marketed to tap into this market. This can be seen through sales of The Nintendo Wii Fit games console which sold 12.7 million copies worldwide in 2008, according to VGChartz. Mintel estimates that around 2.5 million copies have been sold in the UK to date. (Mintel,2008).

Another one of the most important reasons for this shift to home exercise is that lack of time is cited by a quarter of adults as the greatest barrier to exercise (Mintel,2008). With more and more hectic lifestyles, people struggle to find the time to exercise, and this is likely to be one of the reasons that gyms and leisure centres have seen a drop in membership, as a lack of time means that consumers struggle to see they will have enough time to go, to make the
membership costs seem cost effective (Mintel, 2008). A similar barrier to exercise is that a large proportion of people prefer to exercise with others as they lack motivation on their own. This is why every advert for the Nintendo Wii has shown images of an entire family using it together, from young children to old age pensioners, to push the message that this is something that you can use with anyone while helping yourself to get fit (MediaSavvy, 2008 viii).

Driving Forces (including technology trends, regulatory trends, societal and cultural trends and socio-economic trends) and Macro Economic Forces (such as economic infrastructure and global infrastructure) have already been looked at in the PEST analysis.

### 3.4 Meal Replacements

Government health advice designed to stem the rise in obesity levels has focused on advising consumers that the best way to maintain a healthy weight is through a balance of regular exercise and a healthy diet (Wardle 2006, Wing and Phelan, 2005), this has had a knock on affect for meal replacements (Mintel, 2010) who have suffered a decline of sales since 2005. However the recent re-brand of slim-fast and the release of new products such as “The Biggest Loser” meal replacement products, has shown a slow regain in sales over the last year and it remains to be seen whether this one year rise will continue.

### 3.5 Major Competitors

Despite the huge range of supplement products, there are only a few real players which are a threat to PEP in the great scheme of things and that PEP’s market research has identified.

Product descriptions below have been gathered from the Weightwatchers website and from visiting Weightwatchers meetings, and supplemented from market research reports were necessary.

#### 3.5.1 WeightWatchers

**Product History**

WeightWatchers is an American brand which was launched in the UK in 1967 and now claims to be “the leading provider of weight management services in the world.” ([www.weightwatchers.co.uk](http://www.weightwatchers.co.uk))
The Weight Watchers brand, is now licensed out to several manufacturers, most notably Heinz in the UK who supply a range of products such as ready meals and frozen deserts, or Hovis who provide a line of breads.

**Concept**

Weight Watchers claims to be a weight control scheme rather than weight loss and has a four pillar approach:

- exercise
- supportive environment
- smarter food choices
- changing behaviour

However, while attending a meeting the following observations were made:

- no education into the reasoning for major lifestyle choice
- very little information given on how different types of exercise benefits weight management in the long term
- as based on a point system is not sustainable in the long run

In a number of sectors, from breads, chocolate, sweets, desserts and yogurts to chilled meals.

**Services**

The Discover Diet Plan - launched in 2009, is a points based plan which allocates a point value to food depending on fat and calorie content.

Weight Watchers meetings – over 6,000 held on a weekly basis (mintel, 2009) these members can also use the e-source website

Weight Watchers e-Source (website for those attending the meetings), - includes online points calculator, recipes, recipe builder

Weight Watchers Online (website for members not attending meetings),

Weight Watchers At Home (diet plan home kit),

Weight Watchers shop (online shopping site)

Weight Watchers food.

Free Smart phone apps to calculate points and record food intake

**Pricing**

Meetings = £5.99 per week

Online membership = £19.99 per calendar month

At home diet plan kit = £89.95 for a 12-week kit
Weight watchers foods are competitively priced, sitting on supermarket shelves next to competitors and retailing at similar prices, although there is often a disparity in portion sizes.

In September 2010, Weight Watchers introduced a new membership option of monthly passes for £12.95. The offer included unlimited access to meetings for the month and access to eSource.

**Advertising Spend**

In 2009 weight watchers spent almost £million on advertising of which 35% was spent on TV and 28% press coverage and 40% of which was directed at promoting the slimming club (mintel, 2010)

**Target Market**

Weight watchers caters for all potential customers, however most slimming clubs tend to attract C1 females in general.

### 3.5.2 Slimming World

**Slimming World**

**Product History**

Slimming World was founded in the UK in 1969, by Margaret Miles-Bramwell, who still runs the company, as a club where members attended a weekly meeting. In 1998 the magazine was added and is now the leading title in the diet press. This was followed by the website in 2004.

**Concept**

The diet is based on the concept of ‘Food Optimising’ which allows the dieter to choose each day between the Green choice (essentially a high carbohydrate menu) or the Red choice (with a focus on high protein meals).

Each day consists of free foods (which can be eaten in unlimited quantities), Healthy Extras (which can be eaten in measured portions) and controlled foods, which have a ‘syn’ value that allows dieters to enjoy favourite treats within a ‘syn’ allowance - this changes depending on whether it is a red or green day.

**Services**

The weekly clubs are still the core of Slimming World offering, with them still the most regularly attended in the UK (keynotes, 2009).
Website ‘Lifeline Online’ - provides members with access to a free support service and online food diary.

Postal service – a series of books explaining the diet plan.

**Target Market**

Slimming World attracts slightly younger and more downmarket adults than the other diet schemes.

In 2009 it had 300,000 members (90% of whom were female).

**3.5.3 PEP’s Consumers**

*When asked,” Of the following, which diets have you tried or would consider trying?”*

There were some clear front runners as can be seen in figure 2:

Of the highest ranking 10 methods, 6 centre on self regulation or ‘at home’ methods. Something that is particularly interesting is the popularity of the Wii fit and this is clearly an emerging threat, especially with the launch of Microsoft and Sony releasing add-on hardware for their consoles, which allow them to facilitate similar active games centred around fitness. However, there is at present no information published on this new market and therefore it is vital that the PEP team monitor this market in the following years.
Of all the specific methods the participants were questioned about, Weight Watchers and Slimming World came high above the rest, therefore they have been reviewed below in more detail.

Participants were also asked about the last 5 methods they had attempted, rating how successful, practical and whether they had a negative or positive effect on the participant lives:

[Graph showing success, practicality, and negative or positive ratings for different methods]

It must be noted that some of the results are not very representative of the overall consumer base as there were only a few participants that claimed to have tried them in this section, therefore these were removed.

In addition the participants were also asked what they liked about this method and what they disliked. The following is a summary of those answers. This helps to assess the weak points in these methods and ways in which PEP can use its status as a new and up and coming premium product against its competitors (a full list of responses can be found in Appendix B).

### 5.3.1 Slimming World

Most responses centred around the fact that this diet plan meant that they were never hungry and a lack of major restrictions and how easy it was to follow, making this method easy to stick to.

Participants criticised Slimming World for its lack of education in lifestyle change, therefore it was not sustainable or healthy and tended to plateau before reaching their target weight and weight loss was not often maintained. Also mentioned, was the inconvenience of fitting it around family and social life and no real provision for vegetarians.
5.3.2 Weight Watchers

Participants enjoyed the freedom of eating what they wanted and simply fitting it into their points. This allows choice and helps you fit it around your lifestyle, making it easy to follow. The new Pro Points system in particular encourages healthy eating and lifestyle. Unlike Slimming World, there was praise of the support system in place and how well it worked.

Among the criticisms was the amount of planning, tracking, weighing and measuring necessary to maintain this program. It was mentioned that the point system could be confusing. Many participants just plain didn’t like it, complaining of being hungry, having to eat too many vegetables and becoming bored with the limited choice.

5.3.3 Self regulated healthy lifestyle and diet

Participants seemed to enjoy the freedom of self regulation and fitted weight control around their own lifestyle, ensuring they didn’t feel constricted and were not hungry - something PEP can tap into. Nearly all of the criticism centred on a lack of control.

One of the most noticeable factors was the number of methods which could have been greatly improved by some basic nutritional education.

5.3.4 Self regulated exercise

Many participants felt improvements in their general health which helped them maintain the new habit and generally feel better and it was generally felt that this sort of change was less intrusive than dietary changes. However, in direct contradiction to this, many stated time as their downfall. Also, the expense of gym membership seemed to be quite a significant issue.

5.3.5 Meal replacements

The major advantage of these schemes appears to be the lack of effort needed and the fast result. They also struggled, however, with hunger, boredom and not being sustainable.
4. Customer Analysis

The attitudes and choices of the diet market are complex and are not easily demonstrated by demographic information. What PEP is offering its customers, is the opportunity to change their lifestyle, in order to lose weight and maintain this loss. This means that the potential market for this service is any person looking to lose weight and maintain that loss. A study by Mintel (2010) shows that almost a fifth of adults (19.2%) are on a diet or trying to lose weight most of the time and more than a fifth (22.2%) doing so occasionally. Of this group, they are most likely to be part of the AB or E category. This has made them a key audience for home exercise equipment (Mintel, 2010).

However, surprisingly, they are no more likely to see joining the gym as a way to lose weight than any other socio-economic group.

Although this provides a large target market, it does not allow us to tailor our offering to our customer, as the customer base potentially spreads across all possible demographic variants.

