Mapping the Practitioner Channel: Highlights from the Nutrition Business Journal Practitioner Survey

RICK POLITO,
NUTRITION BUSINESS JOURNAL

On sale now!

Current NBJ issue

STRATEGIC INFORMATION FOR THE NUTRITION INDUSTRY

Volume XXII, No 4 | April 2017
newhope.com | $199

NBJ®
NUTRITION BUSINESS JOURNAL

Prepared for takeoff

Trends converging for pracittioner channel success

by Rick Polito

True paradigm shifts are only visible in hindsight. You won't know it was the-day-everything-changed on that day itself, and, of course, it's harder to capitalize on the moment when that moment has already passed.

But sometimes you get a glimpse of it in the headlights before that moment recedes into the rear view mirror.

Such is the case with supplements in the practitioner channel. Multiple factors and forces suggest the channel, and the legions of practitioners creating the future there, are drawing closer to a number of next big things, any or all of which could drive the supplement distributors and brands working in that space into a new era of acceptance and success.

NBJ Takeaways

- Consumers look to practitioners for confidence in supplements
- Personalized medicine is an opportunity for practitioners and practitioner channel brands to work together
- Research provides legitimacy with mainstream medicine and can be an advantage with consumers

UNIVERSE OF U.S. PRACTITIONER CHANNEL SUPPLEMENT COMPANIES IN 2016

Market	No. of Cos.	Wholesale Practitioner Supp. Sales	% of Market
Greater than $100M	3	$494	25%
$20M-$100M	16	$674	34%
$5M - $20M	51	$430	22%
Less than $5M	275	$358	18%
Total Practitioner-Based Wholesale Sales	**345**	**$1,955**	**100%**
Total Practitioner-Based Consumer Sales		**$3,046**	
Total Health Clubs/Athletic Trainers Consumer Sales		$638	
Total Practitioner Channel		**$3,685**	

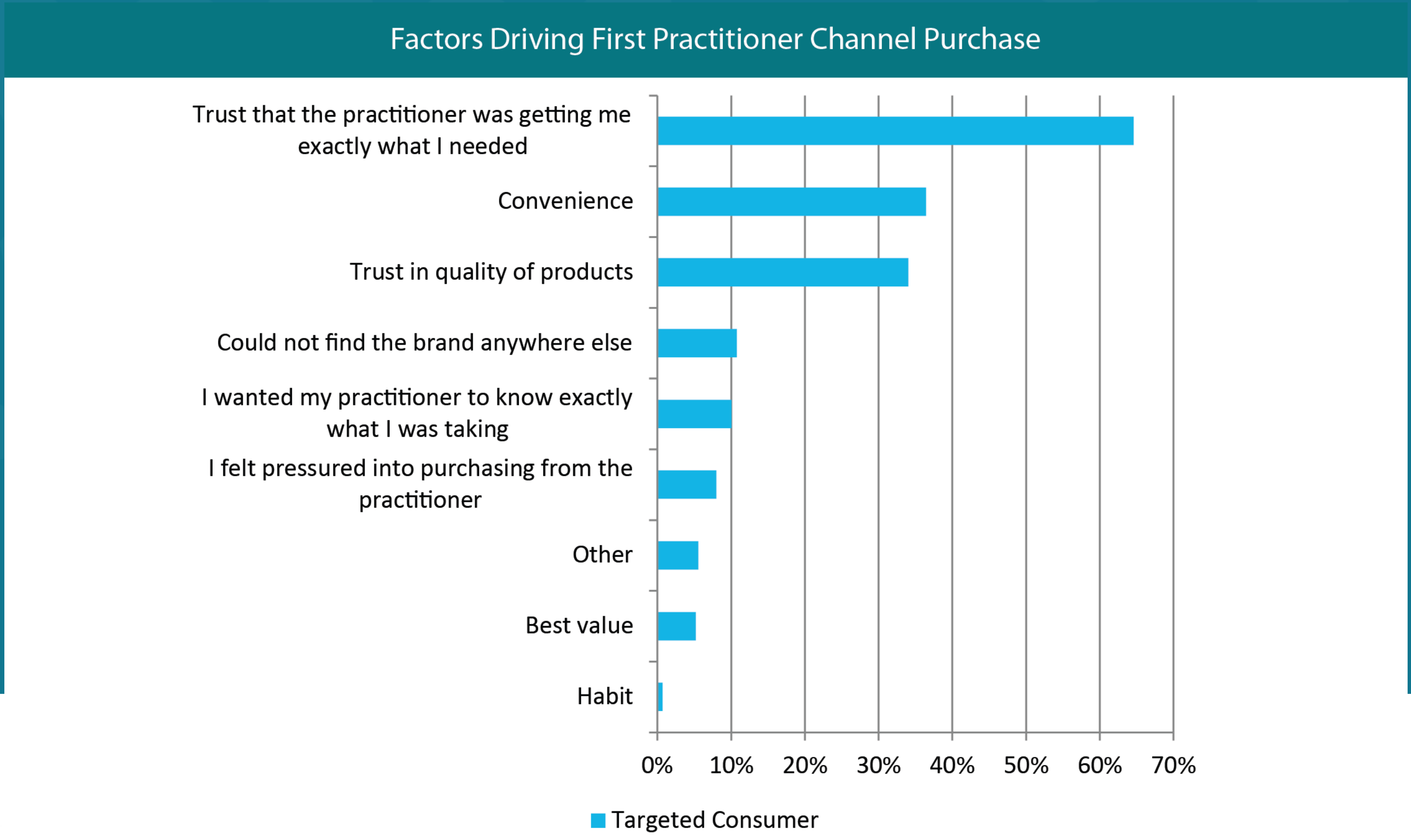
Source: Nutrition Business Journal estimates ($mil.). Revenues for non-retailer contract manufacturing and distributors were subtracted to avoid double counting. Sales are for human supplements only.

