

Herbalife Will Continue to Benefit from Quick-Fix Consumers

Companies: FRA:HOO/HLF, GNC, VSI, WMT

May 19, 2011

Research Question:

Can Herbalife sustain its double-digit year-to-year growth, and where will it come from?

Summary of Findings

- [Herbalife Ltd. \(FRA:HOO/HLF\)](#) distributors and competitors expect year-to-year sales growth in the healthy living industry to continue. Growth will be driven by consumers' desire for health and weight-loss products.
- Nutritionists and dietitians also expect Herbalife and other supplement companies to grow because of consumers' desire for a "magic pill." However, these sources criticized Herbalife and said dietary supplements and weight-loss products should not be used to replace a healthy diet and lifestyle.
- Herbalife's core nutritional and weight-loss products are its best sellers. Its new sports/energy products are expected to be popular as well.
- An Herbalife distributor and a competitor each cited concerns about the high cost of supplements, which may hinder sales in the current economy.
- Herbalife distributors were reluctant to be interviewed by Blueshift researchers, and many were suspicious of our motives.

	Herbalife's Growth Will Continue
Distributors	↑
Competitors	↑
Nutritionists, Dietitians	➡
Supplement Users	↑

Silo Summaries

1) DISTRIBUTORS

All three sources reported substantial sales growth because of demand for Herbalife's weight-loss and core nutritional products. Sources expect growth to continue because of the healthy living trend and the new Herbalife24 line of sports/energy products. All three reported receiving excellent support from the company. Several distributors refused to talk with Blueshift, and were suspicious that we were trying to harm the company.

2) COMPETITORS

All three sources expect the healthy living and weight-loss industry to continue to grow. Two of the three think Herbalife will benefit from the industry growth, but the third source said Herbalife's MLM distribution method eventually will lead to its demise. One source said the high cost of health supplements and related products place them out of many consumers' reach and could slow the industry's growth.

3) NUTRITIONISTS, DIETITIANS

These six sources unanimously panned Herbalife. Only one source said Herbalife and other supplement companies could be beneficial if they motivate a person to pursue a healthy lifestyle. Herbalife and programs like it are successful because people want a quick fix for their weight or health problems. One source said Herbalife was a scam while the five others did not think the products were harmful.

4) SUPPLEMENT USERS

One Herbalife user and one user of multiple brands' supplements were interviewed. The Herbalife customer is new to health supplements and was motivated to try the products by the desire to lose weight. The other, who has used vitamins and supplements for more than 10 years, buys supplements from several companies, including Wal-Mart. The Herbalife source is considering becoming a distributor and would like to become a fitness coach. His distributor plans to build his business to a level at which he could quit his full-time job.

Background

Herbalife uses a direct-sales business model and makes its products unavailable for purchase in stores. Its independent distributors are required to [pay upfront](#) for their entire inventory of nutritional packages, with no option of returning the products. Its vitamins, shakes, sports drinks, and nutritional products are marketed primarily to overweight people. International sponsorship of teams and athletic events are becoming an important of the company's marketing effort. The company has experienced double-digit year-to-year revenue growth for the past five quarters, including 28.5% year-to-year growth for the [1Q11](#). Herbalife credits its recent success to rapid growth in developing nations and the global obesity epidemic. Today approximately 79% of Herbalife sales come from distributors outside North America.

CURRENT RESEARCH

In this next study, Blueshift assessed whether Herbalife's sales growth can continue. Blueshift employed its pattern mining approach to establish and interview sources in five independent silos:

- 1) Herbalife distributors (4)
- 2) Competitors (3)
- 3) Nutritionists/dietitians (6)
- 4) Supplement users (2)
- 5) Secondary sources (3)

Blueshift interviewed 15 primary sources and four of the most relevant secondary sources focused on health and wellness industry and the multilevel marketing (MLM) industry.

Silos

1) HERBALIFE DISTRIBUTORS

All three sources reported substantial sales growth because of demand for Herbalife's weight-loss and core nutritional products. Sources expect growth to continue because of the healthy living trend and the new [Herbalife24 line](#) of sports/energy products. All three reported receiving excellent support from the company. Several distributors refused to talk with Blueshift, and were suspicious that we were trying to harm the company.

➤ Herbalife distributor and nutritional club owner, Greensboro, NC

This source, who owns a very successful nutritional club, started distributing Herbalife two and half years ago after successfully losing weight with Herbalife's products. Since May 2010, he has quadrupled his Herbalife business. He has added more than 200 people to his Herbalife team in the last two years and expects to double his total growth by the end of this year.

