# MARKETING STRATEGY OF WEIGHT-LOSS MANAGEMENT PRODUCT: A CASE OF WELLNESS AND HEALTHCARE INDUSTRY IN THE KLANG VALLEY, MALAYSIA

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# MARKETING STRATEGY OF WEIGHT-LOSS MANAGEMENT PRODUCT: A CASE OF WELLNESS AND HEALTHCARE INDUSTRY IN THE KLANG VALLEY, MALAYSIA

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## ABSTRACT

Incorporating health and wellness principles is essential for a holistic approach to sustainable weight loss management, ensuring balance across various aspects such as physical, social, spiritual, emotional, intellectual, environmental, and occupational dimensions. Despite the challenges of the COVID-19 pandemic, the global wellness industry surpassed USD$5.6 trillion in demand by 2022, with segments like healthy eating, nutrition, and weight loss showing consistent growth that reflects evolving consumer preferences. In Malaysia, the increasing prevalence of non-communicable diseases highlights the importance of the weight management and well-being market, which grew by 8% in 2023 and is expected to maintain a 7.7% compound annual growth rate (CAGR) until 2028. However, despite consumer growing reliance on meal replacement products for weight management, there remains a dearth of research into their long-term effectiveness and limitations. This qualitative study employs an *ex-post facto* design and a strategic research approach, in a growing brand-diversity of wellness-healthcare market, to review and analyse the product-effective challenges of three leading weight management brands experiencing market-share decline: Cambridge weight management program, Herbalife weight management program, and Isowhey weight management program. It investigates the program protocols, user feedback, and insights from brand experts, revealing that meal replacement solutions offer short-term benefits only. This underscores the need for comprehensive and cost-effective lifestyle approaches that involve a balanced nutrition adaptable to regular eating patterns, physical activity, and behavioural motivations for maintaining an ideal weight. Furthermore, post-weight loss management is often overlooked but crucial in preventing relapse and ensuring long-term success. Collaborative efforts with health alliances and other wellness sectors such as physical activity, personal care and beauty, spas, and mental well-being are integral for providing holistic post-weight loss care. In summary, health and wellness are fundamental elements of a holistic strategy for long-term weight loss management, bridging the gap between short-term achievements and sustained overall well-being. Comprehensive programs should transcend mere meal replacements, addressing multifaceted wellness dimensions to empower individuals towards holistic health and lasting success.

**Keywords:** Weight loss management, meal replacement, sustainable weight loss, effective weight loss

## APPROVAL

This is to certify that this thesis conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, for the fulfilment of the requirements for the degree of Doctor of Business Administration.

The student has been supervised by: **Associate Professor Dr. Oo Yu Hock**

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**Dr Khairul Nizam Mahmud**
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Chairman, Examination Committee
29 August 2024

## DECLARATION

I hereby declare that the thesis submitted in fulfilment of the Doctor of Business Administration (DBA) degree is my own work and that all contributions from any other persons or sources are properly and duly cited. I further declare that the material has not been submitted either in whole or in part, for a degree at this or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constitute academic misconduct, which may result in my expulsion from the programme and/or exclusion from the award of the degree.

**Name: Chua Siok Yoong**

**Signature of Candidate**: **Date**: 29 August 2024

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| | |
|---|---|
| WHO | World Health Organisation |
| GWI | Global Wellness Institute |
| CAGR | Cumulative Annual Growth Rate |
| AGR | Annual Growth Rate |
| T&CM | Traditional & Complimentary Medicine |
| NCD | Non-communicable disease |
| ASEAN | Association of Southeast Asian Nations |
| BMI | Body Mass Index |
| IR | Insulin Resistance |
| POMC | Proopiomelanocortin |
| PCSK1 | Prohormone convertase 1 |
| LEP | Leptin |
| LEPR | Leptin receptor |
| MC4R | Melanocortin 4 receptor |
| BDNF | Brain-derived neurotrophic factor |
| SIM1 | Single-minded homolog 1 |
| NTRK2 | Neurotrophic tyrosine kinase receptor type 2 gene |
| NHMS | National Health and Morbidity Survey |
| GCC | Gulf Cooperation Council |
| RYGB | Roux-en-Y gastric bypass |
| VGB | Vertical banded gastroplasty |
| FDA | Federal Drug Administration |
| AOM | Anti-obesity medication |
| CNS | Central Nervous System |