New Hope. NETWORK.

CONTINUED ON PAGE 1

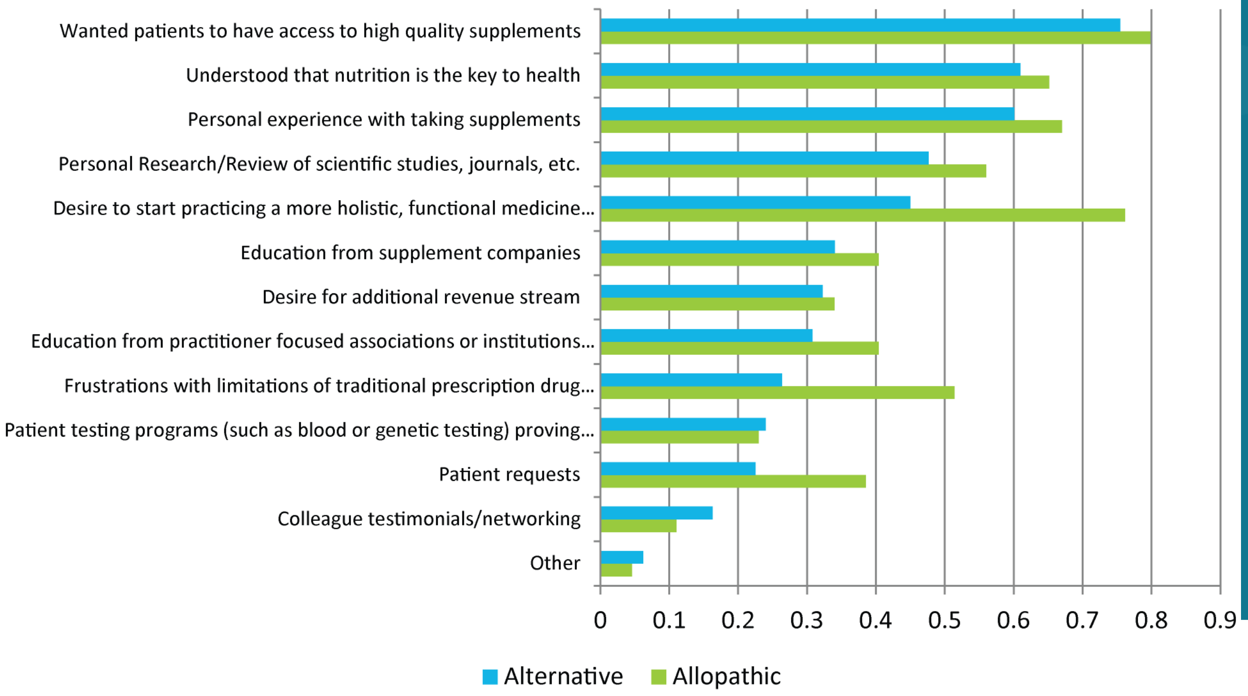
The gateway doc

The first step

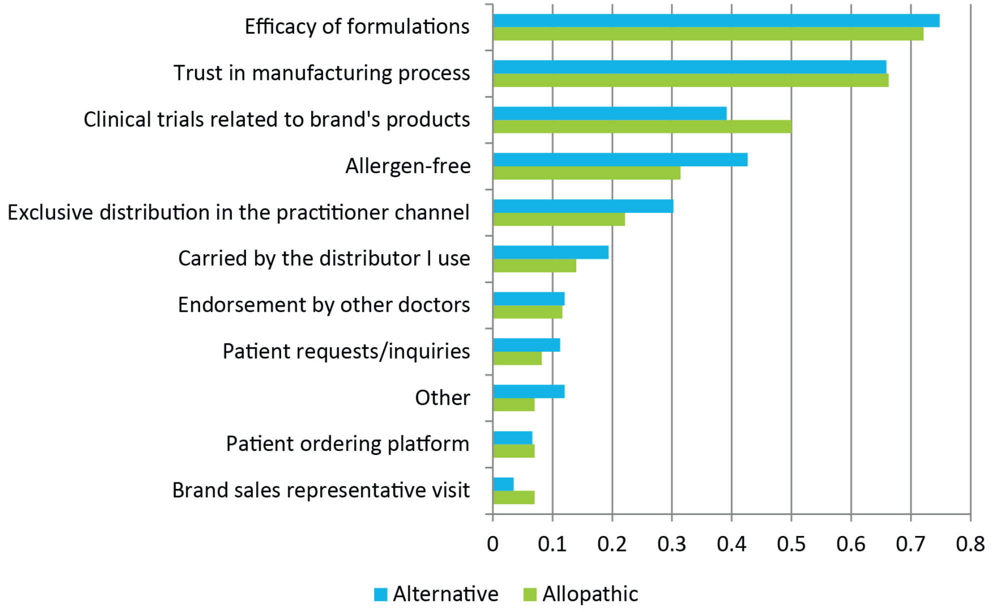