- "Sales are out of control. I expect double-digit growth every month until the end of the year. This is based on gauges of past performance that allow us to predict future growth rates."
- "We always capture sales from our [core nutrition products \[Formulas\] 1, 2 and 3](#), and this is where I expect to see more growth the rest of this year. Also, we are launching a [new sports line](#) that is targeted for serious athletes the end of this month that I expect will generate sales."
- "The state of the economy has not had a negative impact on sales. Sales have been up, as well as recruitment rates. A lot of customers this past year have looked into the business of Herbalife and become distributors because they were looking for a second source of income."
- "Weight management products are our best-selling products."
- "Our products are far superior to our competitors', and I am not even sure if we have any competition because no one offers what we do."

Our business model is different than other MLM business because it is based off of product sales, not people sales. Also, Herbalife offers the highest percent pay out to its distributors, 73%. It is built on experience of use and real health too.

*Herbalife Distributor
Greensboro, NC*

- “Our business model is different than other MLM business because it is based off of product sales, not people sales. Also, Herbalife offers the highest percent pay out to its distributors, 73%. It is built on experience of use and real health too.”
- “Distributor support is excellent! Every time I call they answer the phone quickly, they speak clear English and they follow up on queries.”
- “The professional athlete endorsements have not directly affected my business.”
- “I have never had a problem with products or customer service, nor have I ever heard of any safety or FDA issues related to Herbalife. The former head of the FDA [[Dr. Vasilios Frankos](#)] works for Herbalife now to prevent any issues before they are an issue.”

➤ Herbalife distributor, Fort Worth, TX

This source was very enthusiastic about Herbalife and her business, which has grown considerably since September. She said Herbalife has been a consistent force in the supplement industry for the last 31 years because it has not changed the makeup of its products. Herbalife also is benefiting from baby boomers aging and people wanting healthy products at affordable prices.

- “I have been a distributor for seven months, and my business has grown faster than I even thought it would. I got into because I lost my job at IBM and a friend told me about their products, which helped me lose 30 pounds and get off all my medication.”
- “The reason why we are having so much success is because they have been consistent in their products for the past 31 years, and they haven’t changed their core products. They work and people buy them.”
- “I think this [growth] is because people are more conscious and aware of what they are putting into their bodies and they know if they want to live longer it needs to be a healthy life.”
- “Many of my new recruits are from the baby boomer generation, and they use the products themselves. They believe in the products, which sells themselves.”
- “The celebrity endorsements are nice, and anytime you have a professional athlete saying good things about your products it will help.”
- “My best products are anything with weight management and the heart products.”
- “Customer service is great! One of my customers needed to get medical clearance to take a product because she was pregnant and diabetic, and they stayed on the phone so that her doctor could talk to one of their doctors on staff. I am always so impressed with how helpful and responsive they are.”
- “I haven’t heard about and safety of FDA investigations. In fact, recently Herbalife had a retired FDA investigator come to work for them because he was so impressed with what Herbalife is doing.”

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*Herbalife Distributor
Fort Worth, TX*

➤ Herbalife distributor, San Jose, CA

This dental hygienist was seeking an online opportunity for additional income, and has been selling Herbalife for 13 to 14 months. She has seen her own business grow at approximately the same double-digit rate as the company overall during the last several quarters. Growth stems from the weight-loss line, but she said other Herbalife products also are worthwhile. The company also has benefited from more people looking for work and the high percentage of obese Americans. She was very happy with the company, the products and her progress. She hopes to distribute Herbalife full-time as some point. She uses the products herself and is a true believer in their quality and results. Herbalife provides extensive online training and support, and new distributors are assigned a training coach. She said Herbalife is above the competition in terms of quality and effectiveness. Herbalife does not advertise on TV, but relies on a network and on the efforts of individual distributors.

- “Herbalife provides a great opportunity to get healthy and help others get healthy.”
- “I totally believe in the Herbalife products. I use them everyday.”
- “People don’t care about the cost if the products work. They find the money somewhere.”
- “The Herbalife training and support are phenomenal.”
- “Herbalife products are backed by scientific evidence, with a staff of nutritionists including a Nobel Prize winner [[Louis Ignarro](#)]. The ingredients include only top-quality, pure, pharmaceutical-grade supplements.”
- “Herbalife backs up their products with a 100% money-back guarantee.”

Herbalife Ltd.