4.1 Product Features and Benefits

In order to identify a narrower target market, each of PEPs Services has been broken down to define the specific benefits which they provide to the customer. By examining the literature it has then been possible to more clearly define the market which these benefits appeal to.
## 4.1.1 Trusted

### Weight loss and nutritional information

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Reasoning</th>
<th>Market</th>
</tr>
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<tbody>
<tr>
<td>Self empowerment</td>
<td>Luomala et al. (2003) found that one of the most common food conflicts is between health and indulgence. Mastering this conflict takes time, but is greatly assisted by education of what different foods do to your body (Geary, ...). in order to empower the customer and improve their locus of control (the extent to which a person feels they are in control of their own life(Villani and Wind, 1975)). Many overweight individuals struggle with their locus of control and the confidence issues that go hand in hand with it.</td>
<td></td>
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<tr>
<td>Trusted reference point</td>
<td>This is backed up by the primary research conducted for this project and can be clearly seen in the figure P below. Of participants reasons for changing their lifestyle, the second most popular response was “For my own sense of self-esteem/feel better about myself” with 78% of participants agreeing.</td>
<td></td>
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<tr>
<td>Support and education</td>
<td>.... % of customers say that they do not trust the diet industry, this making trust a major issue in this market. AB’s are far more knowledgeable about current weight loss methods and feel more than capable to undertake the management of their own weight loss, therefore empowering these individuals to do so is of high importance. This group also have a higher disposable income and are generally better educated and therefore would derive the most benefit from the information provided by PEP.</td>
<td></td>
</tr>
<tr>
<td>Improved nutrition</td>
<td></td>
<td>Highly Educated Socio-Economic Group AB</td>
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</table>
Huston and Finke (2003) found that women tend to maintain healthier diets (Huston and Finke, 2003), are more likely than men to make accurate self assessments of their weight (Doliver, 2003), consume more health oriented products (Shiu et al., 2004) and are more interested in nutrition (Nayga, 1997). For this reason, although PEP is set to be a family orientated product, it will initially be targeted at females, in order to allow more rapid success and gain a secure client base from which to build.

A review of the literature uncovered no prior research on what percentage of the population is currently maintaining a healthy lifestyle (Divine and Lepisto, 2005). Research data are also mixed with regard to the relationship between age and a healthy lifestyle. Behavioural risk factor surveillance system (BRFSS) data suggest that healthy lifestyle consumers are likely to be more educated. This implies that they would value the source of the information that they use more highly.

According to both Keynote (2009) and Mintel (2010) AB Consumers are likely to be advocates of the balanced diets and regular exercise in order to lose weight.
4.1.2 Social Interaction

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Market</th>
<th>Reasoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social enjoyment</td>
<td>Almost two thirds of men in the 25-34-year age group are overweight</td>
<td>25-34 year old Male Market</td>
</tr>
<tr>
<td></td>
<td>compared with around half of women in the same age group, (ONS,2009)</td>
<td>Family lifestage Market</td>
</tr>
<tr>
<td></td>
<td>despite this women are not only more likely to diet or try to lose weight, but are more likely to be trying to maintain their weight more than men do (keynote,2009). Men either don’t know or, more likely, don’t care about their excess weight.</td>
<td></td>
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<tr>
<td>Inclusion</td>
<td>By adding an aspect of social enjoyment, this group could be encouraged to undertake exercise and reduce their weight, this is particularly important if PEP is to maintain its customers over a considerable amount of time into their family life stage.</td>
<td></td>
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</tbody>
</table>
This opens up nicely the market for couples and families, something which will help to make PEP part of the lifestyle change and a more permanent fixture in its customers lives. In turn this then aids in building a community which is an essential part of PEP Vision.

**Support**

Although PEP is not a conventional diet club, it would be foolish to ignore the potential market of the female market who currently attend diet clubs, (Mintel 2010).

### 4.1.3 Opportunity to start various new forms of physical activity

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Reasoning</th>
<th>Market</th>
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</thead>
<tbody>
<tr>
<td><strong>Lifestyle change</strong></td>
<td>Keynote (2010) has recognized a specific type of slimmer as exercise focused. This applies to 22% of consumers and tends to be prevalent in the north of England, and this group tend to largely depend on exercise to control their weight, along with general healthy eating. Their attitude towards dieting is that healthy eating is a way of life and they are most likely to be monitoring their weight as a health concern. BRFSS data indicates that these consumers are more likely to be on a higher income and younger (Divine and Lepisto, 2005).</td>
<td><strong>North England</strong></td>
</tr>
<tr>
<td><strong>Enjoyment</strong></td>
<td>Time management is another factor that is thought to have an impact on maintaining a healthy lifestyle. Stutts (2002) found that lack of time was the primary reason why people are not following their preferred lifestyle. This may be due to the lack of commitment to a family and a career, therefore it is essential to ensure that family inclusion and time flexibility is a big part of such activities.</td>
<td><strong>Socio- Economic group AB</strong></td>
</tr>
<tr>
<td><strong>Family inclusion</strong></td>
<td></td>
<td><strong>Age 25 – 34</strong></td>
</tr>
</tbody>
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4.1.4 Escapism

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Reasoning</th>
<th>Market</th>
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</thead>
<tbody>
<tr>
<td>Stress</td>
<td>Research shows links between chronic stress and obesity, nutrient deficiency (Orsaga-Smith et al., 2004; Atkinson, 2004). Therefore by providing de-stressing opportunities, a large proportion of the weight loss market will be attracted to PEP.</td>
<td></td>
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<tr>
<td>Relief</td>
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4.1.5 Premium Product

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<thead>
<tr>
<th>Benefits</th>
<th>Reasoning</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exclusivity</td>
<td>Social stigma is an issue within this group, as A8 and C1 consumers are more likely to admit to being slightly overweight rather than quite a bit overweight (Mintel 2010). This is an aspect of the customer attitude that it would be wise not to ignore, so there needs to be a good balance in the promotion of PEP between ensuring that consumers see it as a weight loss opportunity, and see that it is a premium club for keeping fit (not for fatties!)</td>
<td></td>
</tr>
</tbody>
</table>

4.2 Target Market Segmentation

There are three commonly used method of market segmentation: Demographic, Geographic and Psychographic.

4.2.1 Geographic Segmentation

Although the business model being utilized is a franchizable one and therefore separate research is necessary for each individual franchise, for the purposes of this analysis however it has been reduced to look specifically at Liverpool City as it is being piloted in this area.
4.2.2 Demographics of Target Market

Several demographic indicators have been identified by an examination of product features; this has been further narrowed to the female market by the primary research, mainly due to despite the surveys circulation to an equal number of men and women, mainly as a result of demographic result of the questionnaire, which was titled “Weight-Loss – Intelligent Diet” and had a 98% female response. Therefore it would seem foolhardy to invest efforts in to promoting to a market that has no real interest in the market.

4.2.2.1 Customer Profiles

The following customer profiles have been compiled in order to better understand the services which they may require

For the general population, “Being healthier” (95.4%), and “having more energy” (82.6%) are the most common reasons for dieting - something that goes hand in hand with lifestyle improvement, (mintel, 2010. However for the sample of ABC1 who participated in the market research, rank ‘health’ third on the list, as reasons for lifestyle change, below self esteem and weight loss! All of this group are more likely to exercise as methods of weight loss, they are also more likely to self regulate their diet, for all of these demographic indicators government advice is the biggest influence in their choices of lifestyle, however AB population are more likely than any other group to be influenced by articles in magazines (GfK NOP, 2008).
4.2.3 Psychographic segmentation

Many businesses offer products based on the attitudes, beliefs and emotions of their target market (such as Apple providing fashionable products for customers who care strongly about appearance). Although there is already a clear set of demographic markers to define PEP’s target market from a marketing point of view, it is useful to look at psychographic markers that are desirable for the purpose of branding the organisation and creating the appropriate culture for the customer base that is attracted to this brand image.

For PEP, two psychographic indicators are particularly appropriate; fun-seeking and family orientated. However it is expected that this will develop over the initial year of PEP’s operating.

ABC1 Family group were the most favourable about the concept of PEP, with 100% of them showing some interest in the product, although it must be noted that the sample size for this group was rather small due to the random sampling used in this research. This is a good indication, with 17% of the overall population fitting into this group.

The family group also has other advantages, due their scepticism about dieting in general and their propensity to seek information on the subject of the health credentials of reduced fat foods, this is especially high in parents with older children (55%) (Mintel, 2010), which is ideal for PEP in their mission to provide it’s customers with the information and tools to manage their own weight.

4.3 Key Risks

Risk Analysis

In order to provide PEP with the greatest chance of success, it is important to anticipate and plan for any risks the business is likely to face. Failure to do so can lead to slowed growth, susceptibility to competitor threats, unanticipated costs and potentially the overall failure of the company (Mahadevan, 2000; Margretta, 2002). A number of risks have already been identified through using the Porters 5 forces and PEST analysis tools and this section shall seek to outline those aspects as well as others and create a clear strategy to help overcome them.
Macro-Economic Risks

Political

Obesity and weight gain is without doubt becoming a far more important and pressing issue for the government to have to deal with as it is affecting a large proportion of the UK population and will cause a large increase in healthcare expenditure. However cutbacks have meant that money has been cut from healthy lifestyle campaigns and organisations such as ‘Change4Life’ and ‘Cycle England’ and instead large food brands are being encouraged to help spread the healthy lifestyle message. The biggest possible risk that PEP faces from this is that the power of such brands will silence the voice of smaller organisations and have a major effect on the trust of PEP’s target customer. However while this is a possibility, it is unlikely to happen as stricter regulations by the EFSA about health claims by brands will mean that they are limited by what they can say about themselves without causing more damage to their brand than good. If this situation does start to occur than PEP should look to consider partnering with a brand that shares its values.

Economic

The recession has caused growing rates of unemployment and made consumers far more cautious about how they spend their money due to inflation. This is likely to impact on how quickly people will buy into the PEP brand. However the AB target market group that PEP is looking to appeal to is still experiencing growth (Mintel, 2010) and with PEP offering a service for the whole family based not just around weight-loss but healthy lifestyle, the cost of membership is likely to be far more justifiable. The pricing structure will be carefully monitored to avoid the risk of PEP pricing itself out of the market, as well as continually innovating to find ways to add value to the consumer.