Opening doors

Why practitioners start selling supplements?

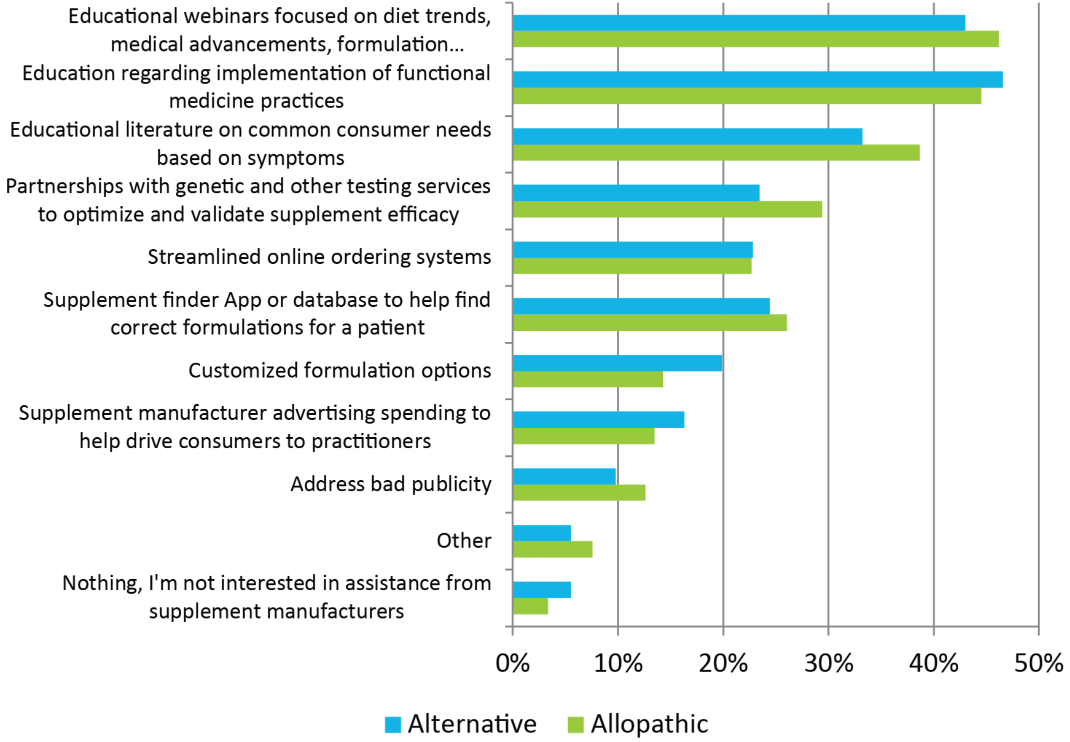


New and improved!