| | |
|---|---|
| LFD | Low-Fat Diet |
| LCD | Low-Carbohydrate Diet |
| HDL | High-density lipoprotein |
| LDL | Low-density lipoprotein |
| DIETFITS | Diet Intervention Examining the Factors Interacting with Treatment Success |
| GOS | Galacto-oligosaccharides |
| FOS | Fructo-oligosaccharides |
| TG | Triglycerides |
| MI | Motivational Interviewing |
| PCOS | Polycystic Ovary Syndrome |
| GERD | Gastroesophageal Reflux Disease |
| MR | Meal Replacement |
| VLCD | Very low-calorie diet |
| HDS | Herbal and dietary supplements |
| HBM | Health Belief Model |
| HPM | Health Promotion Model |
| Kcal | Kilo calories |
| CWP | Cambridge Weight Plan |
| IWM | Isowhey Weight Management |
| HIIT | High-intensity interval training |
| IFANCA | Islamic Food & Nutrition Council of America |
| JAKIM | Jabatan Kemajuan Islam Malaysia (Department of Islamic Development Malaysia) |
| MUI | Majelis Ulama Indonesia (Indonesian Ulema Council) |

| | |
|---|---|
| MCT | Medium Chain Triglycerides |
| FSANZ | Food Standards Australia New Zealand |
| ADA | American Diabetes Association |
| AACE | American Academy of Clinical Endocrinologists |
| DIY | Do-it-yourself |
| RDA | Recommended Dietary Allowances |
| AI | Artificial Intelligence |

# CHAPTER 1

# INTRODUCTION

## 1.0 Overview

Wellness and Health are often used interchangeably, but they are far from being the same in terms of the meaning and context they are used. On the other hand, the generic term of "health", in the context of traditional societies and conventional wisdom then, conveys the blanket understanding of a state of physical (disease-free or injury-free) fitness or mental (stress-free or mindfulness) well-being of an individual or person. The World Health Organisation (WHO), in 1948, had defined "health" as "a state of complete physical, mental, and social well-being, not merely the absence of disease or infirmity". And in 1986, it contended that health is a "resource for everyday life, not the objective of living", asserting that "Health is a positive concept emphasizing social and personal resources, as well as physical capacities". This suggests that "Health is a resource to support an individual's function in wider society, rather than end itself. A healthful lifestyle provides the means to lead a full life with meaning and purpose". On the other hand, the popular usage of "wellness" in the context of modern societies and current-day wisdom, is a choice-decision of lifestyle living that affects and it affected by the physical (fitness), mental (soundness) and social well-being (carefree status) of an individual or a person. It is, according to The National Wellness Institute "a conscious, self-directed and evolving process of achieving full potential" in the wholesome or holistic development of a healthy person and sustaining lifestyle living. In essence, the difference between "health" and "wellness" is that the former refers to an individual's physical body being free from diseases, and the latter is about an overall balance of the physical, social, spiritual, emotional, intellectual, environmental, and occupational wellbeing of a person. By convention, on the interpretation of “health” and wellness businesses and the healthcare industry as a whole, most people are perceived to belong to the sickness or unhealthy lifestyle industry since they would only take an interest in their health when they become unwell. Furthermore, by definition of modern healthy lifestyle living, the expanding wellness businesses and healthcare industry today are founded on providing the body what it needs to support optimal health and quality of life, particularly in supporting and sustaining the five main dimensions of personal physical, emotional, social, spiritual, and intellectual health.

