

Meditation app market report

Originally published Q1, 2020

Table of Contents

Overview	3
Executive Summary	3
Mission	5
Mental Illness Trends in the US	5
Competition	7
Detailed Competitive Landscape	8
UX/UI Summary and Recommendations	15
Marketing Strategy	18
Market Summary	18
Market Demographics	19
Market Trends and Growth	23
Marketing Mix	25
Product	25
Place	25
Pricing	26
Promotion	26
Buyer Personas	29
Teenagers	29
Working Professionals	29
Professional Athletes	30
Name Suggestions	30
Standout Features	31
Smart Speaker Integration	31
Developing for Amazon Alexa	32
Developing for Google Home	33
Smart Speaker Conclusion	33
AI/ML	34
Financial Forecast	34
User and Revenue Forecast	35
Expense Forecast	36
Revenue vs. Expense	37

Overview

The “meditation app” we are building seeks to capitalize on several important market shifts and bring unique insight into people’s health and mental well-being. This market report aims to 1) give a comprehensive analysis on the size of the opportunity for a new self-help/meditation app, 2) analyze the competition in this space, 3) provide UI/UX recommendations and the foundation for a features list that can be expanded upon during the app design and development phase, and 4) give projected expenses and revenue.

Executive Summary

We believe the time is right to launch a new meditation app into the market to gain customers from the incumbent products. Millennials are invested with self-help and there is a rapidly growing market for mental wellness and meditation apps. Consumer spending for the top 10 self-help mobile apps for meditation, mindfulness, relaxation, productivity, and mental/emotional healing was up 40 percent year over year from 2017 to 2018. New installs of the top 10 wellness and meditation apps increased 36% year over year. The self-help app market in 2018 was worth approximately \$128 million.¹

Mental health is a very big problem that we are seeking to address through our meditation app. In the US 1 in 5 adults (43.8 million, or 18.5%) experience stress, anxiety, depression, or other mental illnesses in a given year. Approximately 1 in 5 youth (18.5 million) aged 13–18 experience a severe mental disorder at some point during their life.² There are serious and well-known consequences of lack of treatment, and leading organizations believe mental health challenges are of epidemic proportions in the US. Mental illness costs America \$193.2 billion in lost earnings per year.³ Mood disorders, including major depression, dysthymic disorder and bipolar disorder, are the third most common cause of hospitalization in the U.S. for both youth and adults.⁴

Our meditation app provides a transformative and validated approach to self-help using our wellness formula developed by the founders. We aim to compress 10 years of experience into a 6

¹ Apptopia: <https://blog.apptopia.com/self-care-apps-growing>

² National Institute of Mental Health: <https://www.nimh.nih.gov/health/statistics/mental-illness.shtml>

³ Insel, T.R. (2008). Assessing the Economic Costs of Serious Mental Illness. *The American Journal of Psychiatry*. 165(6), 663-665

⁴ Agency for Healthcare Research and Quality, The Department of Health & Human Services. (2009). HCUP Facts and Figures: Statistics on Hospital-based Care in the United States, 2009. Retrieved January 16, 2015, from http://www.hcup-us.ahrq.gov/reports/factsandfigures/2009/pdfs/FF_report_2009.pdf

month package delivered to our users through our powerful and intuitive mobile app, with smart-speaker integration. Our app will offer users better insights into the causes of their mental health challenges and more practical recommendations on how to make improvements than the competition.

Our app will be easy to use for a wide variety of market segments including professionals, students, athletes, and teenagers. It will guide users through a process to discover their personal challenges and provide recommended courses, based on our research, that will help them improve their mental wellbeing.

Our meditation app will have a range of important features, including:

- A gamified series of questions that gathers insight into each user's unique experience and needs
- App activities based on the level of the user (beginner, intermediate, advanced)
- Self-guided relaxation and meditation courses from the founders' 10 years of experience
- Sleep improvement features (alarm)
- Smart-speaker integration to expand our market reach
- A platform for other professionals to distribute their material (future vision)

The meditation app will be a monthly or annual subscriber service. We will base our price point on the market average, and adjust for our unique value-add features, like smart-speaker integration. Our app's future vision (2-5 years) could provide a framework for other health and wellness professionals to distribute their services and receive a percentage of their revenue as our fee. For example, if a mindfulness teacher wants to produce a series of guided meditations on the breath, they can do so through our app and charge users a fee to access them. We would charge a 10% or 20% fee on these sales through our platform.

Based upon our market research, there are now approximately 65 million people in the US who could benefit by using the meditation app. This number will grow to over 90 million by 2023. Our goal is to acquire 330,000 of these individuals as our users over the next 2 years. User acquisition will come from online advertising, implementing SEO on our website and social media pages, creating compelling blog topics, attending conferences, and forming business partnerships.

We expect to grow our user base by an average of 50% each month by executing our marketing strategy outlined above supported by a monthly marketing budget of \$2,000. Approximately 80% of our marketing budget will be spent online with Google AdWords and Facebook Ads. We expect an

average Cost Per Click (CPC) of \$3, which generates approximately 650 visitors to our website per month. If we assume a conservative conversion rate of 4%, we will acquire a minimum of 26 paid users with this budget. As we grow and revenue increases, we will spend a larger amount on online advertising, generating more visitors to our website.

Mission

The health and wellbeing of people can greatly diminish when under stress or anxiety. These causes can be mitigated by the proactive tools provided by our app. We believe that many solutions to these problems can be derived from eastern spiritual practice and thought, and successfully taught to our users. Most apps on the market today rely on guesswork to provide unspecific and poorly targeted recommendations on how to improve the user's mental health. Uncustomized courses are one of the major complaints in their one star reviews.⁵ Our meditation app seeks to introduce a more objective system based upon factors of mental wellbeing identified over 10 years by certified therapists (removed), and other healthcare professionals.

Our goal is to make the meditation app a trusted brand throughout the industry within 2 years and a recognized leader in mindfulness in 5 years. Our users will have higher confidence that our self-help prediction model is the best in the industry, and getting better all the time with our machine learning algorithms intelligently using new data to update prediction models.

The meditation app will transform the practice of digital-focused health and wellness by creating a proprietary data-driven platform, which will turn a subjective process into an objective one. Using the meditation app users will be able to better understand their current mental health state and factors to successfully improve it, resulting in better-balanced people and a happier society.

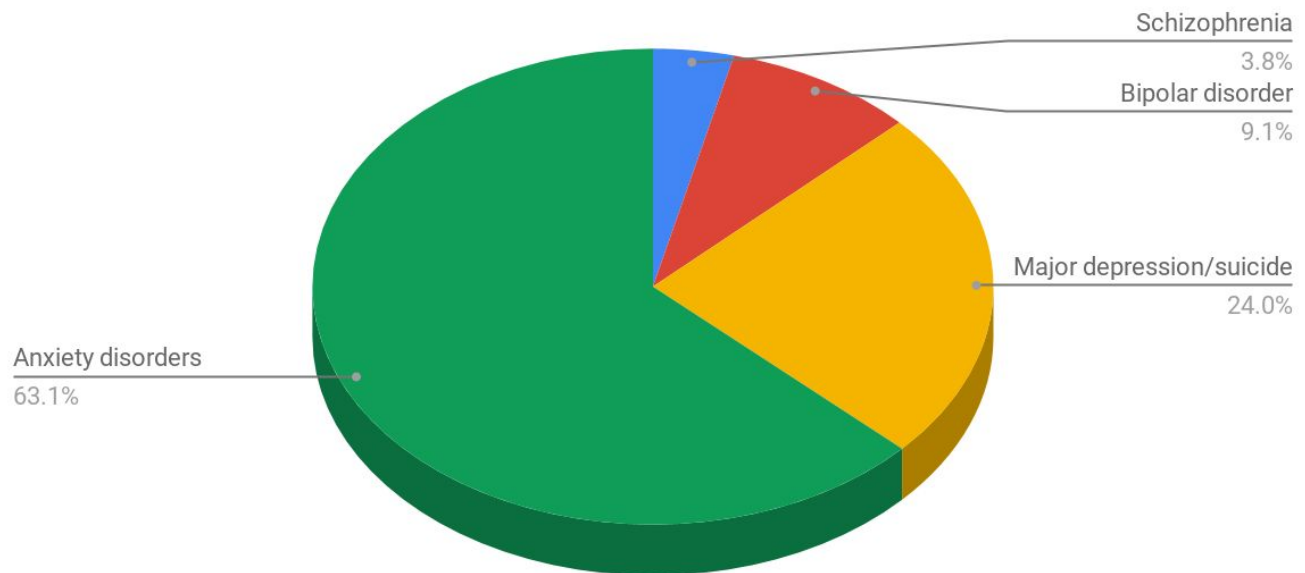
Mental Illness Trends in the US

Utilizing research from the foremost government and non-government groups in the US, this report seeks to understand relevant mental health trends in the US. The National Alliance on Mental

⁵ Ex: Calm's reviews,
https://play.google.com/store/apps/details?id=com.calm.android&hl=en_US&showAllReviews=true

Illness (NAMI) is the largest non-government organization that tracks and monitors mental health statistics and trends. The National Institute of Mental Health (NIH) is the leading government office that tracks mental health trends and statistics.

Prevalence of mental illness in US adults



Source: <https://www.nami.org/NAMI/media/NAMI-Media/Infographics/GeneralMHFacts.pdf>

Anxiety Disorders

The largest segment of mental illness is anxiety disorders. This includes panic disorder, obsessive-compulsive disorder, post-traumatic stress disorder, generalized anxiety disorder, and phobias (social phobia, agoraphobia, and specific phobia). Anxiety disorders frequently co-occur with depressive disorders, eating disorders, or substance abuse. Many people have more than one anxiety disorder. Women are more likely than men to have an anxiety disorder. Approximately twice as many women as men suffer from panic disorder, post-traumatic stress disorder, generalized anxiety disorder, agoraphobia, and specific phobia, though about equal numbers of women and men have obsessive-compulsive disorder and social phobia.