Social

Probably the biggest social risk that PEP faces is the lack of trust in the Diet market and the commonly held perception among the general public that no-one ever succeeds at long term weight loss (Wing and Phelan, 2005). Consumers face a barrage of different weight loss and healthy lifestyle plans and programs through mainstream media, especially as it broaches a number of different market sections. This poses a high level of risk to PEP, especially within the first few years of its development. The only way to counter this is to have a very strong core...
focus on building trust in the fact that PEP is not a fad-diet and that it seeks to provide honest, reliable information to help people choose to make changes in their lifestyle which will make a positive difference to themselves and to their family.

**Technological**

Growing use of the internet, in particular social networking websites and internet based diet clubs, are changing the way the diet market works in the UK. One of the biggest dangers of these is it is very hard to continually track the progress and success of all the competitors in the marketplace. It also has created a new style of diet clubs that people can access from their own homes without the need to attend any kind of meeting as well as giving people access to a plethora of diet and healthy lifestyle information. This poses a significant risk to PEP, however the sheer quantity of available information on the internet both correct and incorrect means that consumers are swamped with information and have little idea which sources can be trusted (Mintel, 2010). This is why PEP is placing such emphasis on becoming known to be a trusted independent source of information and means that great care must be taken in making the website as accessible as possible to all people. This will be helped by having all entries on the Wiki moderated and all submissions have references as to the source of the information as a requirement. Surveys of members will therefore be carried out at regular intervals to test trust levels in the website and to find ways to build confidence and trust.

Exercise based video games are also an area that require close attention as there is no doubt that there is a growing market for these. Finding methods to incorporate these into PEP’s lifestyle advice might well be an important part of PEP’s strategy, although more market research will be needed within the target customer group to better clarify the role they could play.

**Micro Economic Risks**

**Rivalry, Threat of Substitutes and Buyer power**

With PEP broaching a number of different market segments it means that the number of potential competitors to PEP is massive. This means that there will be increased rivalry as there are more people competing for the same target market. However with the market growing fast and set to keep increasing over the coming years there is an
opportunity for PEP to seize market share. The most direct competition is in the form of slimming and diet clubs, in particular Slimming World and Weight-Watchers, and also newer internet-based brands such as tescodiets.com. The risk of these companies is that they have pre-established links with a very large audience, as well as a large amount of capital to invest and they are household names which people are likely to trust far more easily that a company they have never heard of before. However as there are low switching costs and a lack of clear product differentiation, many consumers within the target market try out a number of different services in order to try and find one that best fits in with their lifestyle.

This will initially work in the favour of PEP as it will mean that many of its initial consumers will have already tried out a number of these other products and services and disliked them. These initial consumers will provide a base from which PEP will grow, as long as they like the service, because word will be passed on by word of mouth to others who have also tried other services and been dissatisfied. However a major risk here is that if the initial customers are dissatisfied, then negative word of mouth could potentially cripple the company before it can really get started (especially with the increase in internet use meaning that negative reviews online will be found by potential customers searching for PEP). One of the ways to get round this is to make sure that both the website is as clear and trustworthy as possible and that the company has extremely high standards of customer service and support. Additionally, closely monitoring the information available online about PEP will allow appropriate action to be taken if negative feedback starts appearing.

Constant care must be taken to monitor the offering and marketing strategy of the competition in order to maintain a competitive foothold in the marketplace. As PEP grows it is unlikely that other competitors will remain static, and keeping up to date with what is being offered, pricing and other additional information will be key to success. As there are relatively low start-up costs involved in setting up, and huge market potential, new entrants will also pose a risk to PEP and therefore continued market research throughout the growth of the business is vital. Efforts must be made to differentiate PEP from the conventional diet and weight-loss clubs to avoid being tarred with the same brush as being hard to follow, untrustworthy and unhelpful. It may also be useful to look to create partnerships with other trusted brands that share similar values, in order to gain access to a wider target audience. However this must be done with great care to avoid alienating any other customer groups or lowering PEP’s trustworthiness.
5. Strategic Development

In order to provide a clear, concise picture of the structure and value of PEP, I have used Ostawalder's business canvas to create a business model. Osterwalder defines a business model as a layer that sits between the strategy/vision of an organization and the implementation of that strategy as shown in fig 1.

In order for this business to prosper, a strategy needs to be clearly defined, and it is necessary to employ a number of tools - the most important being the business model, which is often used in order to help to evaluate an opportunity in terms of who the customer is, what their needs and values are, and how this opportunity can be exploited in order to make money. In essence, it provides a story of the human experiences within an organization. However, as you can see, this needs to be based on a strong strategic layer. Therefore first it is essential to provide a clear Vision and Mission which can be broken down into clear SMART goals and translated through a business model to an operational level to gain a clear understanding of the everyday running of PEP and the impact this has upon the financial and marketing actions to be taken. Having gone through the process of creating a picture of the business, it is often then easier to identify weak points and strengths within the organization and therefore provide contingency planning (based on Mahadevan, 2000, Margretta, 2002, Osterwalder, 2004).

5.1 Vision

“To create a healthy lifestyle community based around honest information and exciting opportunities”

5.2 Mission

Through creating a trusted source of information and providing access to exciting opportunities to get active, PEP can help professionals and their families make valuable lifestyle changes and become more healthy.
5.3 Values

Having a clear set of values from the outset helps to define how the company operates and helps guides all of its actions:

- Focus on health not quick fixes
- Make the move to a healthy lifestyle fun not a chore
- Everybody is different but everyone can make the change given the right support
- There is more to being healthy than just losing weight
- Healthy families are the most important thing in life
- Points systems and strict calorie counting do not help anyone make lasting lifestyle changes

5.4 Long-term Goals

Setting achievable and measurable goals is essential to help the business grow and flourish (Margretta, 2002). In order to do this best, the goals must be specific, measurable, achievable, relevant, and on a timescale (SMART). The following goals are what PEP hopes to achieve in the more long term future of the company. (Further details as to when and how these will be measured are on the timeline at 5.6)

- Widen across the north-west
- Franchise the company nationwide
- Take a 2% share of the Weight Watchers and Slimming World’s market
- Develop strong reputation as a trusted source of information
- Build extensive Wikipedia style database of product testing, research and healthy lifestyle information
- Develop fun educational program and tour schools
- Start day care facility for member’s children during school holidays
- Run inter-franchise sports leagues
5.5 Short term goals

Short term goals are also essential to provide targets to work towards in the first few years of business to make the larger goals more achievable. The following is a list of PEP’s short term goals (Again further details as to when, how and how these will be measured are on the timeline at 5.6)

- Provision for childminding service during meetings and events—profit free
- Open and develop 5 locations within 10 mile radius of Liverpool:
- Continually try and gain a high profile within Liverpool
- Build a team of committed teachers of various fitness techniques and nutritional coaches
- Achieve 500 members in the first 2 years
- Break-even by the third Year of operation

5.6 Pre-Launch and Time Line

Pre-Launch activities

Before PEP can have its official launch there are a number of things which must be done first to ensure the company has every chance of success by the time it is launched. These must be done as cheaply as possible as there will be little incoming revenue at this time, however it still must be done to a very high standard so as to create the right brand image and reputation for the company from launch. The following is a list of things that must occur before the launch event can take place. Due to any unforeseen circumstances such as changes in the competitions offering, availability of facilities, availabilities of staff and how successfully the networking process occurs during setup, there are only rough time frames alongside these activities they may well be subject to change.

**April 2011** - Launch company in as a lifestyle business working part-time on no salary, no expenses.

Spend 6 months conducting further market research, networking and starting to gather information for the Wiki

**October 2011** - At 6 months, take on staff from Future Jobs fund, 1 for admin, 1 for IT.

Purchase assets e.g. computers, furniture etc.
Employ freelance graphic designer to create brand identity

Employ web designer to create website and put Wiki in place.

Once Wiki is in place, it will get gradually updated by the founder and any other contacts happy to upload for free with new information and information already gathered.

Start planning launch event

Plan a detailed diary of activities for the year after launch in detail and make the appropriate arrangements

Confirm availability of initial location and book venue

**January 2012** - Three months before launch take on 2 full time staff. If Future Jobs staff are good enough then employ them as they already have an insight as to what is going on and get 2 more Future Jobs staff in to help.

- Get at least one nutrition expert and two fitness coaches to commit to working for PEP on a self-employed basis from launch.
- Use existing close contacts to partner up with local health trust to help spread the message about the launch event
- Organise press release for launch event
- Create presence on Social Networking Sites
- Start marketing the launch event

**April 2012** - Throw Launch event
6. Business Model

Having already reviewed the business model environment in the analysis of the market and its competitors, it is possible to create a clear picture of the functioning of PEP by applying Osterwalders (2004) business model canvas from which to explore the effect of these micro and macro environmental factors on PEP.

6.1 Current Model

![Figure 2: Business Model for PEP Using Osterwalder’s Framework](image)

This model has been designed to allow PEP to achieve their short-term goals and to be easily adapted so that as PEP grows these goals can be altered to work towards long term goals or to adapt changes in the micro and macro environment.

6.2 SWOT Analysis
### STRENGTHS
The credibility of diets and dieting has been severely damaged over the past few years from increased critical media attention. In contrast PEP makes it clear it is not a diet plan to follow. Providing child-care facilities for members not only allows parents the opportunity to attend events, but it also plays a vital role in making PEP something that can help educate and entertain the whole family.

Having revenue streams from both events and monthly membership means that there is a steady stream of income and therefore further events can be planned based on expected forecasts. It also allows PEP to take risks and without jeopardising all of the income if one area fails.

Various close contacts within Liverpool city council and the local health authority should help to build strong profile in Liverpool and reduce costs by utilising various health organisation and funding bodies.

By holding big yearly charity events it will raise PEP’s profile and enforce its strong ethical values and labour will be free from members volunteering for a good caus.