An expanding wellness-healthcare business in the context of contemporary global healthcare industry, encompasses all activities which promote a spectrum of physical and mental wellbeing, ranging from yoga exercises to healthy eating, personal grooming including hygiene-care and beauty treatment, spa retreats, meditation, and nutrition and weight-loss. All these aspects of wellness-health consciousness, practices and advocacy also manifested themselves in the promotion of workplace wellness and wellness tourism, the latter a booming economic-wealth generating industry.

Invariably, the wellness-healthcare industry is an expanding economic value-adding and value-creating phenomenon worldwide. The wellness-health economy, as delineated by the Global Wellness Institute (GWI), encompasses eleven sectors facilitating the integration of wellness practices and habits into individuals' everyday routines. According to the wellness statistics and facts by The Global Wellness Institute (GWI), recognized as the leading source for authoritative wellness industry research and including its flagship publication, the Global Wellness Economy Monitor, its commissioned and published numerous research reports since 2023 have evidenced a USD$ 5.6 trillion global wellness market demand in 2022. The industry recovered strongly from COVID-19 and grew by 12.1% percent annually (CAGR) from 2020-2022, from a $4.5 trillion to a USD$ 5.6 trillion market, nearly 14% bigger in size than 2019. In 2020, the wellness economy fell by 9.50%, to $4.5 trillion (while global GDP declined by 2.7%) due to COVID-19. A breakdown of the eleven global wellness economy sectors, which rely on this growing wellness consumption market is shown in Figure 1.1 below.

**Figure 1.1: Market status of the global wellness economy**


*Source: Global Wellness Economy Monitor 2023*

A report by Statista, in 2024 projected by year 2025, the health & wellness global market is projected to surge to USD$7 trillion (Gough, 2024). Based on the GWI report, all geographic areas have experienced recuperation from the effects of the pandemic, with North America ($1.9 trillion dollars), Europe ($1.5 trillion dollars), and the Middle East-North Africa ($0.14 trillion dollars) region demonstrating particularly robust resilience and advancement during the period spanning from 2019 to 2022. In 2022, North America has exceeded the Asia-Pacific region to emerge as the foremost regional wellness economy. Asia-Pacific was one of the fastest-growing wellness markets from 2017-2019 (8.1% annual growth), and it shrank the least during the pandemic (-7.6% from 2019-2020). In 2022, Asia Pacific wellness economy recovered, with slowest growth at 7.5% and worth $1.7 trillion dollars. Asia-Pacific's wellness economy was buffered during pandemic by very high growth rates in a couple of key sectors (wellness real estate and public health, prevention, & personalized medicine), and because it saw a smaller decline than other regions in the physical activity and personal care & beauty sectors. However, certain wellness sectors remain considerably below their pre-pandemic levels, such as wellness tourism, spas, and thermal/mineral springs. Additionally, various sectors have shown sluggish or negative growth from 2021 to 2022, including personal care/beauty, healthy eating/nutrition/weight loss, physical activity, and workplace wellness. Several factors have contributed to the impediments in Asia's recovery, notably the prolonged pandemic and associated restrictions in China, affecting both domestic Chinese tourism and intra-Asia travel. Furthermore, weakened economic conditions in China during 2022 have hindered recovery in many sectors, given its substantial market presence. Moreover, currency depreciation against the U.S. dollar in major Asian markets, such as Japan, South Korea, and Australia, has further complicated the recovery process.