Major depression/Suicide

In 2015, more than 44,000 people died from suicide in the U.S. More than 90 percent of people who kill themselves have a diagnosable mental disorder, commonly a depressive disorder or a substance abuse disorder. The highest suicide rates in the U.S. are found in men over age 75. The suicide rate in young people increased dramatically over the last few decades. In 2015, suicide was the 2nd leading cause of death among 15 to 24 year olds. Four times as many men than women commit suicide; however, women attempt suicide 2-3 times as often as men.

Bipolar Disorder

People with bipolar disorder have depressive episodes as well as manic episodes. Nearly twice as many women (8.5 percent) as men (4.7 percent) are affected by a depressive disorder each year. Depressive disorders may be appearing earlier in life in people born in recent decades compared to the past. Depressive disorders often co-occur with anxiety disorders and substance abuse.

Schizophrenia

Schizophrenia affects men and women with equal frequency. Schizophrenia often first appears earlier in men, usually in their late teens or early 20s, than in women, who are generally affected in their 20s or early 30s.⁶

Considering the diverse range of mental illness issues, we should focus on one or two at first, and add more as revenue increases to pay for the development cost. Anxiety disorders offer the largest user base. Therefore, we could focus our guided meditations and other courses on panic disorders, obsessive-compulsive disorders, post-traumatic stress disorder, and phobias. Furthermore, targeting women in our marketing is likely to result in the biggest ROI.

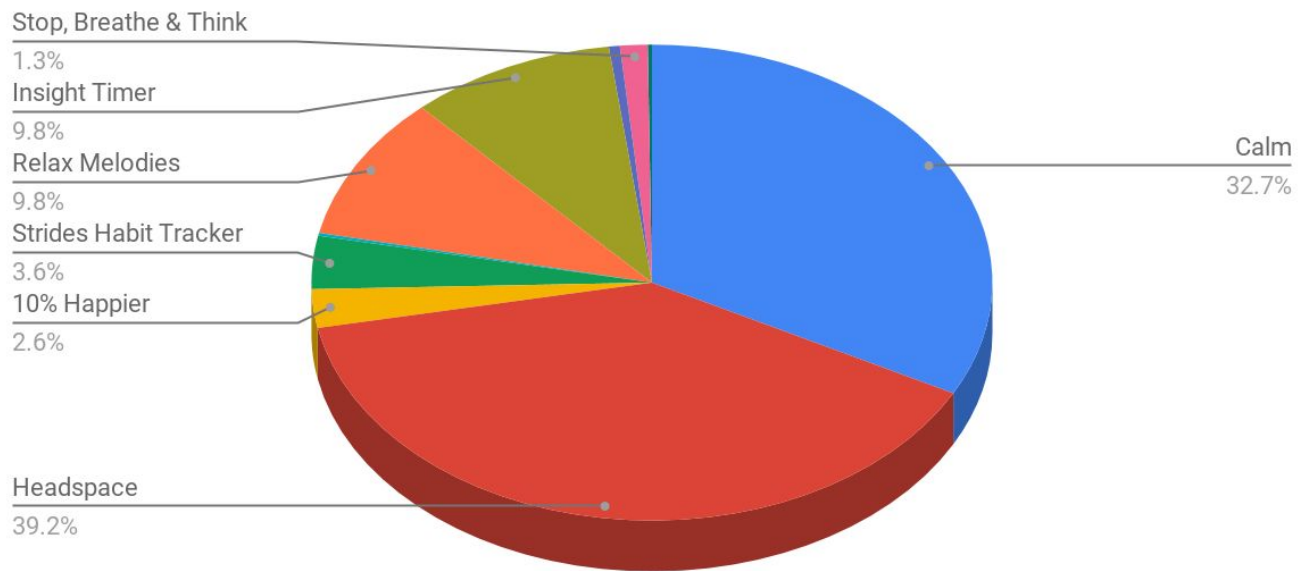
Competition

The top 11 self-help apps for both iOS and Android are described in the table below. A large percent of self-help apps' revenue is claimed by just two apps, Calm and Headspace, both of which focus on mindfulness and meditation. Calm, the top grosser, earned roughly \$8 million in the U.S. and \$13.5

⁶ <https://www.nimh.nih.gov/health/statistics/index.shtml>

million worldwide. Combined with Headspace, the two generated more than 90 percent of the top 11 apps' revenue in Q4, 2018.⁷ While Headspace has more users, Calm has made more revenue, indicating that they might be more successful converting free users to paid users.

Self-help apps market share



Detailed Competitive Landscape

Name	iOS/ Android	Website	Features	Price	# of Reviews ⁸	Avg Rating (1-5)
Calm	Both	calm.com	Makes meditation simple by offering easy-to-follow guided meditations that fit into any schedule, as well as different breathing practices and relaxing music for quick stress relief.	Free 7 days, \$60/yr, \$400 for life	500k	4.8
Headspace	Both	headspace.com	Offers guidance on mindfulness practices for sleep, focus and more. 2-3 minute mini meditations offer a quick mental	Free (limited), \$13/mo,	600k	4.7

⁷ Techcrunch: <https://techcrunch.com/2018/04/02/self-care-apps-are-booming/>

⁸ Indicative of each app's relative market share. Results totaled from all available stores, as of 4/3/2019

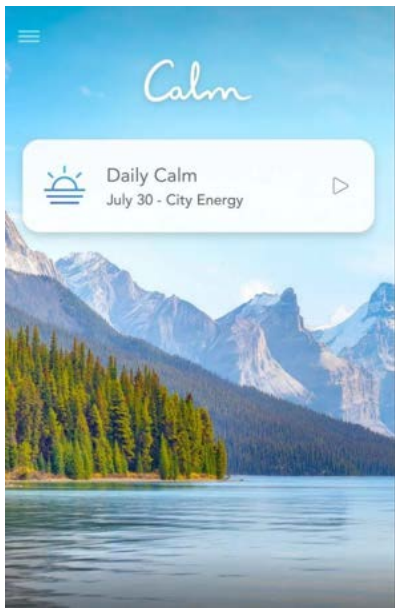
			reset on busy days.	\$96/yr, \$240/yr family plan		
10% Happier	Both	10percenthappier.com	A clear, simple approach to meditation. Built for fidgety skeptics, designed to help you stick with it.	7 day free trial followed by paid subscription	40k	4.7
Strides Habit Tracker	iOS	stridesapp.com	From drinking more water to getting enough sleep, this app holds you accountable for these positive changes and motivates you to stay on track.	Free trial, then \$5/mo, \$30/yr	55k	4.5
Grateful: A Gratitude Journal	iOS	link	By posting daily journal entries in the app, you'll practice gratitude daily and get the pick-me-up you need whenever you're having a rough day.	Free trial, then \$3/mo, or \$16/yr	1,700	4.8
Happify	Both	happify.com	Offers exercises and games focused on improving negative thoughts, combating stress, building self-confidence, and more.	Free trial, then \$18/mo or \$118/yr	3k	4
Relax Melodies	iOS	link	Offers a multitude of relaxing sounds and meditations aimed at quieting the mind, so you can get that deep, restful sleep you need.	Free trial, then \$10/mo, or \$20/yr	150k	4.5
Insight Timer	Both	insighttimer.com	Guided meditations and talks led by the world's top meditation and mindfulness experts, neuroscientists, psychologists and teachers from Stanford, Harvard, the University of Oxford and more. Music tracks from world-renowned artists. Calms the mind, reduce anxiety, manage stress, sleep deeply and improve happiness.	Free trial, then \$10/mo or \$60/yr	150k	4.5
The Mindfulness App	Both	link	Offers over 250 guided meditations and courses by some of the world's most influential teachers, including themes such as stress relief, focus, sleep, emotions, children & teens, mindfulness at work and relationships.	Free trial, then \$10/mo or \$60/yr	8k	4
Stop, Breathe & Think	Both	stopbreathethink.com	Calming app for daily meditation & mindfulness, has a unique approach that allows you to check in with your emotions, and then recommends short, guided meditations, yoga and acupuncture videos, tuned to how you feel.	Free trial, then \$10/mo or \$58/yr	20k	4
Smiling Mind	Both	smilingmind.com.au	Developed by psychologists and educators to help bring balance to people's lives. Smiling Mind is a 100%	Free to use	3k	4

			not-for-profit organisation that works to make mindfulness meditation accessible to all.			
--	--	--	--	--	--	--

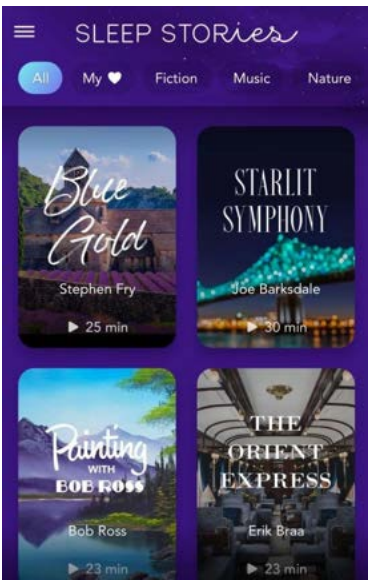
Calm App Overview

The Calm app is the #1 best selling health and wellness app so will receive an in-depth analysis in this report. Our meditation app should be positioned to take either users from Calm, or to attract new users to our platform instead of going to Calm. One reason why Calm has been so successful is that its original guided meditations are recorded by major personalities, like movie stars and musicians. We will not be able to pay these personalities enough to attract them (or similar big names) to our app at first. Therefore, we will have to focus on other areas, such as integrating with smart speakers, offering a data-driven approach to customization, and offering more useful features.

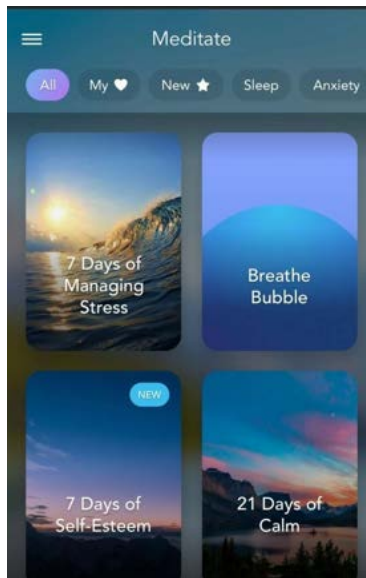
Calm starts users with a free 7 day trial that offers access to everything in the app. Then users must pay \$60 per year, or \$400 for a lifetime subscription to keep using it.