### WEAKNESSES
At present PEP’s biggest weakness it’s lack of detailed market research on pricing strategy, in order to ensure that PEPs complex offerings are accepted by the target market and for PEP to reach its full potential. Despite PEP being different to other weight-loss programs, due to the negative media attention towards fad diets, PEP faces a suspicious market as it grows due to consumer mistrust this puts a lot of onus on the brand.

The market is flooded with products and services targeted towards overweight people, so finding ways to effectively target the audience so they are receptive is not easy.

Getting workers from the Future Jobs fund means that they are unlikely to have any relevant background experience and must be trained from scratch.

Failure to organise events that appeal to the target customer group or their families will lead to inability to fill spaces at events which in turn will chip into profit margins.

PEP’s business model does not allow for

### OPPORTUNITIES
Increasing levels of obesity mean that a growing number of the population need to lose weight.

Government initiatives such as ‘Change4Life’ have increased people’s awareness of the need for not just a healthier diet but a healthier lifestyle.

Consumers have growing concern for weight management rather than simply weight loss and are looking for longer-term, sustainable ways to lose weight (Mintel, 2008).

According to Mintel (2008), the majority of consumers doubt the effectiveness of diets as they believe any weight lost will return once they stop the diet.

However as seen by the growing sales of organic and health foods, people are becoming more keen to try and make lifestyle changes.

When the company launches in 2012 the Olympic games will be happening in London which will mean the whole country will be on a sporting and fitness high.

### THREATS
Running a Wiki with the aim of it becoming a trusted source of information has the possible downside that it loses credibility because anyone can add things to it (even if references are required and it is all moderated before anything goes live).

PEP may be unable to compete against large, well known brands in its attempt to create a credible source of information which would put a severe limitation on one of its key selling points.

Increased pressure on big food brands to emphasise a healthy lifestyle message could decrease the value of PEP’s offering as more information becomes available to the consumer.

With inflation and a poor economic climate, overweight consumers might be more hesitant to spend money on a product/service that doesn’t directly promise to make them lose weight.

Low start-up costs will mean that PEP must be constantly vigilant of new companies entering the marketplace and

Any negative feedback from initial consumers is likely to severely slow the rate the company can expand if it becomes readily available to potential customers online.
7. Product Development

7.1 Original concept in brief

PEP is a healthy living community adapted from a model of a business networking company to provide its members with the opportunities and information designed to help lose weight and maintain that loss.

The main way this community will operate is through a series of fun and entertaining social events for members designed to help educate and encourage people to make positive changes to their lifestyles.

Events:

- Evening meals/lunches or picnics – where diet is built into the structure
- Visiting guest speakers
- Start new fitness class/techniques
- adventure sports trips and holidays

To support this community there will be a website and newsletter. There is also the opportunity in a group or individual with a personal trainer/nutritionalist.

As part of the market research for this enterprise an in-depth interview with the founder of a series of business networking companies in various regions of the north of England and from this interview the following business model was developed.
7.2 The Product/Service

These Services can be broken down into 3 distinct areas, with various possibilities being available. They were all designed following 2 focus groups held on the services missing in the weight loss market with a family market in mind. These options were to some extent limited to keep start-up costs to a minimum:

**Members website**

- Members discussion forum
- Events Calendar
- Articles translating the latest weight loss and lifestyle research papers into useful information
- Access to latest weight loss and lifestyle research papers themselves
- An adaptable online food diary that fits your chosen diet and exercise strategy

**Personal Path**

- One on one consultation
- Group consultation and support session
- Family consultation
Events (all designed around healthy and happy lifestyle)

- Social meals with speakers
- Adventure sports
- Fitness classes
- Fitness disciplines (martial arts etc)
- Mini interactive Farmers Markets
- Family activity days
- Group sports holidays

Newsletter

Keeping you up to date on upcoming events and opportunities

These were included in a market research questionnaire (a methodology for which can be found in appendix C along with methodology for Focus groups) to gage the interest of the female ABC1 population in various life-stage.

7.3 Market Research Findings

7.3.1 Members website

Originally the forum and articles were set to be the main focus of the website, however on analyzing the results of the market research it was found that the most enthusiasm lay with the adaptable food diary and that the research papers themselves rather than the articles themselves as can be seen in figure 4
With this in mind it was assessed the possible cost of such options. The food diary, although not overly complicated in format, would pose considerable problems when trying to acquire necessary information to make it convenient and functional. In answer to this problem it was decided that a co-operative approach could be taken to this task, with members being allowed free access to the resource in exchange for collecting and standardizing data to comprise of the finished project. It was also recognised that in order for this to be effective, some supervision of the situation would be warranted. With this in mind, several voluntary organisations were contacted in the hope of acquiring some volunteers. On speaking to the jobcentre it was agreed that graduates who were currently being referred to the future jobs fund (a government funded body set up to pay for long term unemployed people to gain some work experience) would be ideal candidates for this role, as a new enterprise would provide opportunities for them to receive work experience over several fields.

This of course is not a new idea as online slimming clubs have risen in prominence leveraging the fact that consumers are using the internet more in their daily lives (Mintelb, 2010). In fact 76% of the population admit to using the internet on a daily basis (ONS, 2008). Several rival products are already in existence, with Sainsbury’s and Tesco both having online only diet clubs which can be adapted to the needs of the individual and slimming clubs also providing online services.
### 7.3.2 Personal Path

The purpose of these options being provided was to offer to the community the opportunity to involve the whole family. As you can see, less than a fifth of the participants showed any interest in this option and of this group only 4 were currently in the family life and there were more empty nesters showing interest (presumably with grown children).

![Interest in support sessions](chart.png)

This may in fact promote the idea of group sessions where members who know each other previously or have met through PEP group together for their support session.

**How often would you like these consultations to occur?**

![Consultation frequency](chart.png)
Not surprisingly the majority of participants opted for more frequent sessions, similar to that you would receive at a slimming club.

### 7.3.3 Events

The original objective of these events was to make these more social occasions, with social meals being the staple type of event, however this was actually the least popular choice offered.

<table>
<thead>
<tr>
<th>Interest in Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group holidays</td>
</tr>
<tr>
<td>family activity days</td>
</tr>
<tr>
<td>interactive farmers markets</td>
</tr>
<tr>
<td>Fitness Disciplines</td>
</tr>
<tr>
<td>Fitness classes</td>
</tr>
<tr>
<td>Adventure Sports</td>
</tr>
<tr>
<td>Social Meals</td>
</tr>
</tbody>
</table>

| 0% 20% 40% 60% 80% 100% |

It appears that the most important events would be that which customers directly relate to fitness, therefore it would evidently be necessary to provide a wide range of quite commonplace classes in addition to some more unusual ones (as a point of differentiation from the competition).

Due to this turn of events it was decided that regular venues, situated throughout the city were essential in order to maintain a sense of a community within the neighbours.

Therefore one such contact have readily been made, this is situated next door to the PEP offices in a large town hall with several different rooms that have recently been refurbished and are available for hire.

The Founder of PEP has in the past been heavily involved with the running of the hall and as it is a charitable enterprise run for the benefit of the community, PEP has been offered a discounted rate for any large function to be held and the use of the smaller rooms for free when they are available for use, in exchange for managing the hall’s diary. This has been offered for the first two years of PEP’s running in the hope that the clientele of PEP will in fact be one similar to that desired of the hall and therefore have mutual benefit.

125
The events due to be run by PEP need far more investigation to ensure that what is being offered is of real interest to the target market - at present the event categories are far too general.

7.3.4 Other Issues

When asked to identify barriers to success of their weight loss, over 60% stated lack of time to exercise and just under 60% state comfort eating as a barrier. There was also a wide variety of other barriers, all with a similar degree of popularity. This has highlighted the individuality of requirements of each member and this will need to be considered when expanding on the services offered.

7.4 Interest and reasons

Of the 150 participants who fitted the target market of ABC1, a figure of 114 showed some interest in PEP.

Of those, 12 were not currently trying to lose weight and 4 of those had not attempted to lose weight over the past three years.
In addition to this, 21% of participants who showed interest in PEP were in the normal weight bracket. Therefore a more nuanced approach is also important: to be pitched in terms of health and wellness more than weight loss, thereby fitting into an eating plan that suits all members.

7.5 Pricing Strategy

This is an area which definitely needs further exploration as the results were not nearly conclusive enough. There was also a flaw in the methodology where participants were asked to indicate amounts in £20 intervals, that started with £0-£20, this did not provide any opportunity to simply indicate that they would not be willing to pay for the package at all, increasing the overall average of expected spending.

Also, with a larger sample size, it may be possible to make a differentiation between the various life-stage, age and Socio-economic groups, which would be of far more use in planning a more detailed pricing strategy.

As there are several income streams for PEP, membership fees have been allocated 50% of the fixed cost to cover and the variable costs of each new member.

7.5.1 Spending habits

In assessing people's inclination to spend money on various aspects of PEP's product features, it was clear that this market is far more likely to spend more money on enjoyment for both themselves and their family, rather than on
weight loss or healthy lifestyle, however there is also more interest in joining PEP for the purpose of Healthy Lifestyle and Weight loss.

Therefore a series of possible packages were offered to participants in order to assess what they would be expecting to pay for PEP specifically.

Packages – membership fees

All inclusive package – access to all web resources, free entry to all events individual (averaging 2 event a week to value of between £5 and £30,) discount to family events, discount for adventure sport and group holidays, free consultation sessions

These packages would need to be priced at a minimum of £100 a month in order to be able to easily cover the cost of this number of events. Unfortunately there is only a small number of people (11%) who would consider paying above £60, therefore it is decided that this is not really an option.