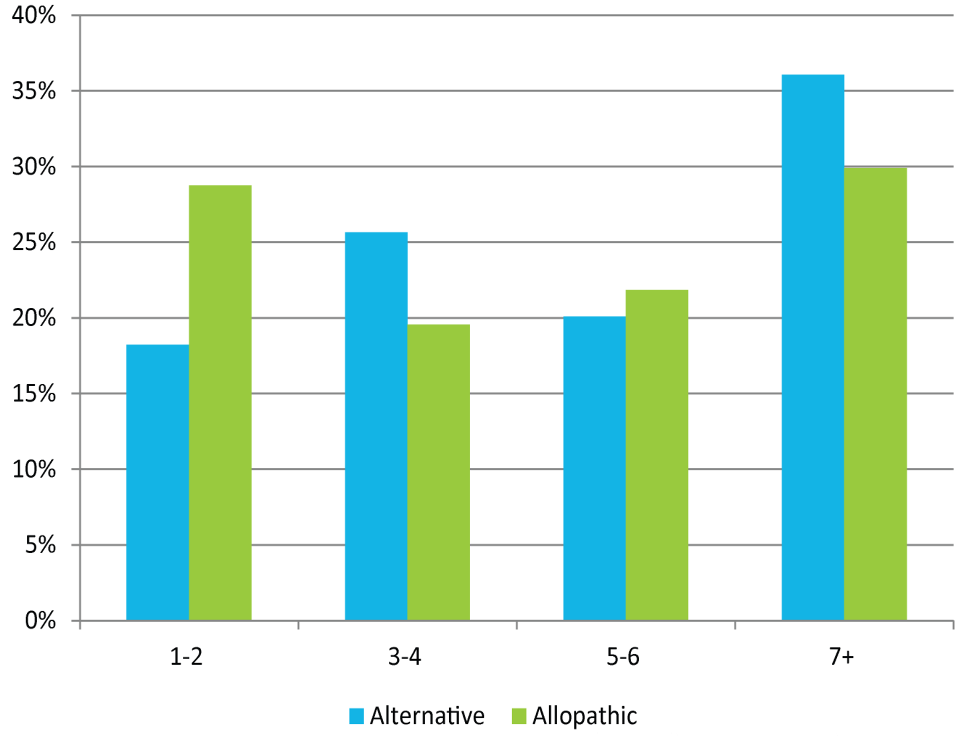
How do practitioners chose brands and products?

A little help from your friends



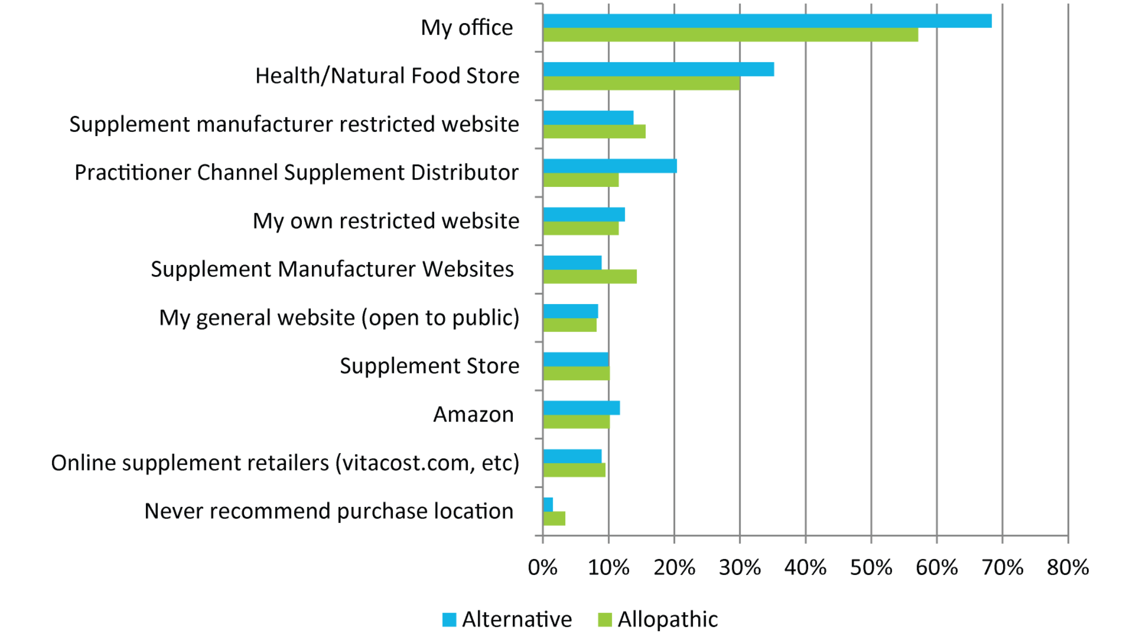
What do providers need from brands?