The home screen is minimalistic, with full-screen nature background and hamburger menu to access options.



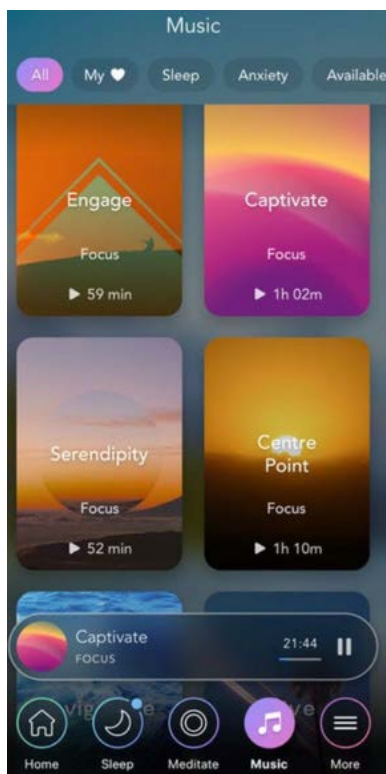
Unique stories read by famous personalities add significant value to the Calm app.



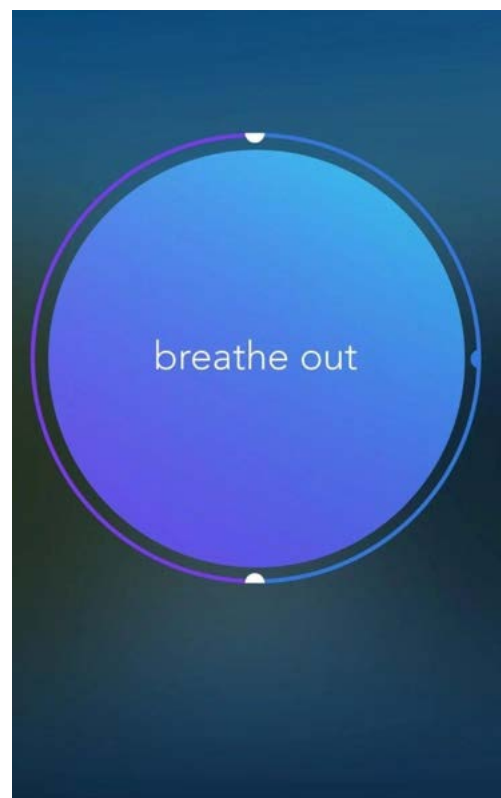
Calm offers the ability to favorite certain activities and quickly see new additions to the platform.



Calm offers guided wellness classes by leading life coaches as part of its subscription.



Calm offers soothing sounds and a built in music player.



Timed breathing exercises are designed to help users relax.

Headspace App Overview

Headspace is the second-best selling wellness app (by gross revenues). It offers an unlimited free period that is restricted to only learning the essentials of meditation and mindfulness. All other features must be paid for, either \$13 per month, \$96 per year (\$8 per month), or a family plan for \$240 per year.

Headspace recently introduced smart-speaker integration for both Alexa and Google home, and is the only app in the top 10 with this functionality. It currently offers this limited selection of voice commands:

- "Alexa, open Headspace"
- "Alexa, tell Headspace to start my daily meditation"
- "Alexa, ask Headspace for today's meditation"
- "Alexa, tell Headspace I'm ready to sleep"
- "Alexa, Ask Headspace to connect my account"



Mindful Tech

3-10 MIN · MEDITATION

Technology doesn't have to constantly steal our attention—we get to define how we interact with our devices. Using a technique called noting, try to be less reactive to the pings and notifications, and instead develop a healthier relationship with all things tech.

Related



Headspace's most popular feature is guided mindfulness meditations. It uses a soft, pastel color scheme across the entire app.



Basics

10-20 MIN · COURSE

Train your mind for a happier, healthier life by learning the fundamentals of meditation and mindfulness.



Headspace tailors the experience to the user's experience level, offering basic, intermediate, and advanced options.



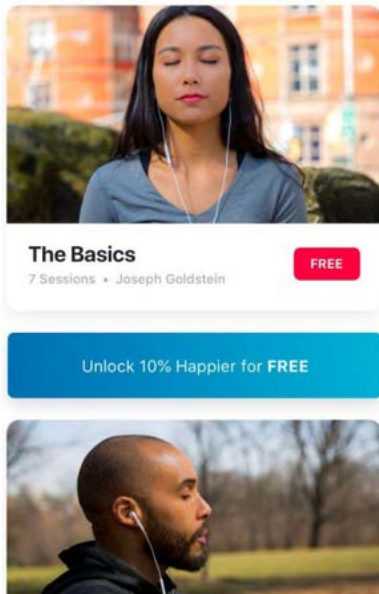
Offers better sleep through a selection of soothing sounds.



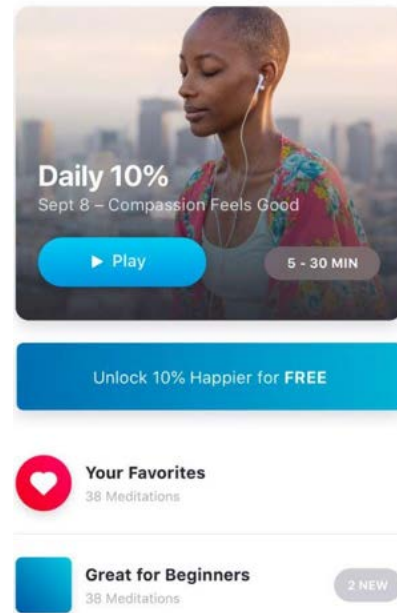
Offers stress, anxiety, sleep, personal growth, and work/productivity options.

10% Happier App Overview

10% Happier is designed to offer guided meditations from the “smartest, coolest, and funniest meditation teachers and scientists in the world.” The app emphasises humor and a light-hearted approach to mental wellness, which might appeal to a younger audience. It offers topics ranging from surviving daily commutes to getting better sleep. The app offers a 7 day free trial, followed by a paid subscription plan.



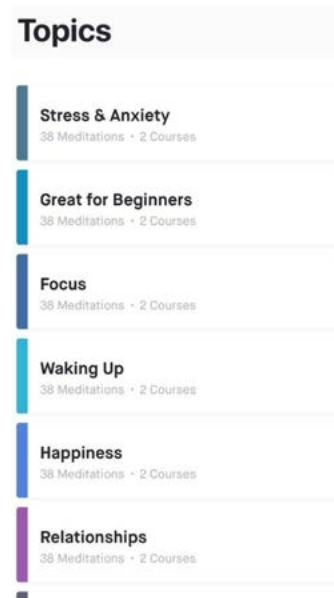
10% Happier has a simple design with a lot of white space and primary colors.



The app offers unique guided classes updated daily.



The app emphasizes its guided sleep wellness feature.



10% Happier offers the same general features as the rest of the apps in this category.

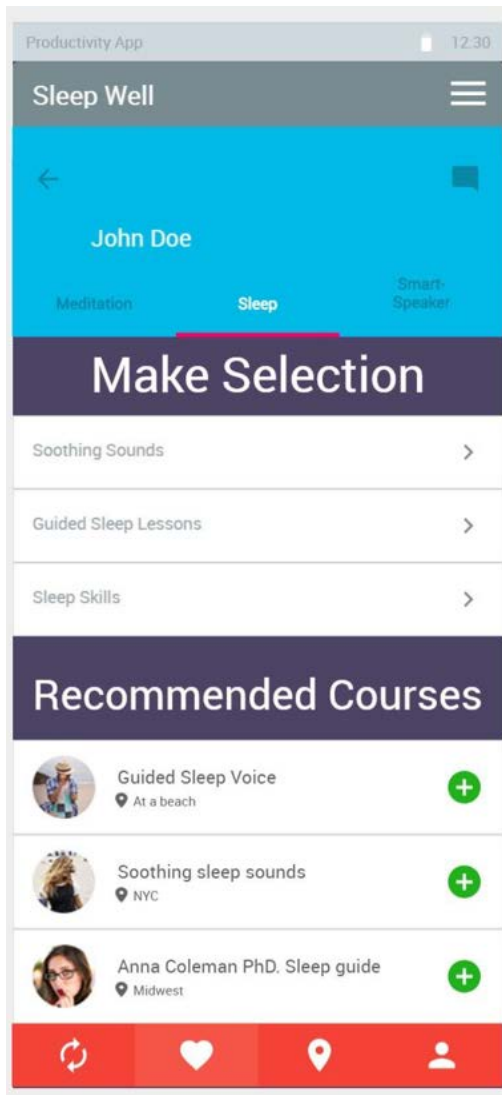
UX/UI Summary and Recommendations

This report shows the top mental health and wellbeing companies have built professionally designed apps and websites with modern aesthetics and a diverse range of features. Our go-to-market strategy should include a professionally designed app, with robust features, a competitive price point, and unique UI/UX to entice users away from other products. To compete with them on design and aesthetics, the following are key recommendations:

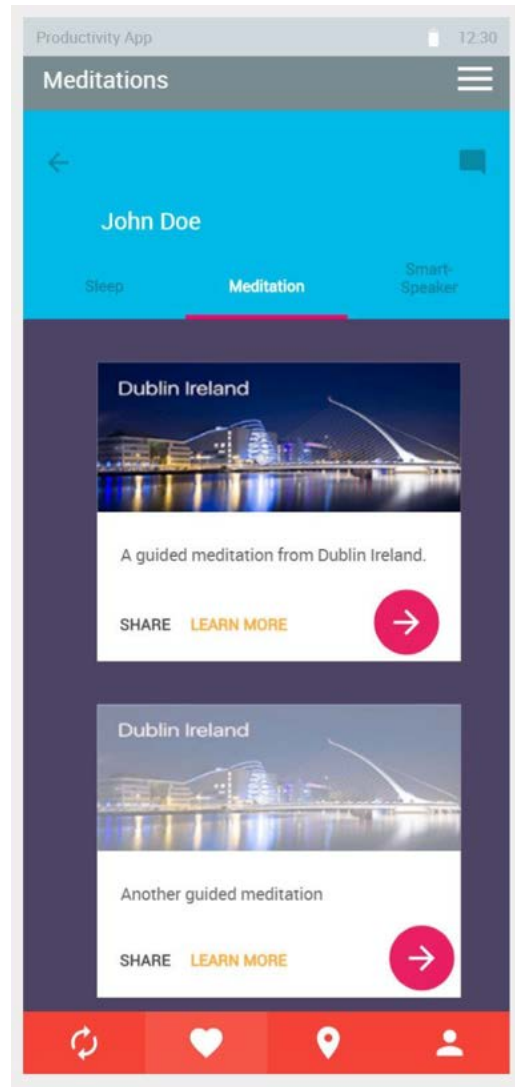
- Invest money in designing a modern, clean UI/UX that has a unique style to fit the tone of our app. It could be humor, professional, industrial, techy, worldly, or something else.
- Build a companion website that allows users to 1) manage their subscriptions, 2) get access to the same features as the app, 3) get help and customer service.
- Choose a font and color scheme that aligns with our brand message. It could be bold fonts and colors, or soft colors and flowing fonts. Consider getting help from a professional branding company, like [Vibethink](#) in Charlottesville.
- Research and invest in AI/ML that makes sense for our app, and that is better than the competition in some way.
- Offer smart-speaker integration from the beginning, something which none of these apps were designed to do at first, but was added to Headspace only recently.