- “In order to be successful selling Herbalife, you have to work for it. This is not a job for people looking for instant gratification or a quick buck. Those people will be disappointed.”

➤ Numerous Herbalife distributors

Dozens of distributors refused to talk with Blueshift researchers, and more than 75 did not respond to our e-mails explaining that we were conducting financial research on Herbalife. The following is an example of these distributors' comments.

- “I'm sorry, but I am very skeptical of people like you. I am sure you know that there are people trying to destroy our business and trying to pass laws to prevent us from participating in this business. If you are interested in learning more about Herbalife, buy the products and improve your life.”

2) COMPETITORS

All three sources expect the healthy living and weight-loss industry to continue to grow. Two of the three think Herbalife will benefit from the industry growth, but the third source said Herbalife's MLM distribution method eventually will lead to its demise. One source said the high cost of health supplements and related products place them out of many consumers' reach and could slow the industry's growth.

➤ Supervisor of five [GNC Acquisition Holdings Inc. \(GNC\)](#) stores, Dallas/Fort Worth

This source does not think Herbalife is a real competitor as it is not a retail outlet. However, he believes all the products essentially do the same thing as long as people use them as directed. As with many MLM operations, Herbalife eventually will peak and then decline once the job market improves.

- “GNC primarily gets their sales from certain demographics rather than products. Typically, that demographic is obese women ages 20 to 35 and skinny men 20 to 25.”
- “Our sales will maintain for the next three to six months because it peaked at the beginning of the year. We usually can tell how our year will go based on January sales because of all the resolutions being made. It may pick up a little because of swimsuit season and people trying to get back in shape.”
- “Gas prices can dictate our sales and recruitment because our items are not necessities. [Consumers] will stop buying our products for a while until they can afford them again. There is a very small percentage that takes supplements on a consistent basis.”
- “I don't think Herbalife can sustain their growth because, just like any other MLM, they will reach a point where they tap themselves out. [Amway \[International Inc.\]](#) tried it and their supplements were all the rage for a while, and now it's Herbalife. I think a lot of their sales comes from the distributor being a user of the products as well, so it's the same customer rather than an increase.”
- “Celebrity endorsements? Who were they? Never heard of them.”
- “Products are all the same with different packaging; some contain this, some contain another thing. You just need to find what works for you. And if there are any safety issues, then I would think it's the consumer who is not using the product right. They take too much, thinking it will work faster, and then they wonder why their heart starts racing. People need to read the directions.”

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*Supervisor GNC Stores
Dallas/Fort Worth, TX*

➤ [Vitamin Shoppe Inc. \(VSI\)](#) manager, San Francisco

Sales of vitamins and supplements are seasonal. This source said consumers get on a health kick at the start of the year but then sales decline after the first quarter. A small uptick occurs again in the spring. In general, the health and wellness industry is expanding because of consumers' emphasis on weight loss and use of natural products. This source said Herbalife's growth should continue because of people's quest for healthier living.

- “Herbalife seems to have good products and committed distributors, so with the trend toward healthy living I expect that they will continue to grow.”

- “Business has been very strong since the start of the year, but it is slowing a little now. Our products have a season. People commit to healthy living at the start of the year and then fall off a little until the spring, and then it slows again until the holidays are over.”
- “The recent promotions by [Dr. Oz](#) and other celebrities about natural product and herbal products have positively influenced the healthy living industry as a whole.”
- “Celebrity endorsements do help with sales. I have a lot of customers coming in and asking for [QuickTrim](#) because it’s endorsed by Kim Kardashian. We don’t sell it, but we try to promote our weight-loss products.”

The recent promotions by Dr. Oz and other celebrities about natural product and herbal products have positively influenced the healthy living industry as a whole.

*Manager, Vitamin Shoppe
San Francisco, CA*

➤ [Shaklee Corp.](#) distributor and natural product retailer

This home-based small business owner recently added Shaklee to her healthy living product line. Her two-year-old business has grown 30% to 40% since opening, and she expects the pace of growth to continue. She did not consider any other companies’ products because she had used Shaklee products in the past and was very impressed. She expects the health and wellness industry to see rapid growth because of the trend toward natural, nontoxic products. She was aware of Herbalife and expects the company to benefit from the healthy living trend. Her chief concern for the industry is the high cost of products, which could slow growth.

