The obesity market may not be the mega-blockbuster market some were predicting, according to GlobalData , a leading data and analytics company.

The latest bankruptcy filing by Orexigen Therapeutics, whose Contrave proved a disappointment, shows how hard it is to enter this potentially lucrative market. Despite the obesity epidemic, Vivus's Qsymia and Arena Pharmaceuticals' Belviq, two other once-promising drugs, also failed.

Valentina Gburcik, PhD, Director of Cardiovascular and Metabolic disorders at GlobalData , comments: "The three drugs failed to show efficacy unless diet and exercise accompanied the pill. It is unlikely that patients would want to take a pill if they still have to diet and exercise and suffer side effects on top of that.

"Secondly, physicians and payers do not see obesity as a condition that has to be treated with drugs and are reluctant to prescribe or cover them. None of these drugs ever reached more than $100m in yearly revenues."

The question is why this market is so severely skewed towards the early-stage pipeline, given the failure of these drugs. According to GlobalData's Pharma Intelligence Center, there are two drugs in Phase III, 17 in Phase II, and 33 in Phase I. Novo Nordisk, Eli Lilly, Amgen, Boehringer Ingelheim, Johnson & Johnson, AstraZeneca, Sanofi, and Novartis all have early-stage assets in this space.

Particularly active is Novo Nordisk, with one asset in Phase II and six in Phase I. It successfully repurposed one of its type 2 diabetes (T2D) drugs, Victoza, into an anti-obesity pill with a new brand name, Saxenda. Novo Nordisk is already dominating the T2D space; for not only are many T2D patients obese, but also most obese patients are at high risk of getting T2D. Novo Nordisk found a way of entering this space without risking much. Its Phase II asset for obesity, semaglutide, is also a T2D drug and shows weight-loss effects on top of its glycemic benefits.

Gburcik adds: "The early-stage assets show a variety of novel mechanisms of action, so there is hope that science has come up with ways of tackling obesity that are ingenious enough to convince big pharma players to develop these assets despite the failings of the last three drugs."