Possible UI mockups for our app are shown below.⁹

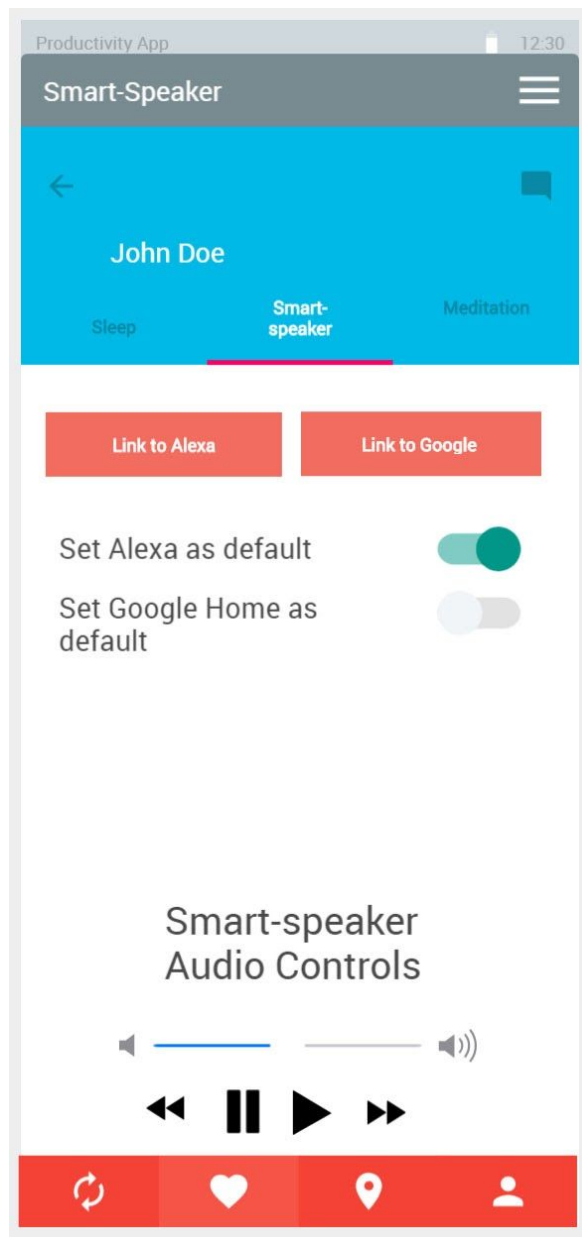
⁹ A professional UI/UX specialist should build the final version of mockups, in conjunction with the creation of a branding guide. These mockups were made with: <https://www.fluidui.com>



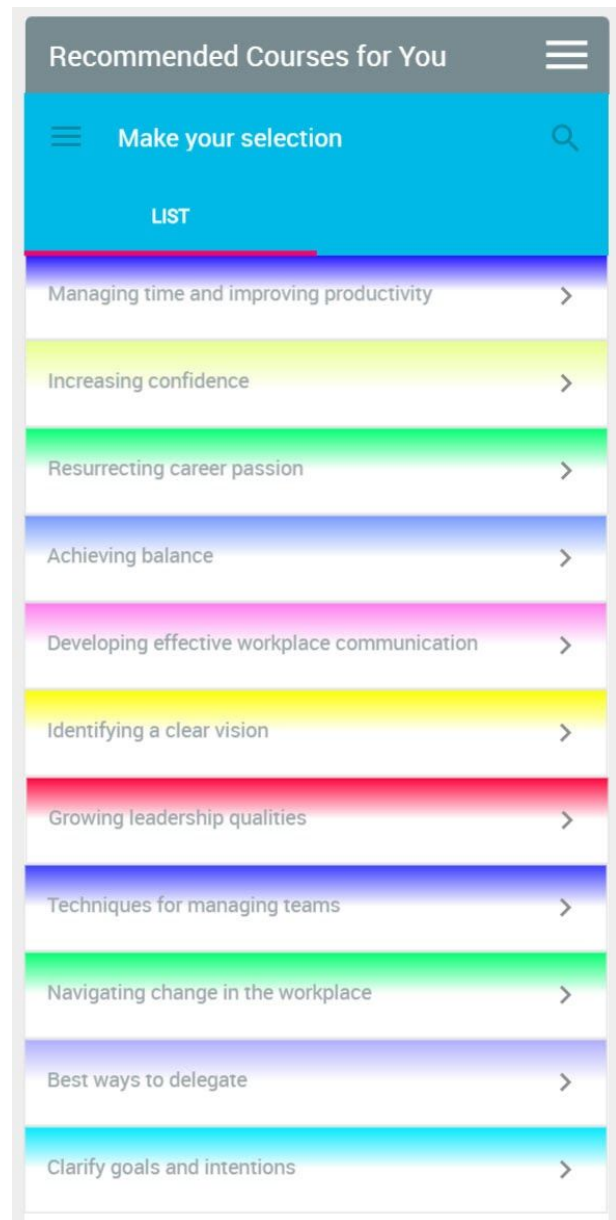
Our app could have a vivid color scheme or more neutral calming colors, with a modern font and clean layout (shown here in Android Material Design). Some features accessible on this screen include Meditation, Sleep, and Photos.



Our guided meditations could feature themes, like the geography of origin for the spiritual thought, or others.



The Smart-speaker screen could have settings, and a control panel for starting and stopping audio on the smart-speaker.



Based on each user's profile we can offer recommended courses. This example is for professional coaching aimed at relieving stress and anxiety, and increasing wellbeing in the workplace.

Marketing Strategy

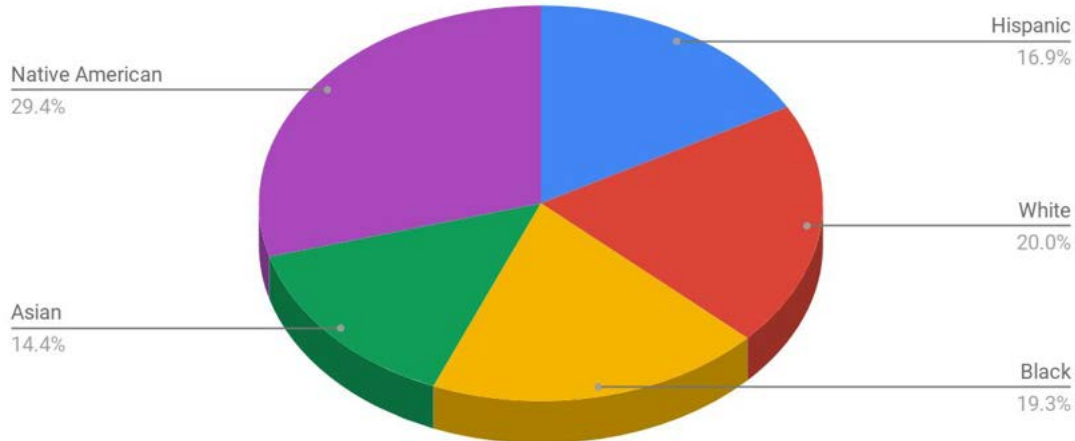
Market Summary

In the first year we intend to build the meditation app and promote it to the US market. After successful penetration in the US, we will make partnerships and expand internationally. Our targeted customer segments are 1) teenagers, 2) professionals, and 3) athletes. Adult women comprise over 50% of the professional customer segment. Market research shows definitively that a large percentage of our target customer segments want to increase their mental wellness. For example, teenagers want to get help right away on their mobile phones and receive calming messages to help relieve their stress and anxiety. Professionals seek greater focus and concentration at their jobs during the day, and to get good sleep at night. Athletes want to find calm and balance to help them perform better physically and mentally in competitive events.

We can greatly increase our ROI for marketing spend if we target specific demographics with our online ads, social media posts, and blog posts. By identifying these now we reduce the time it would take us to find the right markets through A/B testing and trial and error. Below are some demographic recommendations.