- “I do know Herbalife, but I did not even look at them because I had used Shaklee products in the past and loved them. I am sure they have good products and will probably do well because of the healthy living craze.”
- “I just added Shaklee to the product offering of my healthy living business, and so far I am very pleased. I am on a fast-track program, and I have 18 new customers and several new distributors.”
- “People are starting to take better care of themselves, so this health and wellness industry will continue to grow. Look at my little business. I started it two years ago, and I have grown 30% to 40% each year. I run wellness seminars, and I have to limit the number of people who come because of space.”
- “The one concern I have about the industry is the high cost of the natural products. It is possible that the poor economy could slow our sales.”

3) NUTRITIONIST/DIETITIANS

These six sources unanimously panned Herbalife. Only one source said Herbalife and other supplement companies could be beneficial if they motivate a person to pursue a healthy lifestyle. Herbalife and programs like it are successful because people want a quick fix for their weight or health problems. One source said Herbalife was a scam while the five others did not think the products were harmful.

➤ **Nutritional therapist and counselor based in London**

Supplements and meal replacements like those marketed through Herbalife do contain nutrients and are likely harmless, but they are poor substitutes for a nutritious diet and a healthy lifestyle. She never recommends programs like Herbalife. She said the industry has benefited from people searching for a quick-fix solution to lifestyle issues.

- “I think the main concern with meal replacement programs like Herbalife is that they don’t encourage good habits. People need to aim for healthy eating and weight loss through lifestyle, food and exercise.”
- “Programs like Herbalife that include meal replacements create a situation where the person can only lose weight with the replacement/substitute, rather than helping them correct bad habits.”
- “In general, people are too busy and, therefore, want a quick fix. Many times they can get quick short-term results with meal replacement products. I think people get into the trap of quick weight loss for a specific purpose/event, then return to that method as needed. In yo-yo fashion. Then this approach becomes a way of life for them, but it never fixes the underlying problems.”
- “Lots of people we see at the clinic have adopted many different approaches to dieting, over years of attempting to lose weight. Meal replacements, such as bars or the shakes from Herbalife, are often a part of their daily eating regimen.”

➤ **Nationally active nutritionist, dietician, consultant and author based in Pennsylvania**

This source does not recommend Herbalife or any expensive supplement program to her patients. The only supplements she routinely recommends are inexpensive multivitamins, and calcium and vitamin D for postmenopausal women. She was unaware of any specific safety issues with Herbalife, but said the products cannot take the place of a healthy diet and better lifestyle management. The industry has grown because of rampant obesity and people looking for a shortcut.

- “No supplement will make up for a lousy diet, and you can’t buy health in a bottle.”
- “For Herbalife and other similar companies, success is a function of a ballooning society coupled with an American public easily swayed to spend their hard-earned dollars on a bogus solution to their problems.”
- “There is no medicine more powerful or supplement more effective in promoting health and longevity than the combination of good nutrition with daily exercise.”

For Herbalife and other similar companies, success is a function of a ballooning society coupled with an American public easily swayed to spend their hard-earned dollars on a bogus solution to their problems.

Nutritionist, Dietician, Consultant & Author

➤ **Nutritionist and holistic health consultant working in the United States and Canada**

This source used to be skeptical of all MLM health-product groups but now believes they at least introduce people to healthier living options. Although she believes MLM companies, including Herbalife, typically do not contain dangerous components for healthy individuals, their salespeople are economically motivated and unable to guide clients to the best options for their specific health concerns or challenges. Consumers are motivated by the promise of a quick fix. She was somewhat surprised that contraindications and lawsuits were not more prevalent in this industry. She receives 20 to 30 pitches daily from MLM distributors, but does not participate in or promote any of these brands.

- “I believe Herbalife products are probably safe for healthy individuals, but may be concerning for people with health conditions, dependent on the specific ingredients.”
- “MLM marketers, like Herbalife, typically do not pay attention to health aspects; they are only concerned about economic benefit.”
- “The combination of a slow economy and personal testimonials are effective motivators for recruiting distributors. The appeal of a so-called ‘quick fix/magic pill’ is effective in attracting new customers. Herbalife must be very effective at promoting to both groups.”

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Nutritionist & Holistic Health Consultant

➤ **Nutritionist and holistic health consultant in New Jersey**

This source was familiar with Herbalife but has never used or recommended its products. Supplements and meal replacements cannot take the place of proper nutrition. She said the amount of promotional information from MLM nutrition companies has increased slightly in the last year. The success of MLMs is a result of the passion of their affiliates and salespeople. Herbalife supplements likely are not harmful or helpful. She takes and recommends supplements from [Garden of Life Inc.](#)

- “Supplements and meal replacements are not real food and cannot take the place of proper nutrition.”
- “There are a lot of nutritional products sold by network marketers, like Herbalife. Ultimately, the long-term success is dependent on the passion of the salespeople. Passion that is most often driven by proven results and product quality.”
- “The Herbalife products are most likely perfectly safe, but I only recommend the products I use myself. My clients want to use what I use.”