Overall, the global wellness economy has rebounded to pre-pandemic levels, exhibiting a notable +12.1% Annual Growth Rate (AGR) from 2020 to 2022, a trend observed across all regions. Comparing growth recovery in 2022 to 2019, North America leads with the swiftest growth of +123% (+14% AGR 2020-2022), followed closely by the Middle East-North Africa at +119% (+14.7% AGR 2020-2022), Europe at +114% (+13.9% AGR 2020-2022), and Asia Pacific at +107% (+7.5% AGR 2020-2022). Furthermore, both Latin America-Caribbean and Sub-Saharan Africa experienced significant growth rates of +106%, with AGR for the period of 2020-2022 measured at +19.8% and +9.4%, respectively. In 2022, a significant portion of the wellness sector, accounting for 64%, has fully rebounded from the pandemic, surpassing their market size from 2019 (pre-pandemic). Notably, the sectors of personal care & beauty, healthy eating, nutrition, & weight loss, and physical activity emerge as the predominant segments within the wellness economy. Together, these three sectors collectively represent 56% of the global wellness market in 2022. Figure 1.2 below represents the total wellness economy by market sector consumption from 2019-2022.

**Figure 1.2: Breakdown of wellness economy by sector consumption**

**Wellness Economy by Sector 2019-2022**

| | Market Size (US$ billions) | | | | Average Annual Growth Rate | |
|---|---|---|---|---|---|---|
| | 2019* | 2020* | 2021 | 2022 | 2019-2020 | 2020-2022 |
| Personal Care & Beauty | $1,066.3 | $924.2 | $1,048.2 | $1,088.7 | *-13.3%* | *8.5%* |
| Healthy Eating, Nutrition, & Weight Loss | $911.3 | $948.7 | $1,046.2 | $1,079.3 | *4.1%* | *6.7%* |
| Physical Activity | $875.9 | $746.8 | $927.1 | $976.3 | *-14.7%* | *14.3%* |
| Wellness Tourism | $720.4 | $350.6 | $466.8 | $650.7 | *-51.3%* | *36.2%* |
| Public Health, Prevention, & Personalized Medicine | $358.2 | $537.2 | $600.9 | $610.9 | *50.0%* | *6.6%* |
| Traditional & Complementary Medicine | $486.6 | $449.6 | $502.4 | $518.6 | *-7.6%* | *7.4%* |
| Wellness Real Estate | $225.2 | $274.0 | $341.2 | $397.7 | *21.6%* | *20.5%* |
| Mental Wellness | $130.2 | $142.6 | $165.5 | $180.5 | *9.5%* | *12.5%* |
| Spas | $113.8 | $69.9 | $82.1 | $104.5 | *-38.6%* | *22.3%* |
| Workplace Wellness | $52.2 | $47.9 | $49.6 | $50.6 | *-8.2%* | *2.8%* |
| Thermal/Mineral Springs | $65.7 | $39.9 | $45.4 | $46.3 | *-39.2%* | *7.7%* |
| **Wellness Economy** | **$4,931.7** | **$4,463.5** | **$5,193.3** | **$5,611.6** | ***-9.5%*** | ***12.1%*** |

** 2019 and 2020 figures for most sectors have been revised since GWI released the previous version of the Wellness Economy Monitor (see box on Page 10 for more details).*
***Note: Figures do not sum to total due to overlap in segments.***
*Source: Global Wellness Institute, based on extensive primary research and secondary data sources.*

*Source: Global Wellness Economy Monitor 2023*

Within the wellness sector, Healthy Eating, Nutrition, and Weight Loss (+118% 2022 vs. 2019; +6.7% AGR 2020-2022), Public Health, Prevention & Personalized Medicine (+171% 2022 vs. 2019; +6.6% AGR 2020-2022), Wellness Real Estate (+177% 2022 vs. 2019; +20.5% AGR 2020-2022), and Mental Wellness (+139% 2022 vs. 2019; +12.5% AGR 2020-2022) stand out as the four sectors exhibiting the strongest resilience, maintaining positive growth rates consistently throughout the pandemic and surpassing the average growth of the total global wellness economy (+114%; +12.4% AGR 2020-2022). The COVID-19 pandemic acted as a catalyst, accelerating the growth of these sectors by enhancing consumer awareness of wellness as a holistic concept, particularly emphasizing physical, mental health, and overall well-being. Consumers actively sought a diverse array of products and services believed to promote health, prevent illness, enhance immunity, and manage stress.