Market Demographics

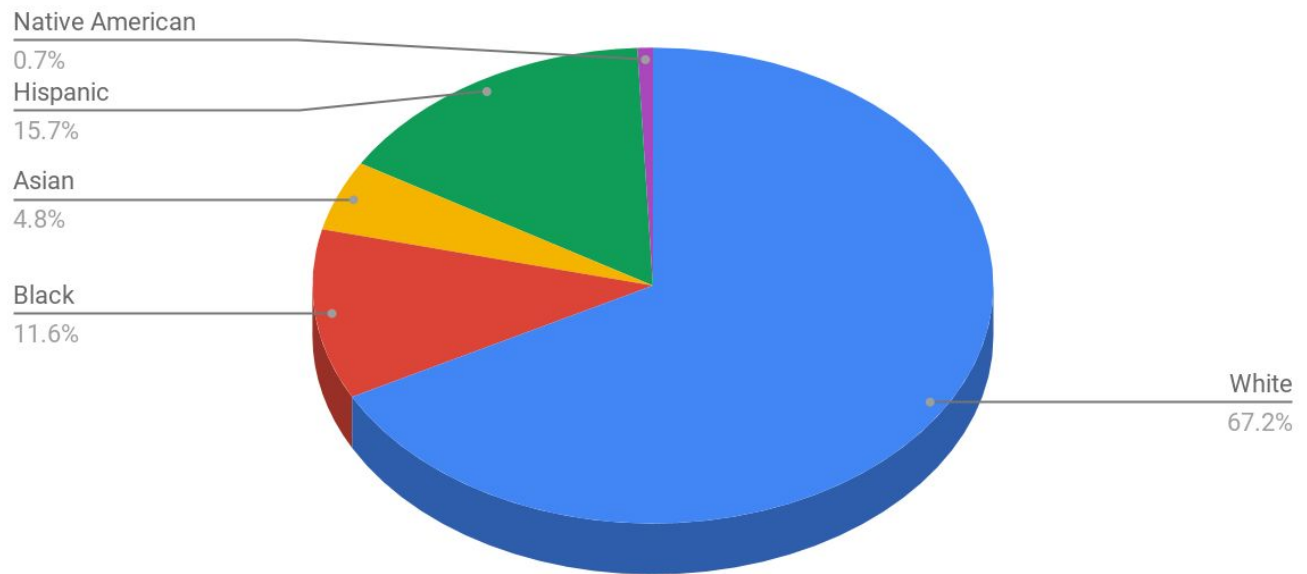
Adults living with a mental health condition



Source: <https://www.nami.org/learn-more/mental-health-by-the-numbers>

Native American adults represent the largest group with mental health conditions. The second largest is white, followed by black, hispanic, and asian. When targeting our app to the right audience, it is also important to compare the size of each group.

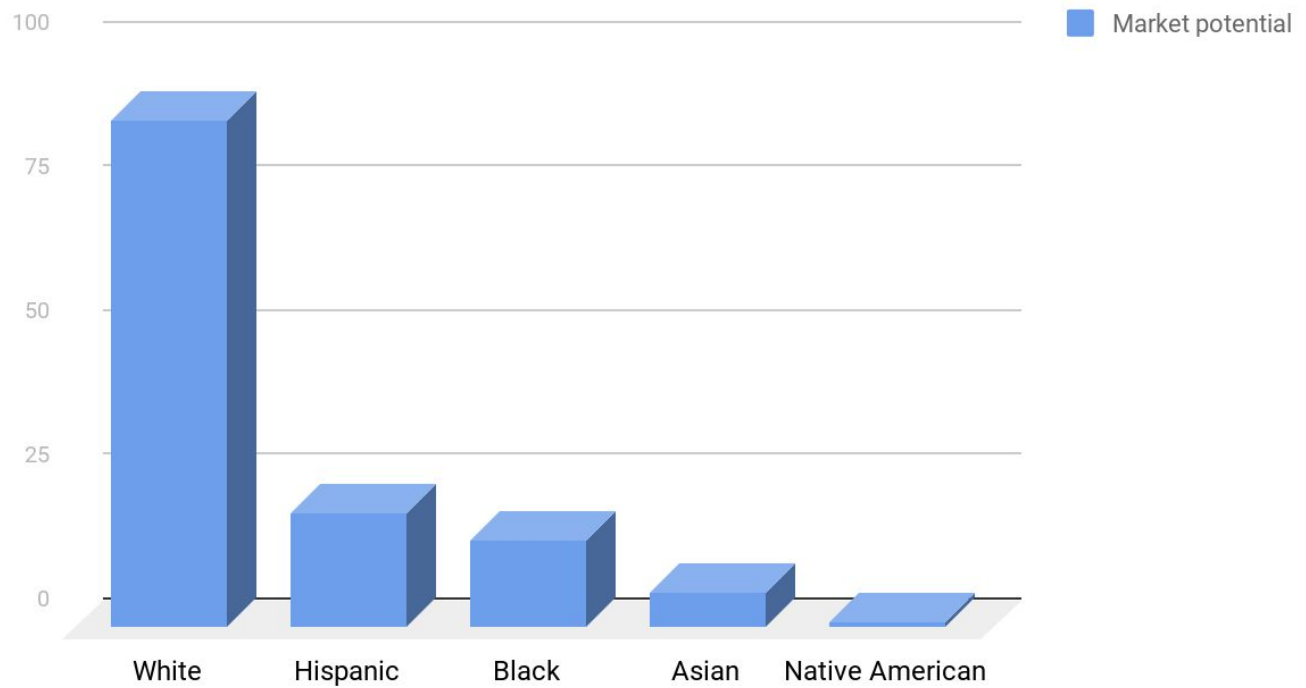
US ethnic composition



Source: <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

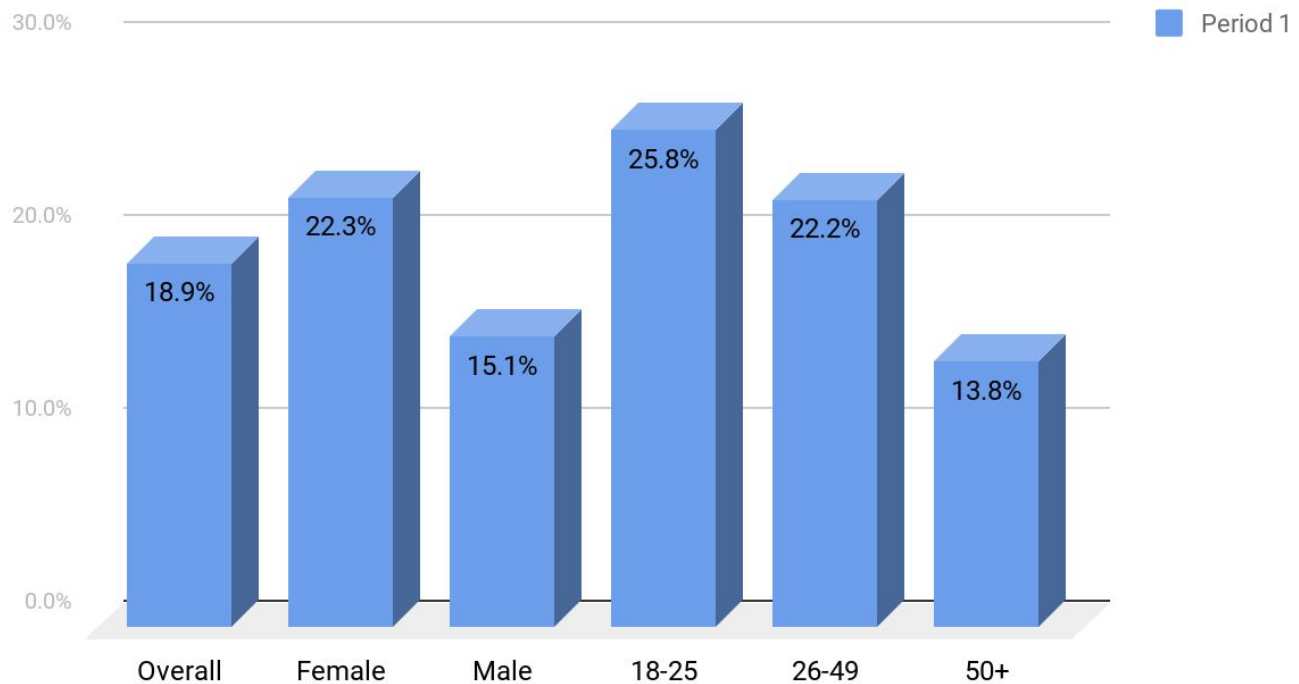
To give a weighted average to each group for the marketing potential with the meditation app we take each groups' percent of mental illness and multiply it to its percentage of US population.

Weighted average



While Native Americans have the highest percentage of mental illness, they are only 0.7% of the total US population. To achieve the greatest marketing success **we should focus on the White population in the US**, which has the highest market potential, followed by Hispanic, and Black.

Prevalence of mental illnesses among U.S. Adults



Source: <https://www.nimh.nih.gov/health/statistics/mental-illness.shtml>

Based on NIMH research, in the US, females are more likely to suffer mental health problems than males. 18-25 year olds are most likely to be at risk for mental illnesses. Along with the rise in smartphone and smart-speaker adoption among 18-40 year olds, this presents a large and growing market in which to sell the meditation app.

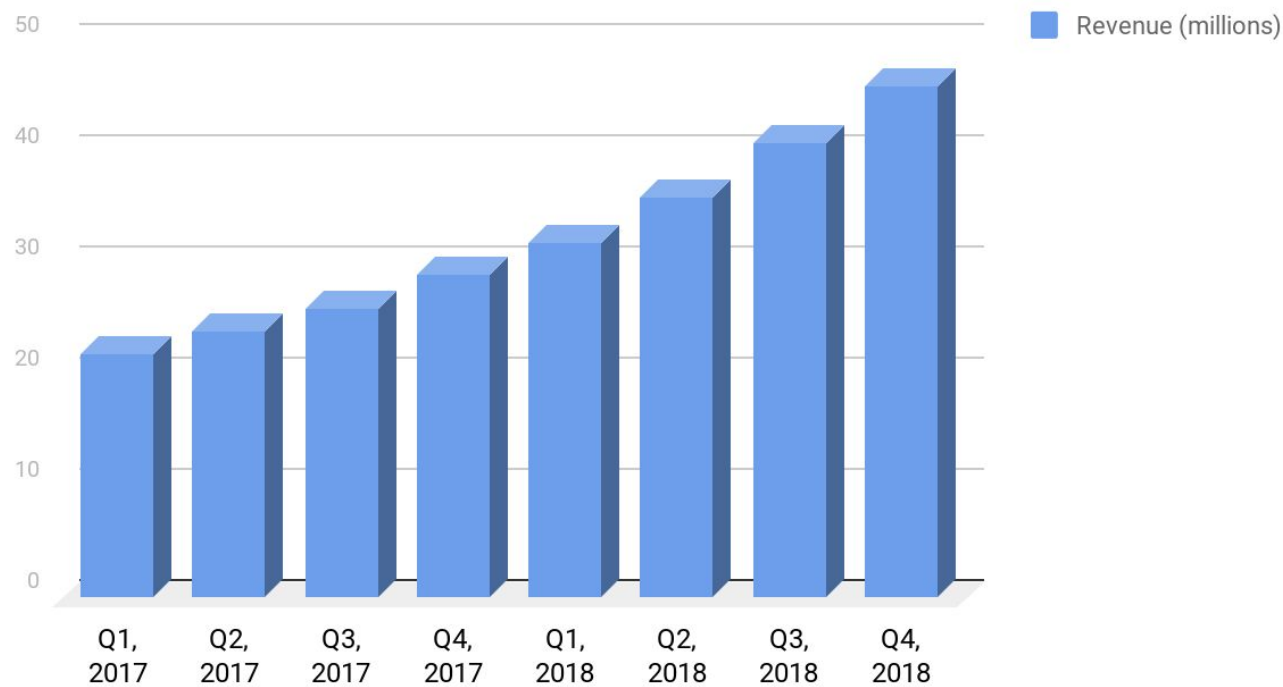
A niche market for the meditation app might be the lesbian, gay, bisexual, transgender, questioning, or queer (LGBTQ) community. Studies show LGBTQ individuals are 2 or more times more likely as straight individuals to have a mental health condition. In addition, 11% of transgender individuals reported being denied care by mental health clinics due to bias or discrimination.¹⁰ Targeting these at risk and under-served market segments could provide a competitive advantage and lower user acquisition costs than traditional categories (white, hispanabic, black, etc.)