➤ **Weight-loss counselor and dietitian in New York City**

Unqualified people with dishonest intentions comprise Herbalife’s products and MLM program. This source has heard of safety issues surrounding Herbalife’s products through Internet-based reports. Despite being a scam, Herbalife’s sales growth will continue given the number of consumers seeking a quick health fix.

- “Everything [about Herbalife] is shady. [They employ] unqualified people who are dishonest. MLM is a red flag; it means selling without knowledge.”
- “Studies do not provide convincing evidence that Herbalife protein powder produces more weight loss or body fat loss than a placebo.”
- “You can fool most of the people most of the time. There are many articles on Herbalife being a scam. Their claims and products are frustrating.”
- “I think Herbalife will continue to do very well as people are stupid and look for a quick fix. Maybe at some stage in the future it will collapse due to legal issues and dishonest sales techniques.”

Everything [about Herbalife] is shady. [They employ] unqualified people who are dishonest. MLM is a red flag; it means selling without knowledge.

Weight-loss Counselor & Dietitian

➤ Dietitian, Houston

This source described Herbalife’s products as inferior to its competitors’. Herbalife’s safety profile is unfavorable and will hinder the quality and effectiveness of its products.

- “I am not a fan of any MLM program, and from its history, Herbalife doesn’t have a good track record.”
- “I would stop at the safety profile. It’s not favorable.”

4) HERBALIFE/NUTRITIONAL PRODUCT USERS

One Herbalife user and one user of multiple brands’ supplements were interviewed. The Herbalife customer is new to health supplements and was motivated to try the products by the desire to lose weight. The other, who has used vitamins and supplements for more than 10 years, buys supplements from several companies, including Wal-Mart Stores Inc. (WMT). The Herbalife source is considering becoming a distributor and would like to become a fitness coach. His distributor plans to build his business to a level at which he could quit his full-time job.

➤ Herbalife user in his late 20s

This source was motivated to try Herbalife weight-loss products when a friend had lost weight using the company’s program. He said he has lost 25 pounds in two months and feels very healthy. He plans to stay on the program until he achieves his goal weight, and then he is unsure if he will continue to buy the products. He said the products are effective but expensive. He is thinking about becoming a fitness coach and selling Herbalife products. His distributor plans to build his business so that he can leave his full-time job and devote his time to Herbalife sales and fitness coaching.

- “My friend has been a distributor for about three months and he was having a lot of success in losing weight, so I decided to give it a try.”
- “I have lost 25 pounds in two months by following [Herbalife’s] weight loss program. At first, the weight was coming off so fast that I was concerned, but I feel great and healthy.”
- “I hope to lose another five to 10 pounds and then maintain my weight. I am not sure if I will continue to buy the products because they are expensive, but they do really work.”
- “I am not a distributor, but I am considering becoming a fitness coach and selling Herbalife as part of my business. My friend from whom I buy my weight-loss shakes and supplements is going to continue to sell Herbalife until he can do it full-time. He plans to build up enough business to become a full-time fitness coach.”

I hope to lose another five to 10 pounds and then maintain my weight. I am not sure if I will continue to buy the products because they are expensive, but they do really work.

Herbalife User

➤ Health and wellness consumer of supplements from multiple brands

This source has used vitamins and supplements for more than 10 years in order to live longer and help prevent diseases. He normally purchase his supplements from Wal-Mart based on price. He also shops at GNC, [NBTY Inc.’s Vitamin World](#), Vitamin Shoppe and local health food stores.

- “I don’t think I have ever heard of Herbalife; maybe once or twice I have seen an ad for it.”
- “Taking care of my health through supplements and diet is my health insurance.”
- “I have been taking vitamins and minerals for over 10 years. They are a part of my life and budget.”

Secondary Sources

A review of secondary sources unearthed Herbalife's new manufacturing capability in Russia. A Web site that questioned whether Herbalife was a scam or a good opportunity. The writer concluded that the company is not a scam but that its new distributors will have difficulty in making money. Herbalife is sponsoring a high-profile international football event through which it will launch its new sports product line. Herbalife also is taking its healthy living and weight-loss programs online through its purchase of iChange.