In addition to the aforementioned wellness sectors, three others significantly impacted by the pandemic but showing post-pandemic recovery include Physical Activity (+111% 2022 vs. 2019; +14.3% AGR 2020-2022), Traditional & Complementary Medicine (T&CM) (+107% 2022 vs. 2019; +7.4% AGR 2020-2022), and Personal Care & Beauty (+102% 2022 vs. 2019; +8.5% AGR 2020-2022). Notably, the fitness sub-sector within Physical Activity experienced substantial setbacks and has yet to fully return to pre-pandemic levels. The pandemic prompted a shift in consumption patterns away from traditional gymnasiums towards online or self-guided at-home exercise. However, supporting sectors such as apparel/footwear, equipment, fitness tech, and mindful movement activities like Pilates and yoga continue to thrive, surpassing pre-pandemic levels. The T&CM sector has witnessed a resurgence driven by heightened consumer demand for solutions to bolster immunity, prevent illness, and manage chronic health conditions. Similarly, the Personal Care &

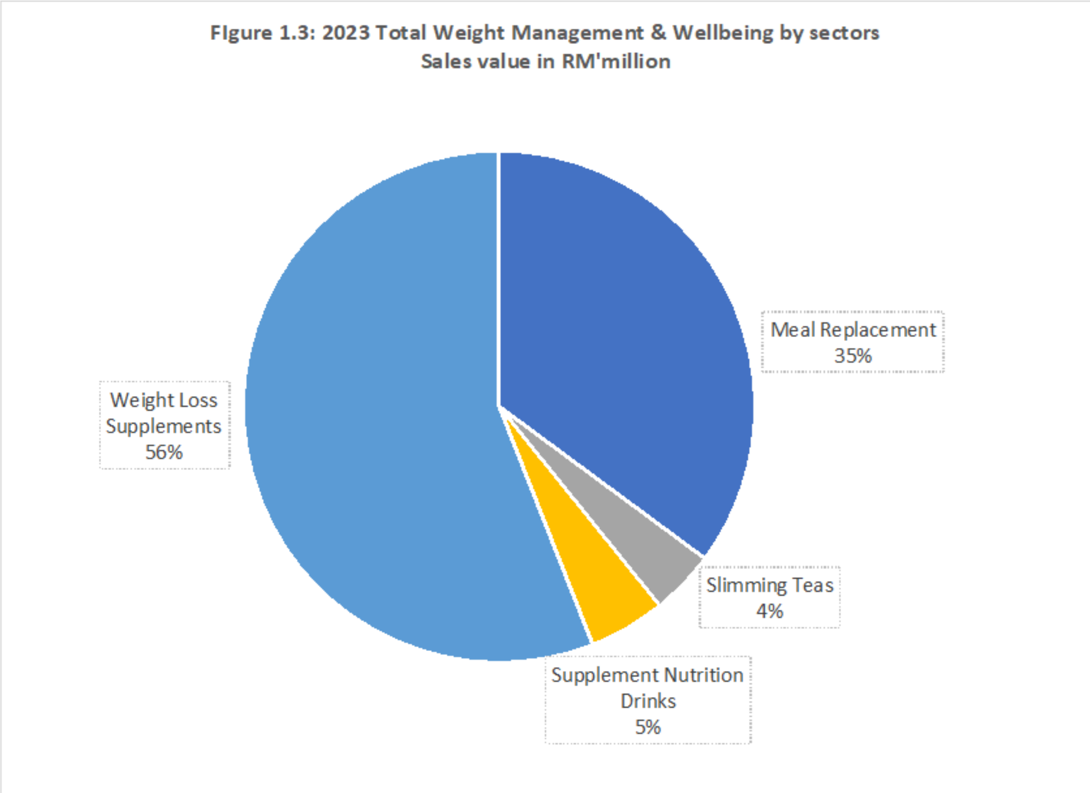
Beauty sector has rebounded as consumers return to their pre-pandemic grooming routines, positioning these sectors as essential components of everyday life.