Web access package - access to all web resources, discounted entry to all event, free consultation sessions

This again is outstripped by the costs and the customers expected payment and should also be discarded, leaving only the two more basic packages below:
Basic package – access to most web resources (excluding diet tracker), free consultation sessions

It has been calculated that if this package was to be charged at £10 a month, with the presumption that the support sessions being provided are to be run fortnightly, with 8 members, that this income stream would not break even on 1000 members, if this was increased to a fee of £15 per member, this figure would be decreased to 356. However, more attractively, with a £20 membership fee, breakeven would be at 245 members. All of these figures can be seen on the break even graphs below:
It does not seem at all unlikely that a price of £15 or £20 would be acceptable to the target market as £15 is only a mere £2.50 more expensive than Weight Watchers and PEP status as a premium product makes a higher price essential as a low price may devalue the brand as a whole. Participants also expected to pay approximately £18 a month.

**Tester package – limited access to web resources, one free consultancy session**

This package is designed to run for a limited period in order to attract new customers, however PEP does not feel that this is a promotion they wish to run as it does not afford any great security of income.

**Package Upgrades**

These services have been built around a theory of optional pricing, which means that customers, once they have started to buy, will continue.

**Food diary**

With almost 75% consumers happy to pay a premium to access the adaptive food diary, even those who are not interested in PEP membership, it is thought that this package could be sold as a separate product for between £5 and £10 to both members and non members. For the purpose of calculating break-even point it has been provisionally priced at £7.50 for both members and non members. As the cost of creating the website has already been factored into the overall fixed cost and the variable cost not existing as they are all done through the on-line
system, 20% of the overall fixed costs have been assigned to the food diary. This provides a fairly fast break even point, needing 168 sales.

One on One or family support upgrade

35% of participants would happily pay over £20 extra to have a one on one support session rather than a group session. This implies a clear potential for a further income stream. The price of a one-on-one session with a contracted personal trainer is £20 to PEP, not forgetting that these members have already paid for membership which includes 24 group sessions (twice monthly cycle) a year costing PEP £4.29 individually. Also this option would be based on a longer cycle of once a month. If this upgrade was to be charged at £15 a month this would only leave a profit margin of £3.58 a month, therefore it would only be worth assigning a 10% portion fixed prices to both family and one-to-one sessions and this would need only 43 sales of each a year to break even.
All of these upgrades need a vast amount of further research and development in order to ensure they are viable and priced correctly, but for the purpose of the financial analysis it is necessary to use the values detailed above.

**Events**

The events in most networking organisations are only a small proportion of the income, as the danger of backward or forward integration is often quite high. In order to explore the pricing strategy for the various events, further research needs to be done into the wants and needs of the target market and this will be undertaken over the first six months of PEP’s running.

**Conclusion**

Using the above information it has been decided that PEP will charge a monthly fee of £17.50 for a basic package and this will cover 50% of fixed costs. In addition to this a series of upgrades would be available, with fixed costs spread across the different areas as follows:

<table>
<thead>
<tr>
<th>Product</th>
<th>Percentage of Fixed Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>50%</td>
</tr>
<tr>
<td>Food Diary Upgrade</td>
<td>20%</td>
</tr>
<tr>
<td>Family Support Session</td>
<td>10%</td>
</tr>
<tr>
<td>One-to-one support session</td>
<td>10%</td>
</tr>
<tr>
<td>Events</td>
<td>10%</td>
</tr>
</tbody>
</table>

This spreads the risk of failure fairly easily over various sections of the business.
8. Marketing Strategy

8.1 Branding Strategy

PEP is the name given to this product in order to allow it to be freely discussed throughout this document. It was taken from the poster below, in the thought that the mixture of light hearted content and connection to health was a little ironic, however there is as yet no strong connection made with this imagery and it is important that the brand imagery is relevant to both the ethos of PEP and appealing to its designated market.

Through the customer analysis several issues have arisen which need to be addressed by the design team, in the construction of PEP’s brand:

- The image project by the media of women often promotes one of unhealthily low weight as one of beauty. To combat this PEP is hoping to provide a more healthy yet glamorous image of women, being careful not to alienate themselves in the market as an obese orientated brand.
- AB females in particular often perceive their weight to be less than it is, either due to skewed body perception or reluctance to admit to having failed socially (mintel, 2008). By aligning PEP with the themes of play and pleasure, a more positive association can be created and create more positive associations with their products, and position healthy eating as a challenge to be undertaken.
- A strong theme of PEP’s product offering is self empowerment, this needs to be clearly portrayed in the brand imagery.
- A focus on healthy living rather than temporary fixes needs to also be evident in the imagery so that PEP’s message of education and opportunities can be easily portrayed to potential customers.
- One of PEPs core values is centred around enjoyment and life being more filled with vitality than sacrifice and discomfort of diet and exercise promoted by more run of the mill diets.
8.2 Marketing Activities

According to mintel (2010) there are two main peaks for dieting, one at the beginning of the year (after Christmas indulgences) and the other at the beginning of summer (late April early May). An attempt has been made to reflect these high points in the number of people joining PEP at these times.

Many of PEP’s marketing activities are to be centred around word of mouth advertising. Therefore, in the first year the main advertising spend will be spent on a one off event designed to engage the local business community of the city centre of Liverpool and to build PEP’s brand image as whatever our mission statement is and to create an influx of members in a relatively small amount of time. As PEP is set to be a community based organisation, it is vital that there is a community to build this upon.

This event will be held in Exchange Flags in the heart of Liverpool’s central business district (CBD) and will be a five day long event with a variety of activities designed to appeal to a wide range of people. It will include demonstration cookery shows including the opportunity for office workers to cook along with the show at lunchtime and collect their cooked food at the end of work. Two huge screens with the opportunity to try out (or compete in a competition at the end of the week) at a number of different interactive video games, an inflatable gladiator jousting arena, the opportunity to try a number of toning circus skills (including juggling and stilt walking), have a go on a climbing wall, have the opportunity to abseil down the building, go on a zipline, as well as a wide range of healthy local produce stalls giving out free samples.

This event will be used to introduce the concept of PEP to a large number of the target audience in Liverpool city centre. It will also provide the chance to show off the list of upcoming events over the coming months and to sign up the first stage of members as well as creating a substantial email database of others who have shown interest but not signed up straight away.

Alongside this an aggressive press campaign is to be run in local business press, including feature articles on PEP and £15,000 has been laid aside for each of these enterprises in an effort to grab the attention of the business community of Liverpool.
Brand reinforcement

The above event is set to be a one off occurrence. From this point on, the main focus will be on more internal marketing, encouraging the support of current members, who will in turn recommend PEP to friends and invite them along to events (open to non-members with a little extra cost to be paid).

This means a strong focus on customer service and flexibility to suit the needs of the individual as well as constantly developing and strengthening the brand.

One of the most important promotional streams which is to be setup is what has been called the ‘wiki’. This, in reality is the food diet, which is to be run on a more co-operative basis, something more akin to Wikipedia, with a member of the future jobs fund designated to monitoring inputs by customers. The main objective of this tool is to increase a sense of involvement in all areas of the business. In time, ideally this would be rolled out to other aspects of the business such as reviewing current research studies, product or events.

Brand presence on all literature and email: this is a major part of increasing brand familiarity and reinforces the need for the brand imagery to be relevant to PEP’s ethos.

Particularly this will apply to PEP’s starter pack, which will be the first thing that new members receive following joining PEP. As members join PEP for a variety of reasons and with a variety of goals, this pack must be personalised and therefore has been designed simply, in order to be able to accommodate the individual. It consists of:

- Membership card (with PEP’s branding and members details on)
- A box folder with the contacts and useful information that the new member may need (contacts etc)
- Quality thickness in-lays which can be selected from a variety to reflect the needs of the individual without overloading them immediately with a wealth of information which is hard to swallow.

Second year marketing

In PEP’s second year of running, things will be much more low key, with the launch party kicking the year off (as it will be held in the final week of the previous year, much of the effort will be put into creating a strong and local customer base that will promote PEP through their own social connections, therefore it is imperative that PEP
creates a very positive experience for those first members. With this in mind, provision for marketing has been created however it has been left unallocated to any task as it is thought that it may be of more benefit to simply assess the need for promotion as appropriate opportunities arise.

**Intellectual property**

In order to create a strong and uniquely recognisable brand identity for PEP, it is important that we gain intellectual property protection for the logo by registering it as a trademark. The rights to this image will be forfeited by the graphic designer as part of his contract and will become the property of PEP. This will protect it from being copied in any way by the competition, or used without our permission.
9. Financial Analysis

Several factors govern PEP’s financial situation:

- **Premium Product** – as PEP is targeted at the ABC1 it needs to set itself as a premium product in the slimming market, therefore product prices need to be pushed up to ensure brand integrity, also any materials used to be need to be of a higher quality

- **Set-up Time** – as the services being offered by PEP are quite varied and complex, at present it is estimated that the set-up time for PEP needs to be 12 months, therefore leading to quite a sizable amount of time where PEP will have serious cash-flow problems

- **Community** – PEP is a community, therefore when PEP does eventually launch itself into the market, there needs to be a fast in-take of members, this calls for gorilla marketing which can be quite expensive

- **Market Research** – at present there are some areas of PEP’s product development and pricing strategy which need refining, therefore time and money need to be afforded to this activity.

The first year of PEP’s activities will focus on four areas; market research, developing and building infrastructure, hiring and train staff and organising the launch event. This must be done as cheaply as possible as there will be no major revenue at this time. However it still must be done to a very high standard so as to create the right brand image and reputation for the company from launch.

**Year one finance**

In order to create a predicative profit and loss statement and monthly cash flow for the first year, a basic schedule and assumptions being made need to be outlined:

**April 2011 – March 2012** – Take out mortgage in place of a start-up loan – at this stage there is only the founder working on market research without taking a wage

Market research activities will consist mainly of a series of questionnaires, followed by a series of events, all of which will be designed to break even. As of yet, it has not been possible to plan these events in any detail as more research is needed into the needs of the customer. No event will be run that cannot bring a return of £100 profit for
a large event (e.g. adventure sport, overnight trip) and £40 profit can be made from a smaller event (e.g. Salsa evening, introduction to yoga). Therefore, on all the financial document, this is the value of an event which will be entered.