¹⁰ <https://www.nami.org/NAMI/media/NAMI-Media/Infographics/MulticulturalMHFacts10-23-15.pdf>

Market Trends and Growth

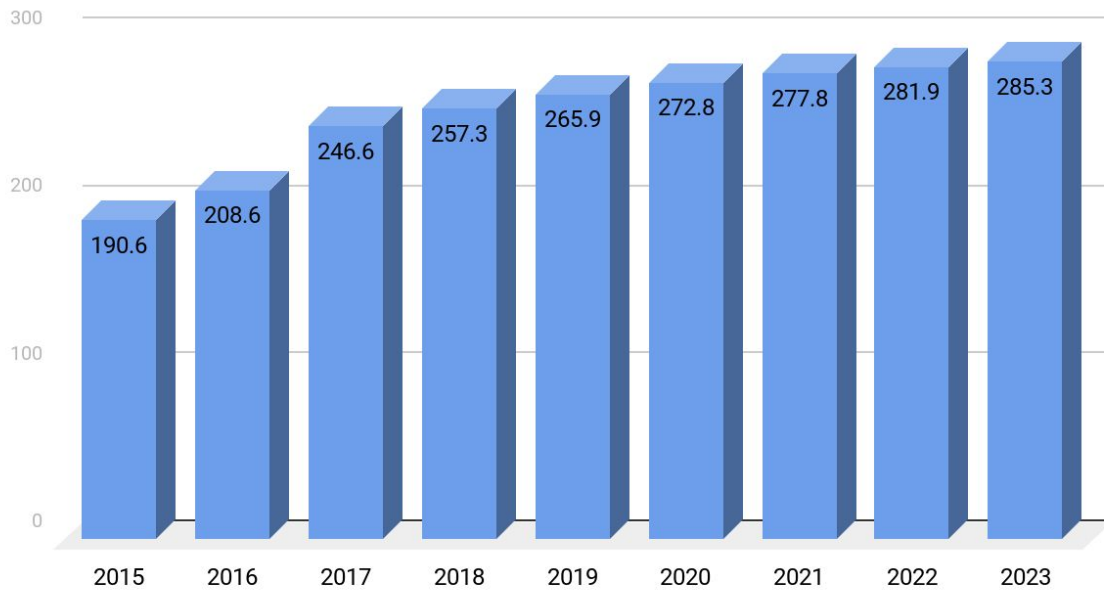
Our app may provide a successful venue for helping Americans manage increasingly common mental health challenges, due to the growing market for self-help apps, growing smartphone usage, and the growing smart-speaker market.

Top 10 self-help apps revenue



Source: <https://blog.apptopia.com/self-care-apps-growing>

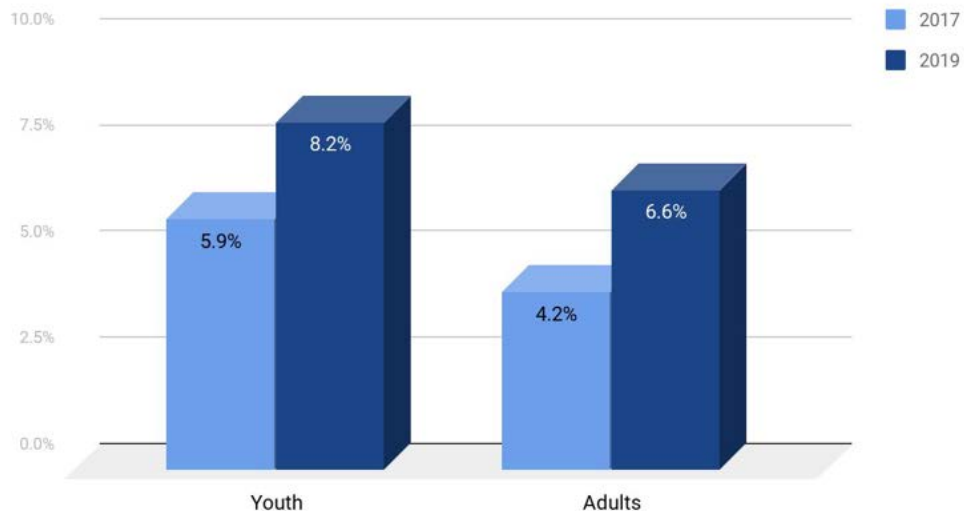
Number of smartphone users in US



Source: <https://www.statista.com/statistics/201182/forecast-of-smartphone-users-in-the-us/>

Smartphone use in the US is growing, and on track to capture 87% of the total population by 2023. This, along with smart-speaker adoption, shows there is significant growth opportunities for self-help and wellness apps.

Rise in mental health issues in US



Source: <https://www.nimh.nih.gov/health/statistics/mental-illness.shtml>

The rise in mental health issues in the US is higher in youth (18-25), than adults. In both demographics, the projected rate of increase is significantly higher in 2019 than in 2017. Our meditation app should aim to help the youth segment first, with secondary marketing targeted towards adults.

Marketing Mix

Product

Our prospective customers want a better way to manage their long-term health and wellbeing. We will provide a systematic way for users to input specific data about their backgrounds and experiences and get a real-time assessment on their mental wellness and activities to focus on to improve it. Our app will have integrated AI/ML to improve the inefficient and haphazard wellness and mindfulness apps available today. It will be functional across platforms on desktop, mobile phones, or tablets.

Key product features:

1. Our app will offer features to help users fall asleep easily and get restful sleep by being woken by an alarm in sync with their bodies' sleep cycle. This could include guided sleep meditations and soothing sounds to fall asleep to. The alarm will monitor users' sleep cycles and find the optimal time to wake them based on bed movement and noises.¹¹
2. Our app will integrate seamlessly with smart speakers to enable a richer experience than our competitors and reach a wider audience.

Place

The meditation app will be sold on our website, on both the Apple iOS store and Google Play store. These stores, while taking 20% of our sales in fees, offer the best exposure to our target market. Our website will contain a shopping cart function that will allow users to compare plans, sign up, and upgrade to access additional features. We will offer personalized offers and incentives to upgrade, and referral bonuses for our users to share the meditation app within their social networks.

¹¹ Movement and noises are the two most common ways sleep apps work to detect sleep cycles: <https://vitals.lifehacker.com/what-sleep-tracking-apps-can-and-can-t-tell-you-1787753934>

We will use Google Analytics to observe and interpret website behavior. We will test marketing campaigns over the course of a 30 to 60 day period, and evaluate the results. Then repeat any programs that are delivering sales and get rid of anything that's not.

Pricing

Our competitors all offer a free trial (usually 7 days) followed by either a monthly or annual subscription plan. The average monthly fee charged is **\$7.63**, and the average annual fee is **\$49.81**. Some apps offer alternate pricing plans. For example, Calm offers no monthly option, but a yearly and lifetime subscription. Headspace offers a family plan that you can share with members of your immediate family.

If we build a pricing model that seeks to match that of our competitors we could offer a free 7 day trial, followed by a monthly subscription of **\$7.50**, and an annual subscription of **\$50** (a 45% discount). We could also offer a lifetime subscription for **\$300-500**. These prices would offer customers excellent value for the features we plan on offering vs. the competition.

Promotion

We have identified several of the potential marketing channels to promote the meditation app, both online and offline. We will build up our marketing efforts before launch of version 1.0, thus constantly finding and communicating with our audiences in new and effective ways.

Our primary marketing goals are to educate users about the risks of mental illness, to highlight how our meditation app is better than alternatives currently available, and show users the significant value good mental health adds to their lives. We will establish the meditation app as the expert on self-help and wellness, and will build a community of like-minded followers and people who need our product. We will also partner with companies and organizations whose products are good compliments for self-help and mindfulness. To do this we will tell a compelling story of why people need to use the meditation app.

Our marketing principles are:

- Engage people with stories. Every ad, every post, should be a story.
- Make the customer the hero of their own story. Help them see where they fit in the story, and how they are going to be the ones solving their problems by using the meditation app.

- Conduct deep research and share unique and better information than any other source on the Internet.