Lastly, the four wellness sectors that experienced substantial contraction during the pandemic and have not yet fully recovered are Workplace Wellness (+97% 2022 vs. 2019; +2.8% AGR 2020-2022), Wellness Tourism (+90% 2022 vs. 2019; +36.2% AGR 2020-2022), Spas (+92% 2022 vs. 2019; +22.3% AGR 2020-2022), and Thermal/Mineral Springs (+71% 2022 vs. 2019; +7.7% AGR 2020-2022). The recovery of these sectors has been sluggish, primarily due to their nature of requiring physical presence and a lack of viable substitutes for the full immersion of services they offer. Businesses within these sectors faced forced shutdowns amid travel restrictions during the pandemic, leading to a significant reduction in both supply and demand post-pandemic, which has yet to rebound to pre-pandemic levels.

Food has always been an important aspect of daily living, and the COVID-19 pandemic has launched a new wave of interest in cooking, eating, and nutrition. Consumers are more aware that a healthy diet strengthens immunity, reduces risk factors, and fortifies our natural defenses in the face of a potentially deadly virus. And, even though the awareness of the food-health connection has grown, the eating habits did not necessarily become healthier; in fact, many are trying to lose the weight gained during the height of the pandemic. Nevertheless, the weight management and wellbeing in Malaysia market registered a healthy value growth in 2023 at 8% and valued at RM1.5 billion. This category is expected to continue to grow 7.1% (CAGR 2023/2024) and 7.7% in the next 5 years (CAGR 2023/2028) with the projected growth of RM1.6 billion in 2024, and reaching RM2.1 billion in 2028.

As a result of the return of, and emphasis on, more active, and sociable lifestyle, there is a growing trend that more consumers will be looking to lose weight, and this will foster the demand growth in the upcoming years. The weight management and well-being market is further segmented into 4 sectors in 2023, as shown in Figure 1.3 below, with the largest sales value contribution of 56% from weight loss supplements, followed by 35% from meal replacement, 4% from slimming teas, and 5% from supplement nutrition drinks.

**Figure 1.3: Total weight management and wellbeing by sectors in 2023**




*Source: Euromonitor International, 2023*

Throughout history, comprehensive nutrition has played a pivotal role in promoting overall well-being. As consumers strive to achieve their weight management objectives, they are increasingly gravitating towards meal replacement products. These products, known for their calorie-controlled yet nutritionally complete composition, are widely available in powdered shake or ready-to-drink formats. However, despite ongoing innovation and aggressive product launches, alongside the emergence of alternative format for weight loss management, the growth trajectory of meal replacement products is encountering challenges.

Consumers are increasingly prioritizing balanced nutrition to support their daily lives effectively, with a notable shift towards other alternatives of healthier dietary choices and regular exercise as fundamental strategies for weight management and overall well-being. The supplement nutrition drinks and sport nutrition products are the possible alternatives to meal replacement suggesting wider acceptance among Malaysians in the coming years. These products are also marketed for weight management benefits besides wholesome nutrition benefits, and this could be also the reason that consumers are shifting out from the meal replacement as part of their weight loss journey.

Similarly, the slimming teas face stiff competition from other weight loss alternatives – food products which offering innovative options while providing enhanced weight control through basic functional benefits such as controlling feelings of fullness/satiety and reducing calorie intake. The adoption of clean-eating lifestyles and active participation in sporting activities among Malaysians are reshaping the demand for weight loss and well-being products, with many increasingly favouring physical activities over reliance on meal replacement and weight loss supplement ranges.

In Tables 1.1 and 1.2 below, according to the report by Euromonitor International (2023), the actual and projected sales values and growth rates of each weight management and well-being sector from 2022 to the forecasted year 2028 are presented. Despite significant efforts by meal supplement companies to foster health-consciousness through innovative launches, thematic localised promotional