On shelves now!



How many brands are enough brands?

Pointers of sale

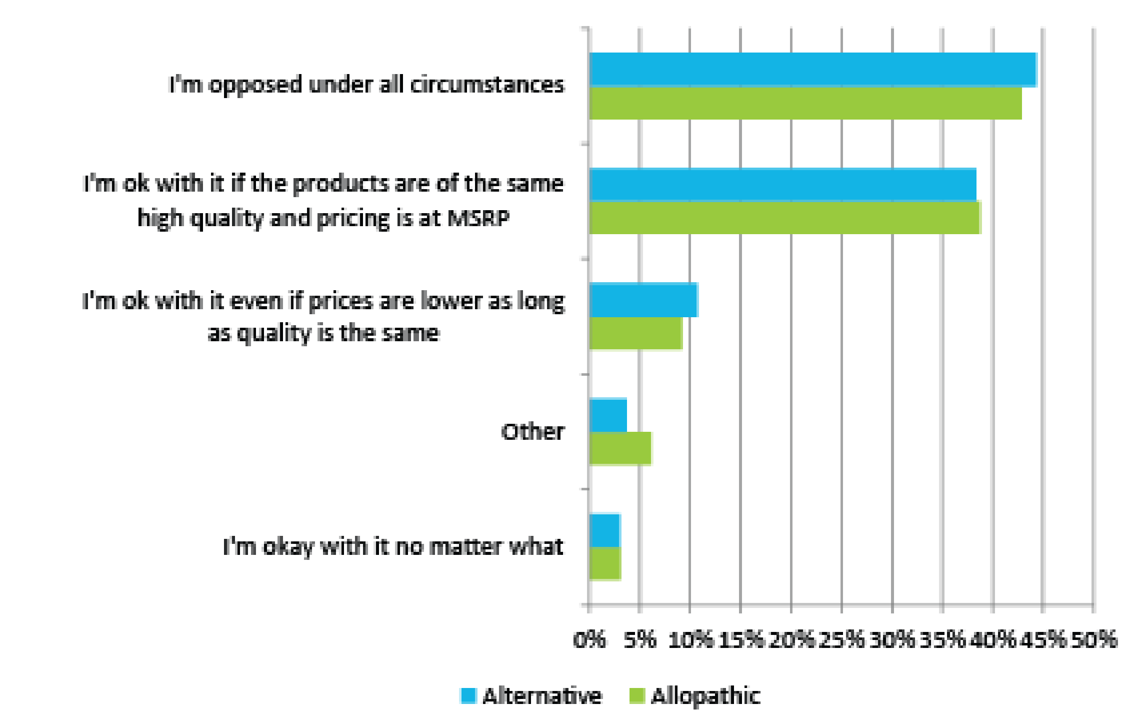


Stuck on the shelves – practitioners may be ignoring their best-bet channel