Month One After Launch

- Direct mailing to major potential customers and partners
- Identify SEO keywords and implement on website/social media pages
- Creating and configuring online social media channels
- Creating email distribution list and multiple campaigns targeting customers and leads
- Blog posts on our website

Month Two After Launch

- Attend conferences and speak about the meditation app to our users
- Online or in-print advertising
- Online and social media marketing campaigns
- Blog posts on our website

Month Three After Launch

- Continue online marketing campaigns
- Create and promote viral video on social
- Blog posts on our website
- Form new business partnerships

Month Four After Launch

- Continue online marketing campaigns
- Host meetings with leaders in the self-help and mindfulness fields
- Blog posts on our website

Month Five After Launch

- Continue online marketing campaigns
- Post more blogs on our website

Our marketing activities will get people excited about our revolutionary new solution. We will also create a highly informative blog post once a week highlighting various facts about self-help and mindfulness and the problems our society currently faces. Blog post topics will consist of:

1. The value of mental wellness in urban/rural areas
2. Self-help tips and techniques
3. Increased quality of life associated with a healthy mental state
4. The founder's professional background and expertise and success stories from other people. Stories get traffic.
5. Highlighting other organizations and companies working positively for the benefit of society's mental health and wellbeing [not necessarily competitors].

In #1 we will focus on increased quality of life due to proper mental wellness in both urban and rural areas, where the stresses of life and mental health issues differ.

In #2 we will look at what common issues contribute to stress, anxiety, depression, etc, and how to solve them.

An example blog post for #3 could be about an unhappy professional whose stressful job keeps them up at night - an issue many people face every year. By using the meditation app the person can listen to relaxing sounds, voices, etc, and have an intelligent alarm to help them wake up at the right stage of their sleep cycle. Getting the rest they need helps the person being happier and more productive at work.

In #4 we will establish the founder's expertise in self-help and mindfulness and tie that in with why we founded the meditation app. We highlight our professional background, projects we worked on, awards he has won, papers we have written, and describe how the meditation app is our revolutionary approach to solving the mental health problems facing our society.

In #5, we will talk about the good work other companies and organizations are doing. We will tell the organization we are featuring them, and they will likely repost our blog because of our mention of them. The people following these organizations on social media are a natural market for us, since they will already be interested in self-help and wellness.

Each blog post will be linked to on our Twitter, Facebook, Instagram, and LinkedIn company pages. We will produce 2-3 professional videos, and make use of high-quality photography. All online marketing channels favor video posts over text or image posts. Videos grab attention in social

media feeds better than anything else. We will measure the number of blog post views, comments, positive and negative feedback, number of Twitter and Facebook followers, and number of website visitors. We will establish a monthly marketing budget to spend on promoted ads, boosted posts, and Google Adwords campaigns.

Buyer Personas

These buyer personas focus on the individuals in our target markets who must choose our meditation app over an alternative product. Many of them have a basic understanding of mental health factors and wellness methods. It will be important to craft our marketing message so that they have a clear understanding why our app is a better choice than the competitor's.

Teenagers

Demographics	
Gender	65% female, 35% male
Age	13-19

Information sources	
Where do they get their information about mental wellbeing from?	Twitter, Instagram, friends, schools, google searches
Whom do they trust?	They often follow trends with mental health issues on Instagram and Twitter. If we can get the people they follow on social media to talk about our app teenagers will hear about it. We also want good SEO and google ads to capture both paid and organic search results.

Working Professionals

Demographics	
Gender	51% male, 49% female
Age	22-52

Information sources	
Where do they get their information about mental wellbeing from?	Credible professional sources, like the US government (The National Institute of Mental Health (NIH)) and nonprofit organizations (National Alliance on Mental Illness (NAMI)). Also google searches.
Whom do they trust?	Official sources on mental health. If we can partner with leading nonprofit organizations we can get mentioned in their publications, helping to reach working professionals. We also want good SEO and google ads to capture both paid and organic search results.

Professional Athletes

Demographics	
Gender	50% male, 50% female
Age	18-35

Information sources	
Where do they get their information about mental wellbeing from?	Sports related mental health organizations, like the Sports Conflict Institute and the Eric Monday Foundation, and social media.
Whom do they trust?	Official sports organizations and social media. We want a strong social media presence on Facebook, Twitter, and Instagram so professional athletes can find our app when searching. We also want to build partnerships with learning sports mental health organizations for long-term growth.

Name Suggestions

We want a name that implies both productivity and spirituality. A few names names that are available on the app stores are¹²:

¹² A comprehensive domain name and LLC availability search has not yet been done.

- (removed)

Standout Features

Our app will have several unique features through which to differentiate itself in this crowded market. To gain market share rapidly it will be important to develop 1-2 standout features initially, with others to follow. These are initial ideas only, and more features will be suggested during the beta test and public release from user feedback.

Smart Speaker Integration

Smart Speakers are becoming an ever more commonplace household item. As of January 2019 there are approximately 120 million smart speakers in U.S. homes, representing 78 percent year-over-year growth.¹³ A significant volume of new consumer products being announced at CES 2019 in Las Vegas are compatible with Alexa and Google Home. Consumer brands are using virtual assistant integration as a marketing tool, to grab attention and differentiate from competitors. In time, smart speaker integration might become commonplace that it will cease to be a differentiator and will become a competitive necessity.

Growth of smart speakers worldwide, 2019 - 2025¹⁴

2019	2020	2021	2022	2023	2024	2025
120m	214m	380m	677m	1.2b	2.1b	3.8b

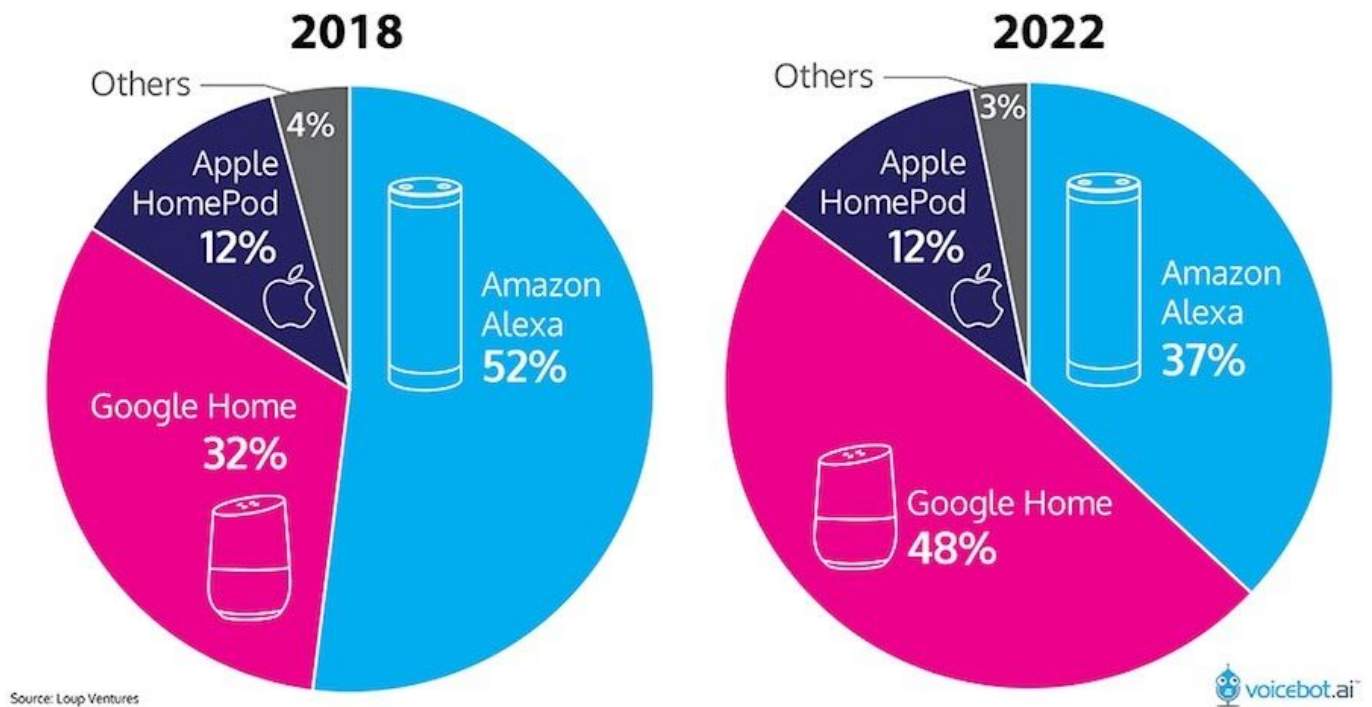
Of our competitors, only Headspace offers similar smart speaker integration. Their integration currently is limited to only a few voice commands. Their subscribers are able to connect their account and practice guided meditation both through their smart speaker and the Headspace app. That Headspace spent the time and money developing smart speaker integration suggests that they

¹³ <https://www.nationalpublicmedia.com/smart-audio-report/latest-report/>

¹⁴ Based on US observed growth rate of 78% year over year.

see a market opportunity here as well, and that we have only one other competitor in the smart speaker mental health app space.

GLOBAL SMART SPEAKER MARKET SHARE



Source: <https://voicebot.ai/2018/02/12/google-smart-speaker-market-share-leader-2022-homepod-pass-20-million-units/>

Developing for Amazon Alexa

Amazon has tried to make the development process as simple as possible, offering an Alexa Skills Kit¹⁵ that we can use to create a skill. Each skill features two components: an Intent Schema (a JSON structure) and Spoken Input Data (Sample Utterances, a structured text file that connects “intents,” and Custom Values, or values of specific terms, referenced in the intents).

While Amazon’s documentation presents building for Alexa in a straightforward way, we will need to diagram the skill with care and plan sufficient time to build a natural flow. If we don’t take enough care, the skill will have incomplete functionality or result in a conversational “dead end,” and nobody will use it.

¹⁵ <https://developer.amazon.com/alexa-skills-kit>

Amazon provides specialized APIs as part of Alexa's skills: for example, the Smart Home Skill API (for lights, thermostats and so on), the Flash Briefing Skill API (for news flashes), and the Video Skill API (change TV channels, pause video playing, and so on). For these, we have to use AWS Lambda¹⁶, and can also write code in Java, Node.js, Python or C#.

Developing for Google Home

With Google Home, Actions define your app's external interface. There are two components: an intent, which is a simple messaging object that describes the action, and fulfilment, which is a web service that can fulfill the intent. Actions are defined in a JSON action package. We can either choose Cloud functions on Google Cloud, or run our own web services so long as they support HTTPS and can parse JSON. Google provides a node.js client library as well as examples for deploying to Google App engine and Heroku.