As there will be no members joining in this year there will no variable costs which need considering.

**October 2011** - At 6 months, take on staff from Future Jobs fund, 1 for admin, 1 for IT. As this is part of the future jobs government scheme therefore the first three months of their employment is free and only 3 months wages are necessary.

With the arrival of these employees it has been timed with leaving of the previous tenant of the office space that PEP is going to use. This brings with it the purchase of office furniture and equipment, as well as the commencement of all overhead costs and the purchase of a company vehicle. At this time, a design team is going to be employed under the management of the Event manager to create clear branding, IT infrastructure and brochure design ready for the launch. This work was estimated to cost around £3,500.

With the purchase of assets comes the depreciation of assets which has been accounted for in the profit and loss and is explained more fully in appendix D.

All these efforts will culminate in the launch of an event on March 31st, partially funded by “awards for all” and a press campaign including articles in Liverpool Business Post (LBP) and Cheshire Life costing approximately £15,000 (Quote provided by LBP).

The profit and loss sheet can be found in Appendix E and a Cash flow analysis can be found in appendix F but this is more easily summarised below, showing how the early provision of funding is essential to PEP, however this funding does not go quite far enough to keep the bank balance in the black for the whole year, a situation which is much worse in the following year.
Year 2

With the second year comes variable costs. These have been detailed in the brand strategy and details of costing can be found in Appendix F. whilst doing a cash flow analysis it was important to separate out one aspect of variable cost (support sessions) as this is the only aspect of the whole which is not a single purchase item. It is purchased on a fortnightly basis. Also, as membership and upgrade fees are also paid monthly, it was necessary for each of these to have 2 rows for receipt, one for the initial purchase and the second for cumulative membership fees.

As there are so many variables which may affect the success of the launch event, it is not possible to predict with any accuracy the number of members that will be signed up. However in order to explore the possible effects of varying numbers and levels of commitment, some modest numbers have been put together that attempt to echo social norms. It was presumed that anybody who took membership with PEP continued for a full year. However this may not be so in reality and would have an effect on the overall outcome.

According to Mintel (2010) there are two main peaks for dieting, one at the beginning of the year (after Christmas indulgences) and the other at the beginning of summer (late april early may) an attempt has been made to reflect
these high points in the number of people joining PEP at these times. This can be seen in appendix G which is a cash flow analysis of PEPs second year.

This cash flow analysis shows the real dangers in a fast influx of custom, PEP would need a reserve of several thousand pound in order to stay afloat during any time of fast expansion, this can be clearly seen in April 2012 (appendix G) of the cashflow diagram below and is also reflected in the Profit and Loss sheet in appendix H.
10. Conclusion

The weight loss market has quite intense rivalry due to the high number of organizations operating within it. In spite of this the offerings are not particularly diverse, with nearly all of the major players only providing a one sided solution to the problem by promoting either drastic change to diet or exercise regimes. Many of these offerings also provide a much regimented ‘one size fits all’ solution which is often unsustainable in the real world, leaving the consumer disheartened by failure. This is further compounded by the media’s attitude to weight problems and methods, ridiculing those who are struggling with their weight and at the same time exposing all diets as fads.

On a positive note, this is a growing market and a ‘maverick’ company could potentially really make a splash and change the way weight loss is thought of. This is something that Weight Watchers is already striving to do in their latest innovation of Pro Points, based more closely on healthy eating to sustain weight. It is competitors such as Weight Watchers which pose a major threat to PEP. With an already established customer base and strong brand identity, PEP will have to hugely push the differentiation in their products if they are going to make a dint in this market.

One unfortunate governmental factor which came to light was the strong crusade the previous government was running on reducing the environmental factors which cause weight problems in the first place. This would have been a major advantage to PEP, however the current government has back peddled on these actions, handing over much of the responsibility for healthy eating to major food brands and leaving a very unclear political future ahead - something that PEP is going to have to take care to monitor over the coming years.

With the present economic climate it goes without saying that times ahead are set to be hard, therefore PEP needs to ensure that no major strategic moves are taken without thorough research and careful planning. At present PEP’s biggest weakness is it’s lack of detailed market research on pricing strategy. In order to ensure that PEPs complex offerings are accepted by the target market and for PEP to reach its full potential and give more accurate financial predictions, which are vital to ensure that forward planning for premises, staffing and cash-flow needs are adequately catered for. Essentially what is needed is the securing of more funds, which at present is not an option for PEP, therefore at this stage the business will more than likely be delayed until PEP’s prospective founder is in a more financially secure position to proceed and the economic future is a little clearer for the target market.
The Concept of PEP appears to be a strong one with a substantial amount of interest shown in it and it may, in the future, be a more viable option. It’s family orientated, fun seeking attitude is one that, in better economic times, may be one with some mileage in it as it taps into a market of time-poor parents, who allow their free time to be consumed by their family, often not having time to exercise. By combining both family enjoyment and personal weight control, there is a definite target market in the AB socio economic group, although it would be foolish to approach this endeavour half-cocked as it would be bound to fail.
Appendix A - Summary of major barriers identified in focus groups

Of the 2 focus groups the weight control group seemed far happier to express a lack of knowledge in certain areas, whereas the recovering diets seemed to genuinely have less knowledge of how to control their weight and seemed less aware of the fact.

In particular flexibility and sustainability of weight loss programs was mentioned throughout and perhaps surprisingly both groups experienced similar problem, although their attitude was noticeably different to the barrier, with the controlled dieter appearing to be more accepting of the problem and endeavouring to rise to the challenge.

Whereas tended use barrier as an opportunity to shift the blame away from themselves.

Appendix B – full list of responses from questionnaire

SLIMMING WORLD

What did you like about this method?

- There are no restrictions as such, just a method to enable anyone to learn how to manage a healthy way of eating on a continuing basis. It is not always easy. I have been at target for 3 years, but over each Christmas I have but anything up to half a stone on in three weeks, that have taken me three months to remove, but I have removed it.
- Could eat without being hungry
- The hope that I might loose weight like others who where attending.
- Never hungry
- I liked the fact that it did not restrict quantity rather than category of food. I could eat eg a vegetarian curry made with quorn and was not restricted as to how much rice I could have, therefore I wasn't hungry.
- Simple to follow
- Quick results
- Easy to follow
- Quantity you could eat
- Ease of green and red days
- Don't think it's healthy
- Based on calorie counting, which was simple to apply to any labeled food
- You could eat a lot of food.

What did you dislike about this method?
- It worked up to a point then I could only maintain unless I cut calorie intake
- It could be difficult eating out if the menu didn't fit in with 'the rules'.
- allowed to eat too much!
- required more planning.. not as much choice
- don't fit with family life
- I found it easier to be at the always losing stage than to be at target. I find it takes more effort to remain in target. But as it works for me, it is not really anything to dislike as such, just constant effort.
- I have not tried any other dieting methods and have never yo-yo dieted, I went to SW on recommendation when my weight became a problem to me.
- I found after a few weeks the food limiting and boring. I also hated meetings where people had to clap and say their weightloss each week. I felt it was just a money spinning and it you were not loosing weight they did not know how to deal with it even though the diet was being followed exactly.
- Didn't allow for a balance being vegetarian
- allowed you to eat an unhealthy diet
- I dont feel it taught you to moderate your food intake. Ultimately you have to exercise portion control and Slimming World didnt really advocate that.

WEIGHT WATCHERS

What did you like about this method?

- You could eat what you liked as long as you made an allowance for it in your points.
- Easy to fit into lifestyle.
- No foods banned.
- encourages more healthy eating
- choice
- no counting calories
- balanced diet - everything in moderation
- can still have your treats. encourages you to eat more fruit and veg
- easy to stick to
- Easy to follow.
- i had to admit how much overweight i was and account for any loss/no loss
- Meetings were beneficial and plenty of support and guidance
- teaching good habits
- support and motivation
- inspiration
- still eat normal food and decent amounts. It's just about making more sensible choices.
- Normal food in reasonable amounts. Educates for better food decisions.
- easy to control
- easy to keep track
- nothing banned
- nothing banned. all things in moderation.
- did work
- It did work and I did lose weight.
- easy to fit in my lifestyle
- Nothing is forbidden, which often with diets if you are not allowed to eat some thing it makes you want it even more.
- weighing in each week
- Easy
- Guided through the process and the weigh in.
- The food is healthy and nutritious.

What did you dislike about this method?

- Having to count the points and keep track of everything you ate.
- All foods have to be pro-pointed - sometimes difficult.
- weighing, measuring and planning
- i dislike the meetings
- Getting bored with not being able to eat the foods you like as they would take up too many points.
- too much weighing and planning
- too much veg
- I don’t like a lot of veg
- running out of points and being hungry
- You had to work out the points for everything you ate and this meant consulting food points directories or using a points calculator to work it out.
- Also, you could be struggling to stay within your points when you were hungry at the end of a day. I don't do 'hungry' very well!
- points can be confusing
- getting used to points
- It was a bit meticulous at first having to weigh every thing to work out the points value in your portion.
- Weighing food portions.
- I had too much weight to lose and would have gone on forever. I just did not have the self control to be on a diet for that long.
SELF REGULATED HEALTHY LIFESTYLE

What did you like about this method?

- Can eat any kind of foods, really enjoyed new exercise.
- It fits in with my lifestyle and keeps my weight in check, returning me to my previous 'limit'. However I think I need to do a little more, just to lose only a few more pounds (4-8) maybe.
- I was in control and wasn't following and strict guidelines
- sustainable and I don't feel hungry, occasional treat days are built in
- I enjoyed the exercise and could eat what I liked
- The activities were easily transferred into my lifestyle at the time.
- I don't like the effects of eating lots of sugar (often makes me tired) so this worked well. Extra exercise is fun.
- Noticeable difference
- It fitted into my working day and also made me feel better in the afternoon
- easy sensible
- I find it quite easy to avoid wheat. I substitute wheat with spelt and rye. I never feel bloated when I eat this way. Also, I run several times a week which makes me feel more energetic
- it worked
- it did make you feel healthier, probably because toxins were washed from the body sooner etc.