Missing the (sales) point

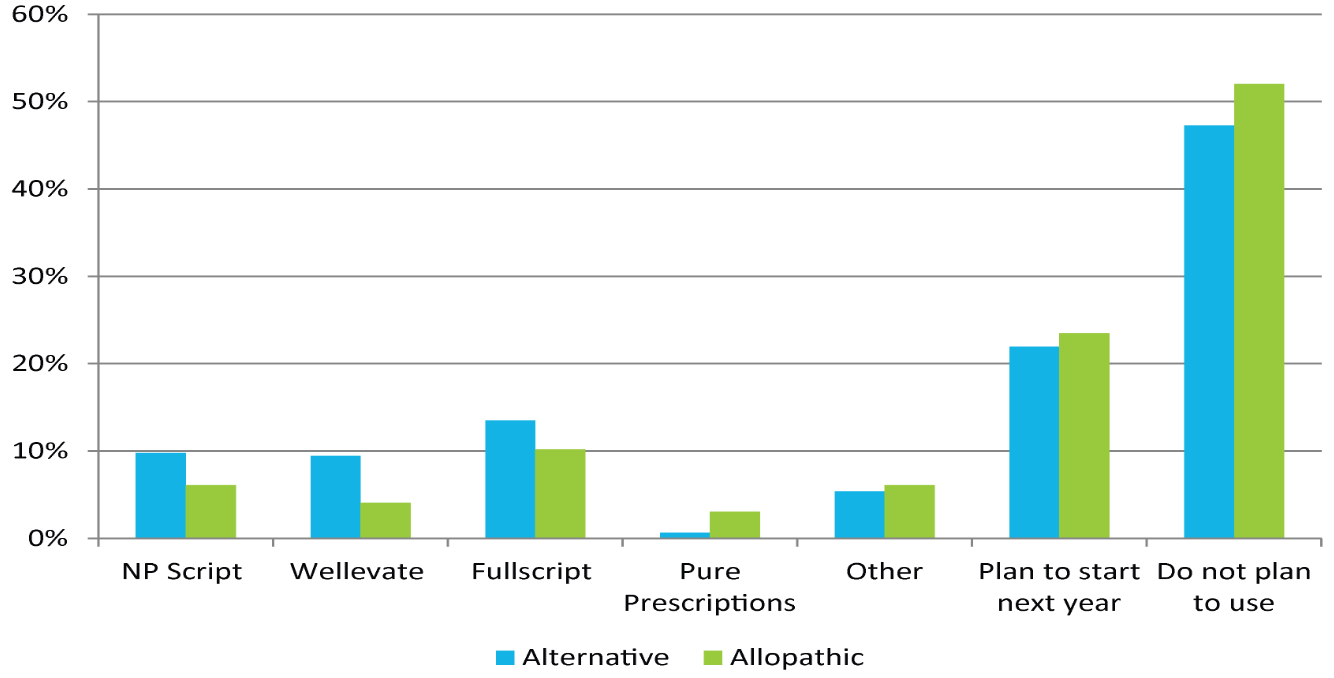
and the opportunity

The Amazon ambivalence

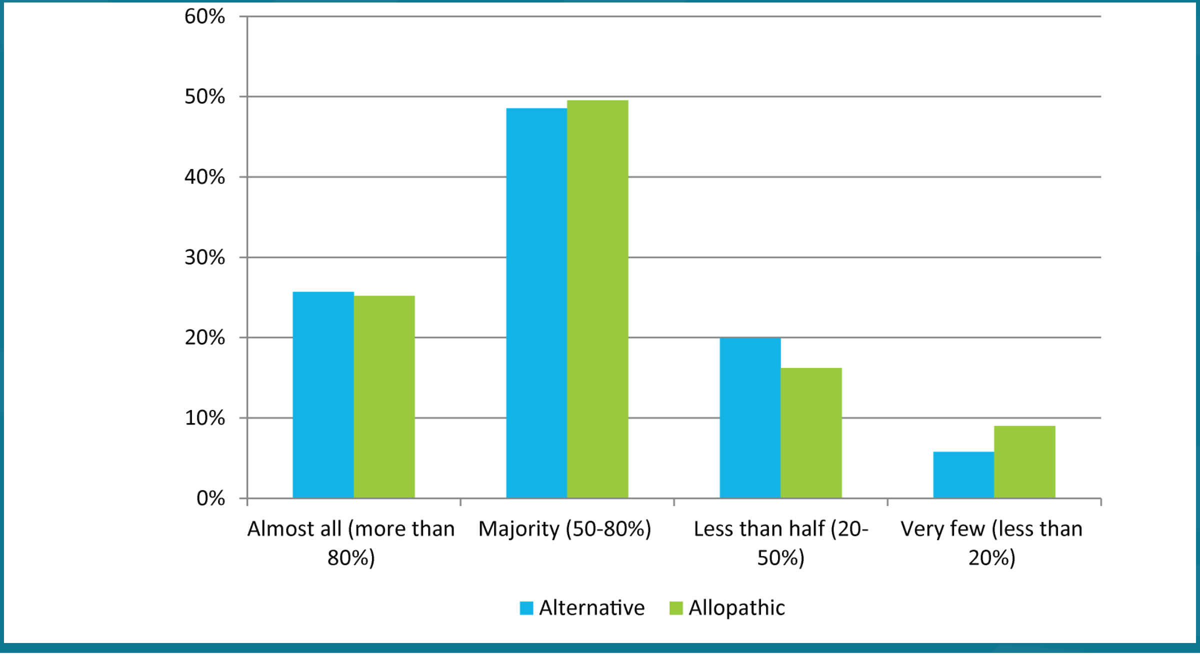


Are brands more worried than the practitioners?