➤ A May 10 posting on BSR Russia

Herbalife announced that they have begun manufacturing some products in Russia.

<http://www.bsr-russia.com/en/retail-fmcg/item/1693-herbalife-launches-russian-manufacturing.html>

- "U.S. direct marketing company Herbalife has launched local manufacturing in Russia in partnership with CM Michel Company. Since April 2011 Herbalife Ltd. has provided consumers with the first products manufactured in Russia – the line of body care creams "White tea". Herbalife's new products were developed according the specifics of Russian market and consumers demands."
- "Russia is one of the leading markets for Herbalife that demonstrates exceptional sales growth for the past few years and this move to local manufacturing further demonstrates Herbalife's commitment to this important market. Local manufacturing gives an ability for Herbalife to match market demands and enables Herbalife to bring products to market more quickly and at more competitive prices."

➤ March 17 posting on Speak Ethics

This blogger questioned whether Herbalife is a scam or a good opportunity. Discussion centered on the MLM aspect of the company. Herbalife's new distributors are expected to face difficulty in overcoming a saturated market.

<http://amplify.speakethics.com/society-2/social-networking/herbalife-scam-or-good-house-enterprise-opportunity>

- "It might appear that there are numerous sad ex-distributors of Herbalife merchandise, and there are lots of them online in blogs and forums bemoaning the truth that their home business didn't make money with the company. The words 'Herbalife rip-off' come up a lot—more ceaselessly than some other MLM companies regarded at."
- "Looking at the figures, it appears that many people do generate profits with Herbalife; the opposite 15% of their multi-billion dollar earnings goes to a network of million distributors across 70 countries worldwide. You do the [math], it averages out to a whole lot of nothing should you take your time, fuel and all the things else into consideration. The people shouting Herbalife scams were at a while part of that 15% no doubt."
- "Herbalife rip-off? No, clearly not, however as a home business you'd be getting into a saturated market even if you can sell Herbalife merchandise to your pals and family. Recruiting and retaining a successful down line will probably be a protracted battle, so it's in all probability best to look elsewhere on your home business network marketing opportunity."

Herbalife rip-off? No, clearly not, however as a home business you'd be getting into a saturated market even if you can sell Herbalife merchandise to your pals and family.

Speak Ethics Post

➤ May 9 article from National Soccer Wire

The 2011 World Football Challenge has added three additional teams to the event. This international sporting event will be held in the United States and will feature seven matches between July 13 and Aug. 6. Herbalife will use the event to launch its new energy/sports product line [Herbalife24](#).

<http://www.nationalsoccerwire.com/news/460/13632>

- "Major League Soccer and CAA Sports announced the addition of three top international teams, along with the official title sponsor, to the 2011 Herbalife World Football Challenge. UEFA Champions League finalists FC Barcelona, along with Mexico's popular clubs CD (Chivas) Guadalajara and Club America, join the U.S.-based summer event, which is presented by global nutrition company, Herbalife."

► April 25 posting on MLM Business Opportunities

Herbalife announced the acquisition of iChange, an online nutrition and health network. This service will add community support services for Herbalife users and provide them access to other users and company nutrition professionals.

<http://mlm.business-opportunities.biz/2011/04/25/herbalife-buys-up-ichange/>

- “iChange, which admits to being built on the same principles as AA and Weight Watchers, offers a network of resources and community of users, all toward the end of losing weight and living healthier.”
- “For free, the basic program gives users access to a calorie/exercise tracker, nutritionist articles, recipes, the site’s community (group support) and more. Upgraded users pay \$1.65 per week to also receive personalized weekly counseling from a licensed nutritionist.”
- “As a result of the new acquisition, iChange can better serve Herbalife’s 2.1 million independent distributors, who have much to gain from reaching out to the iChange community. Those distributors will be able to become ‘wellness coaches’ on the site, meaning they’ll provide users with free coaching and nutritional tracking tools.”

Next Steps

We will evaluate Herbalife’s competition and determine if the healthy living product industry as a whole will continue to grow. Efforts will be made to determine if the Herbalife products have real nutritional value. We will assess whether improving employment numbers will hamper Herbalife’s distributor recruitment efforts. Finally, Blueshift will look at Herbalife’s opportunities outside of the United States and the use of [Nutritional Clubs](#) to promote its products.

Additional research by Pam Conboy, Fred Weyandt, Kyle Stack, Erica Franklin and Rebecca Gallegos

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