What did you dislike about this method?

- Sometimes felt hungry
- Nothing particularly.
- There wasn't anything which would confirm whether I'd be successful
- the results are slow i.e. 1-2lb weight loss per week
- paying for exercise classes to keep me motivated and taking up a lot of time
- I like cake!
- I love chocolate
- I couldn't keep motivated to do it
- It did not make me lose significant weight, and sometimes it was annoying carrying the water bottle around with me everywhere and needing the toilet more frequently
SELF REGULATED DIET

What did you like about this method?

- It is hard to exercise because i am travelling, so changing my eating habits is all i can do, however im not very strict.
- It meant that I had to eat healthy meals that were the right portions. No overdoing it. And also had to eat at same time every day meaning it gave me a routine. Also, it was very varied foods.
- I ate more fruit and veg etc and tried to cut out eating as much chocolate and sweets - it worked for a time.
- I feel healthier when following it.
- It makes you feel healthy and you can easily implement it into your life by altering eating habits and walking to work.
- it's not dieting
  it makes me fit(ter) and strong(er)
  it's a good formula to follow for life
  it's flexible
- I am not dieting, I am eating with the rest of the family only having smaller portions. I am also pleased with myself for not eating sweets and biscuits as I have been worrying about the effect to much sugar in my diet can have on health at the age I am now, this includes wine as that has large quantities of sugar in it also. I have read that this can effect my health through diabetes and there is evidence that it can be linked to alzheimers.
- The "fasting" period is predominantly carried out while sleeping, therefore it is easy psychologically. Waking up for work, and being able to walk out the door without worrying about breakfast is A LOT easier. Then fitting in daily calories in just an 8 hour window allows you to eat when you want, and aids satiety (usually preventing snacking/overeating).
  I eat when I want during the 8 hour eating window, I don't eat during the "fasting" period...no temptation.
- Easy to do as the fat content is on nearly all labels.
- I was still eating what I liked just smaller portions.
- nothing
- I like fruit so it was nice to have an excuse to eat more
- Nothing
- nothing
- It worked I guess. As long as I stuck to it, I hit my aims.
- it was not a major change to my routine, and it allowed me to maintain my normal caffeene intake. It was quite practical, and did stop me gaining weight from normal fat cola.
- Nothing, it killed me to do it.
- It encourages you to eat more healthy food in the form of fibrous vegetables and fruit
- convenient
- Nothing as I failed

What did you dislike about this method?

- I love to eat, so its not the most effective means of losing weight
- Keeping to the same times were hard as sometimes I would be in university, or in wok and could not take a break at the times required. Plus, it was too much to buy and keep up.
- I do have a sweet tooth and ended up craving what I was missing. I found my diet to then be really boring and didn't enjoy food as much
- I like junk food!
- It is difficult not to be tempted by treats in the office. You have to be very strict with yourself.
- Jogging when it's cold or wet starting it (ie doing exercise when I hadn't done it in a while)
- I have found it difficult when out with friends as they tend to encourage you to have a glass of wine with your food.
- Sometimes I get hungry from when I wake up till when I eat (around noon), but my usual morning coffee destroys that hunger.
- I love cream and cheese and these are definite no-no's.
- Did not lose the weight quick enough.
- Eating boring food
- It didn't work because I ate too much fruit and veggies lol
- Everything
- Always hungry, ended up binging on chocolate, sweets etc. made me experience mood swings
- Making 6 meals per day is impractical... plus it's not as satisfying eating 6 small meals per day as it is eating 3 bigger meals. (I was under the impression that eating 6 small meals per day increases your metabolism, which I have realised is a silly notion... calories in vs. calories out is all that matters I guess).
- It never made me lose weight, only maintain the weight I had, and it also made me feel unhealthy after a while, because there is so much in diet drinks that could be potentially harmful
- Bread is a staple diet in the western isles, take that out and you are left with rice. It was difficult to come up with dishes that weren't Chinese (fattening dishes), defeating the object of the lesson!
- It makes me feel bloated
- Came to a halt very quickly
- I kidded myself I was being good plainly I wasn't.
SELF REGULATED EXERCISE

What did you like about this method?

- Easier to control snd schedule than changing my diet. Nd when i am more active i naturally eat better
- Reduced amount of work to most schemes. 30 mins every two days
- the structure of it
- it made me feel healthy, and it was good to get outdoors for a while and gave me time to think.
- feeling fit and strong
- It got me out of the house of an evening preventing me from picking at food and having glasses of wine.
- getting fit. look better
- getting fitter and looking better
- being in a controlled environment

What did you dislike about this method?

- Sometimes there is just isnt enough time
- having to do exercise
- it doesn't address what you eat - or portion sizes
- it hurts!!
- It was hard to maintain. i began on holiday and as soon as work kicked back in it became less and less of a priority and it was hard to run where people i knew could see.
- going to the gym
- keeping it up every week and spending money getting to the gym and back
- expensive
- Expensive and results take too long

OTHER –

MEAL REPLACEMENT

What did you like about this method?

- no planning, just had the drinks and soups instead of meals.Really easy.
- It was easy to do and the results are fast and assured
- Quick weight lose
- Simple - total food replacement diet - no other food at all for 1 month - just the two 'shakes', and 2 ltrs water. easier as no decisions to take about what can/cant eat, amounts etc. very very strict but v effective. Lost 24lbs in 30 days.
- Quick weight loss
- no counting points, you drank 2 shakes a day in place of breakfast and lunch and then could eat whatever you liked of a night. It didn't require any thought!
- quick and simple
- not much, the shakes were easy to make for breakfast but they weren't filling for long
- nothing
- did not have to think about food and did not have to cook
- Simplicity
- Makes you lose lots of weight fast

What did you dislike about this method?

- Never get full
- Got headaches and needed to wee a lot
- Became boring..
- Its not sociable and its boring.
- Boring
- hard to maintain the lose as when started eating proper food weight went back on.
- The monotony of shakes twice a day.
- unsustainable - doesn't teach good habits
- being hungry :( 
- expensive, didn't work, always hungry
- side effects

OTHER -

DIET PLANS

What did you like about this method?

- it did work, and wasn't too hard to maintain within my normal lifestyle.
- satisfying - like hight protein foods
- The obvious weight loss and the feeling of energy that it gave me.
- simple to follow
- Unlimited certain foods.
- getting to eat what would be classed as unhealthy food
- It felt healthy....fruit, nuts, meat and veggies are a very healthy lifestyle to survive on...after all it is how we survived prior to the agricultural revolution and we haven't evolved at all really since then...so why would we need potatoes, rice and bread now to survive?
- Someone gave me a plan of the meals to eat
- getting to eat what would be classed as unhealthy food
- In the initial stages the weight loss was quite dramatic.

What did you dislike about this method?

- It was tricky when going out to eat to find suitable choices. It also got quite boring as meat and cheese etc. without the carbs is jus uninteresting to the palate if done for a prolonged period of time.
- too expensive
- dog breath
- no fruit
- unsustainable
- Bad breath and headaches when giving up coffee and tea.
- Too much fat, felt sick.
- Very restricted and craved healthy food
- Even though we haven’t evolved to need carbs, we have definitely adapted to that need. Therefore, growing up with all the bread, rice and potatoes I wanted, I craved them too much to completely cut them out of my diet. Alcohol is obviously also eliminated from the diet technically, which is why I could never 100% stick to the diet, being a 22 year old.
- I would have to go out especially to buy in the foods I would need to make the meals suggested. I eat healthy anyway, I don’t have the budget to go out to buy additional extras
- Very restricted and craved healthy food
- I craved carbohydrates after first week, but as it went on these could be introduced.

Appendix C - Research Methods

While there are a wide number or research methods available (a number of which were listed in the Research Types section), the Interview, focus group and Questionnaire methods have been chosen for this research for three reasons: Firstly because of the types of information that are needed to be found out; secondly because of the size of the samples being tested and thirdly because they are the most reliable and proven methods (within the cost and time limitations of the researcher) to gather the information needed. Further details on how these research methods meet these needs and why they have been chosen follow.

Questionnaires and interviews are tools that can be used to test a wide range of issues and be used to gather both quantitative and qualitative data. However, it is important to work out exactly who is being tested, what you want to find out, how much subjects know about a topic, how you plan to measure responses, what method you are going to use to conduct the research and what language to use to avoid influencing the subjects responses (Riley et al, 2000; Malhotra and Birks, 2006).

Focus group techniques

The purpose of the session was to gather qualitative information about the attitudes, knowledge and opinions of the target market. Research literature was first reviewed as a basis to this research in the form of a focus group, and to ensure that the focus group was as ‘to the point’ as possible. Fortunately all participants lived within a fifty mile radius of one another and therefore it was possible to conduct the focus groups at a central location. This had the advantage that the researcher was able to see the reactions and facial expressions on the participants, which could potentially have led to misunderstandings had the interview needed to be conducted over the phone (Riley et al, 2000; Malhotra and Birks, 2006).
The subject was also informed prior to the meeting what kind of things would be asked about in order for them to prepare the relevant information and not be surprised by any of the questions and forget to mention anything important. A carefully worded, non-leading semi-structured interview approach was taken with set questions prepared beforehand but not a rigid schedule of questioning to allow the researcher to gather more information in any areas where it was judged the question had not been answered fully. This has the disadvantage that it reduced reliability because of the subjectivity of the researcher judging what was considered a full answer or not. Other potential disadvantages were the subject providing responses which he believed the researcher wanted to hear, or pride related to weight loss failure may cause them to leave out details of those failures.