Paying attention?



Missing transactions

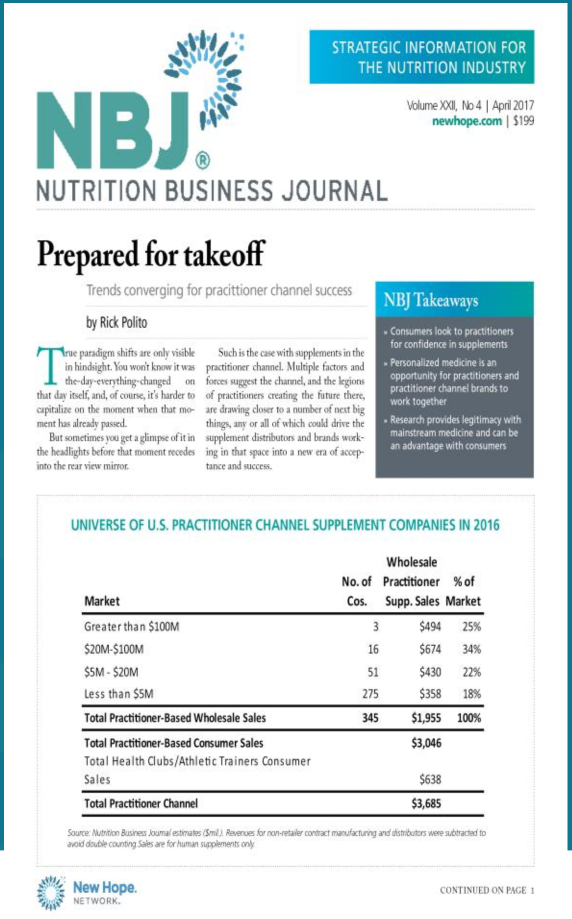


What share of patients come back for the second purchase?

In case you missed the first plug …

If you haven't met kim, you will

kmerselis@newhope.com



STRATEGIC INFORMATION FOR THE NUTRITION INDUSTRY

NBJ®

NUTRITION BUSINESS JOURNAL

Volume XXII, No 4 | April 2017
newhope.com | $199

Prepared for takeoff

Trends converging for pracittioner channel success

by Rick Polito

True paradigm shifts are only visible in hindsight. You won't know it was the-day-everything-changed on that day itself, and, of course, it's harder to capitalize on the moment when that moment has already passed.

But sometimes you get a glimpse of it in the headlights before that moment recedes into the rear view mirror.

Such is the case with supplements in the practitioner channel. Multiple factors and forces suggest the channel, and the legions of practitioners creating the future there, are drawing closer to a number of next big things, any or all of which could drive the supplement distributors and brands working in that space into a new era of acceptance and success.

NBJ Takeaways

- Consumers look to practitioners for confidence in supplements
- Personalized medicine is an opportunity for practitioners and practitioner channel brands to work together
- Research provides legitimacy with mainstream medicine and can be an advantage with consumers

UNIVERSE OF U.S. PRACTITIONER CHANNEL SUPPLEMENT COMPANIES IN 2016

Market	No. of Cos.	Wholesale Practitioner Supp. Sales	% of Market
Greater than $100M	3	$494	25%
$20M-$100M	16	$674	34%
$5M - $20M	51	$430	22%
Less than $5M	275	$358	18%
Total Practitioner-Based Wholesale Sales	**345**	**$1,955**	**100%**
Total Practitioner-Based Consumer Sales		**$3,046**	
Total Health Clubs/Athletic Trainers Consumer Sales		$638	
Total Practitioner Channel		**$3,685**	

Source: Nutrition Business Journal estimates ($mil.). Revenues for non-retailer contract manufacturing and distributors were subtracted to avoid double counting.Sales are for human supplements only.

New Hope. NETWORK.

CONTINUED ON PAGE 1