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NBJ Supplement Report 2004 Snapshot

NBJ forecasts average annual growth in the supplement business of 4% for the period 2005-2013. Fluctuations resulting from new products, new science, new regulations, newly allowed claims and the ever-changing economy are expected, if not directly forecast.

*NBJ’s Supplement Business Report 2005* is a compilation of NBJ research conducted and compiled since 1995. Some of the material was developed during ongoing research for *Nutrition Business Journal*, and readers of both this report and NBJ may encounter some familiar passages. We at NBJ have always found our work not only challenging, but also intriguing and stimulating. Quantification and assessment of the nutrition industry is a daunting yet fascinating task—and one that demands constant readjustment and review as the industry evolves. Like most of participants in the supplement industry with whom we have spoken since we first conceived of NBJ in 1995, there is nothing else we’d rather be doing.
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Data Methodology
NBJ’s basic methodology for nutrition industry quantification has been a complete compilation and assessment of existing data on the industry, augmented by NBJ surveys and interviews. Data is compiled and analyzed at each level of the value chain: consumer spending data (Hartman, NMI and Nielsen, for instance), retail sales figures (IRI & AC Nielsen for mass market and SPINS, Natural Foods Merchandiser and Whole Foods magazine for natural food store data), alternative channels (NBJ surveys on multilevel marketing, catalog, practitioner and internet sales), manufacturer sales (NBJ surveys) and raw material supplier data (NBJ surveys). Individual company data is also collected through surveys or secondary sources. NBJ also conducts a minimum of 40-50 interviews with executives every month to capture both qualitative and quantitative information.

NBJ’s business segment survey methodology starts with an understanding of the total universe of companies in that segment and an in-depth knowledge of the top 20-100 companies in that segment that account for a strong majority of sales. NBJ then makes every effort to ascertain annual sales of the top firms and get an adequate response from surveying the remaining populace to build a statistically valid model for that segment. Segments NBJ surveys in this detailed manner include supplement manufacturers in each category, raw material suppliers in vitamins and herbs & botanicals, MLM firms, internet sellers, catalog sellers, etc. NBJ will typically capture 60-80% of the revenues in a defined segment using this method. Subsequently breakdowns received from companies are aggregated into segment models to obtain industry or segment breakdowns by product, sales channel or other characteristic.

Sales data determined from each level of the nutrition industry value chain is reconciled against the other levels so consumer sales, retail sales, wholesale sales, distributor sales and material supply sales ratios are accurate for each product area.

While NBJ has made every effort to be accurate in its data collection and presentation, it is impossible to be perfect and the authors beg your understanding of any inaccuracies that appear in this report. In addition, NBJ's data is constantly updated given best available data so that in some cases previously published data may be inconsistent with the data printed in this report. Conversely data is printed in NBJ issues after the September 2005 NBJ issue or in subsequent reports will represent best available data as of that time. Any questions regarding data sources and/or methodology may be addressed to NBJ Editor Grant Ferrier or NBJ Research Manager Katja Rauhala (research@nutritionbusiness.com).
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