I would like to look at a method of interviewing that includes story telling... mainly because the topic of discussion is one that may be of a sensitive nature and by allowing the participant to have freedom to talk, more information may be offered than if they are asked direct questions.

**Questionnaire**

The primary objective of the survey will be to assess the validity of the findings of the in-depth interviews and specifically it will provide information on the following:

- Customer drivers for the weight loss market
- Current barriers to success
- Customer opinion of the diet market
- Customer spending habits
- Customer attitude toward potential products
- Pricing strategy options

All questions were non-disguised, as knowledge of what the questionnaire was about was viewed to have no significant impact on the subject’s responses (Malhotra and Birks, 2006). However, the questions from various sections have been spread out to avoid subjects answering questions in a biased way based on how they feel they should act (Laroche, 2001). The Likert scale was used to measure attitudes as it provided a clear and well known system on which subjects could measure their responses (Riley et al, 2000). However the disadvantage of this system is that how people answer is subjective and how people interpret what each level means is different between people. This was why a Likert scale with seven options was chosen instead of a scale with five options, as it
was thought to be able to give more reliable results. The questionnaire was trialled with a number of subjects to ensure that the questions were clear, easy to understand and the wording not considered leading. A review was made to the first version of the questionnaire as it was deemed to be too long and additional ‘unsure’ boxes were added in on polar questions to avoid forcing the subject one way or another. The disadvantage of this was that it perhaps prevented people from spending as much time considering their answer to a question as they just had the ability to tick the unsure option - however it was deemed necessary, in order to provide accurate results (Malhotra and Birks, 2006). The questionnaire was distributed: firstly via suitable groups created on social networking sites, and secondly by contacting various groups of interested parties such as gym members and weight loss groups. As an incentive for potential participants, a review of the current literature on weight loss methods was sent to all participants (rather than mail, phone or conducted in the street) because of cost and time limitations and all questionnaires were sent out and received back within four weeks.

Throughout this questionnaire the participants will be limited to ABC1 females, as this is the chosen target market.
## Appendix D – Depreciation

### Desktop Computer x2

<table>
<thead>
<tr>
<th>Lifetime</th>
<th>60 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase price</td>
<td>£1,700.00</td>
</tr>
<tr>
<td>Purchased</td>
<td>Apr-11</td>
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</table>

**Monthly depreciation:** £28.33

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Months Owned in Year</th>
<th>Depreciation in year</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>6</td>
<td>£170.00</td>
<td>£1,530.00</td>
</tr>
<tr>
<td>2012/13</td>
<td>12</td>
<td>£340.00</td>
<td>£1,190.00</td>
</tr>
<tr>
<td>2013/14</td>
<td>12</td>
<td>£340.00</td>
<td>£850.00</td>
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</tbody>
</table>

### Design Software

<table>
<thead>
<tr>
<th>Lifetime</th>
<th>60 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase price</td>
<td>£1,120.00</td>
</tr>
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<td>Purchased</td>
<td>Apr-11</td>
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**Monthly depreciation:** £18.67

<table>
<thead>
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<th>Months Owned in Year</th>
<th>Depreciation in year</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>6</td>
<td>£112.00</td>
<td>£1,008.00</td>
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<tr>
<td>2012/13</td>
<td>12</td>
<td>£224.00</td>
<td>£784.00</td>
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<tr>
<td>2013/14</td>
<td>12</td>
<td>£224.00</td>
<td>£560.00</td>
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</table>

### Smart ID Card Printer

<table>
<thead>
<tr>
<th>Lifetime</th>
<th>36 months</th>
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</thead>
<tbody>
<tr>
<td>Purchase price</td>
<td>£895.00</td>
</tr>
<tr>
<td>Purchased</td>
<td>Apr-11</td>
</tr>
</tbody>
</table>

**Monthly depreciation:** £24.86

<table>
<thead>
<tr>
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<th>Months Owned in Year</th>
<th>Depreciation in year</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>1</td>
<td>£24.86</td>
<td>£870.14</td>
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<tr>
<td>2012/13</td>
<td>12</td>
<td>£298.33</td>
<td>£571.81</td>
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<tr>
<td>2013/14</td>
<td>12</td>
<td>£298.33</td>
<td>£273.47</td>
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</table>

### Office Furniture

<table>
<thead>
<tr>
<th>Lifetime</th>
<th>60 months</th>
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</thead>
<tbody>
<tr>
<td>Purchase price</td>
<td>£350.00</td>
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<tr>
<td>Purchased</td>
<td>Apr-11</td>
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</tbody>
</table>

**Monthly depreciation:** £5.83

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Months Owned in Year</th>
<th>Depreciation in year</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>7</td>
<td>£40.83</td>
<td>£309.17</td>
</tr>
<tr>
<td>2012/13</td>
<td>12</td>
<td>£70.00</td>
<td>£239.17</td>
</tr>
<tr>
<td>2013/14</td>
<td>12</td>
<td>£70.00</td>
<td>£169.17</td>
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</tbody>
</table>
Appendix E - Profit and Loss Year One
Appendix F – Cost Flow for Year one
First year calculations explained

Overheads

Overhead Calculation for PEP are unusual as PEP is to be run from a residential premises on the edge Liverpool City, therefore Utilities and Rates have been calculated as a proportion of the running costs of the household. It has been possible to calculate these cost precisely due to the space being used having previously been used by a firm of the same size over the previous 4 years (Regent Joinery)

According to HMRC (Her Majesty’s Revenue and Customs) (2011) these are calculated by the percentage of floor space this office area takes up. PEP is being set up in an outbuilding of the property which is being converted to an office space, the outbuilding measure 5m by 7m giving a floor area of 35m² when added to the floor area of the property (140m² ) this gives a total area of 170m² , this means that the out building is 20% of the floor area of the total property.

As this outbuilding is currently in use as a home office there are relatively low set up costs, with only a change of furniture so that it is more functional

Rent:

The house is owned outright by the management team at PEP and therefore no rent will be charged to PEP at present

Having attained Public Liability and Employees insurance quote from 3 other providers (Sherwood underwriting- £1,549.72; Glemham-£1,364.87; £1,081.18) Ageas provides the lowest price at £646

It has been decided that there is a necessity for a company vehicle for transporting any materials to and from events, therefore a Citroen Nemo 1.4x 2010 (£6995) has been purchased from a local dealer, this comes with a three year warrantee and is only a year old with 3 years tax included, this negates the cost of servicing and repairing this vehicle for the next 2 years, leaving only insurance and petrol to account for as expenses, having searched through various quotes, the cheapest quote for comprehensive insurance was £884.71 (donedeal.com). As PEP is not currently trading, an estimation of fuel usage has been chosen of £50 a week.
AS the launch event is to be a small scale festival of health and managed by PEP’s Event manager, is was not necessary to undertake any other quotes and the cost of the event was estimated by the event manager to cost £15,000, £10,000 of which has been granted by Awards for All funding body as the event falls in line with their requirements of a community event and promotion of healthy lifestyle (Awards for all website, 2010)

A mortgage of £40,000 has been acquired to cover the following expenses:

<table>
<thead>
<tr>
<th>Start up Costs</th>
<th>Task</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Team</td>
<td>Branding</td>
<td>3,500.00</td>
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<tr>
<td></td>
<td>Brochure design</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Web infrastructure</td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>Press activities</td>
<td>30,000.00</td>
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<tr>
<td>Budget</td>
<td>Launch Event</td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>Desktop Computer x2</td>
<td>5,765.00</td>
</tr>
<tr>
<td></td>
<td>Design Software</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Smart ID Card</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Printer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Office Furniture</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>39,265.00</td>
</tr>
</tbody>
</table>

**Wages**

The rate of national insurance for the year 2011/2012 is 13.8% for any earnings over the primary earnings threshold (PET) £109 per week or £5,668 a year therefore in order to calculate the total cost of staffing the following equation was applied to each member of staffs original salary:

\[
\text{Full cost} = (\text{Salary} - \text{PET}) \times (1+13.8\%) + \text{PET}
\]

As part of the setup of the building several other items were purchased:

- Smart ID Card Printer (£895 + Shipping £8.50)
- Apple Mac Desktop x2 (£1700)
- MacBook Pro (£850)
Software ADOBE CS5 Master Collection (£1120)
Second Hand office furniture (£350)

All of these objects have a linear depreciation which has been calculated as follows

Monthly depreciation = \( \frac{\text{Purchase Price}}{\text{Lifetime (months)}} \)

Depreciation in year = Monthly Depreciation x months owned in year

This amount can then be deducted from profit as an expense in order to reduce the tax paid in that year.

Depreciation of vehicles however is not linear, they depreciate at around 25% of their value per year, this can be calculated by subtracting 25% from the yearly value (as it stands at the beginning of that particular year)

**additional calculations**

Variable Costs: PEP’s Variable cost are incredibly low, as at present all that new members are given access to the full website, a members brochure, a membership card and an introductory consultation, the prices below are from known and trusted suppliers that PEP’s Management team have worked with on previous projects price’s have been calculated as follows:

- 100 plain White PVC Cards £7.95 + VAT + £8.50 Shipping coming to 18.04p per card (VistaPrint.com)
- 1000 x A5 Insert Sheets (double sided) Recycled Thick Silk £215 coming to £2.15 for 10 inserts (vistaprint.com)
- 100 x A5 Recycled Oversize Box, 15mm capacity with 2 colour design at cost of £421.54 coming to £4.22 per unit (duraweld.co.uk)

As the Consultation is to be undertaken by an independent trader it is a set price of £31.70 per session per 8 people (3DPersonalTraining.co.uk) based on 1 meeting every fortnight this brings the individual yearly cost to £103.
Appendix G – Cash flow 2\textsuperscript{nd} year
Appendix H – Profit and Cost calculation for year two
References


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