One free resource that allows one code base to work on both platforms is Jovo (<https://www.jovo.tech/>). Jovo is the most robust open-source framework to build voice apps for Amazon Alexa and Google Assistant with one codebase.

Smart Speaker Conclusion

Smart Speakers are an untapped market for wellness apps and a potential big win for us. By integrating the productivity with Alexa and Google Home we can take advantage of this growing sector and create a genre-defining app using it. Our goal should be to launch full-featured voice integration as soon as possible to build a moat around our IP. With a robust user base and a solid foothold in the smart speaker market, our competitors might seek to acquire us rather than to build their own smart speaker integration from scratch.

Both Amazon and Google provide a robust development platform and documentation. Thanks to all those resources, it's easy to begin shaping out an idea for an action or skill, no matter which platform we choose; but voice commands are a deceptively difficult thing to get right, and developers could become snarled up unless we carefully diagram out functionality beforehand.

¹⁶ <https://aws.amazon.com/lambda/>

To build the most accessible app we could develop on both platforms from the beginning. If this is cost prohibitive, we should consider developing for Alexa first, then bringing functionality to Google in 2020-2021 when it is gaining more market share over Alexa.

AI/ML

AI/ML has the possibility of becoming a standout feature for our meditation app. AI and ML are used in almost all of the competitor's apps to a greater or lesser extent. At most, their websites tell a little bit about how their AI works at a high level. The actual way AI/ML is used in their apps is a carefully guarded secret. In order to have AI/ML differentiate our app we will need to determine exactly how it will support and enhance the app's functionality. We will also need to modify the timeline and budget accordingly to account for the development effort of this component.

Financial Forecast

Our plan calls for an investment of \$xx,xxx¹⁷ to develop the meditation app and launch it into the market. The first 10 weeks will be dedicated to developing and testing an alpha version 0.1. The MVP will be launched mid-July, followed by a beta test for 5 weeks with personal contacts to gather their feedback. We will then spend approximately 4 weeks iterating based on feedback and developing and testing our release candidate version 0.2. In mid-September we will release a public beta (v 0.2), and gather feedback from more users. We will then iterate on this feedback and release our version 1.0 to the public the first week of November.

If we have the resources to stick to this schedule, we expect to have approximately 800 users by the end of 2019. The decision of whether to offer the app for free for a longer period of time vs. starting to monetize it right away needs careful consideration. If we allow the app to remain completely free for 1-2 years, we might see a 10x to 100x increase in user adoption, but no revenue, so we will need cash on hand to pay operating and development expenses. If we decide to start monetizing the app at the release of version 1.0, we will gain users slower, but see more revenue. The following financial projections are based on a middle-scenario, taking the average of both decision paths. When we have decided on the app's development budget and on whether to keep the app free or monetize it we will update the proforma accordingly.

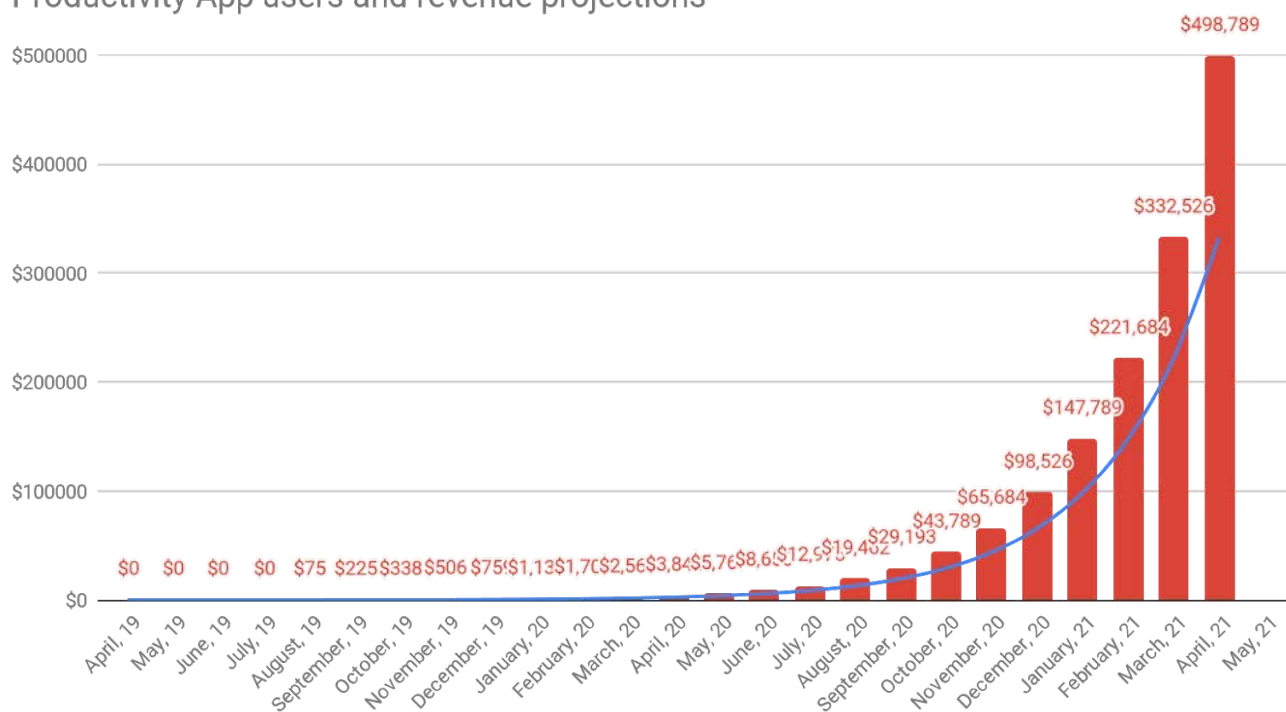
¹⁷ Actual cost and budget yet to be determined. Subject to making final decisions about the feature set. We should meet with WillowTree and describe the app concept to get their estimation of time and cost if they were to build it themselves to give us a starting price point.

User and Revenue Forecast

We project we will have 330k users and \$500k in monthly revenue in 2 years (May 2021). Our user growth will come from implementing SEO on our website and social media pages, creating compelling blog topics, and forming partnerships with organizations and users that will use our product. We expect to grow our user base by an average of 50% each month by executing our marketing strategy outlined above supported by a monthly marketing budget of \$2,000.

Approximately 80% of our marketing budget will be spent online with Google AdWords and Facebook Ads. We expect an average Cost Per Click (CPC) of \$3, which generates approximately 650 visitors to our website per month. If we assume a conservative conversion rate of 4%, we will acquire a minimum of 26 paid users with this budget. As we grow and revenue increases, we will spend a larger amount on online advertising, generating more visitors to our website.

Productivity App users and revenue projections

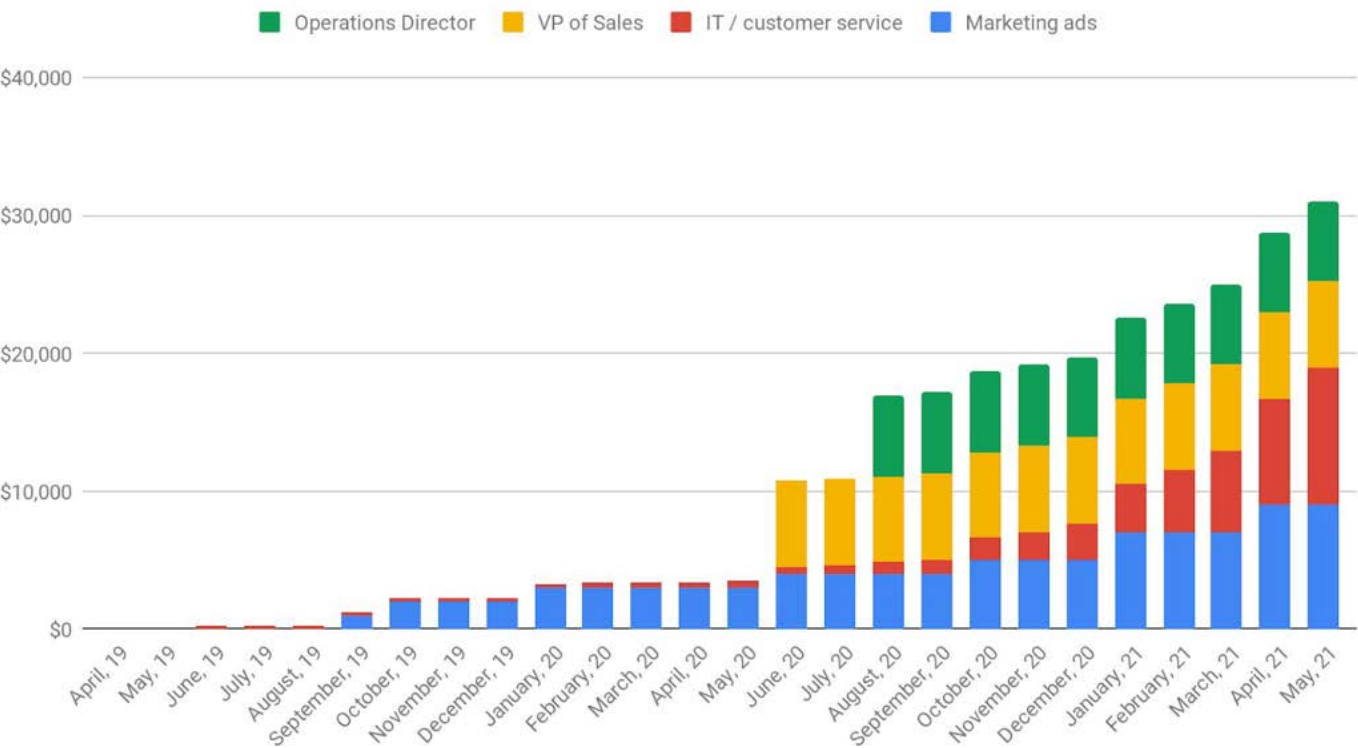


User growth in blue, revenue in red. Assumes \$7.50 per month per paid user and a 20% conversion rate.

Expense Forecast

During the first 3 months app design and development cost will be allocated under (removed) expenses. Direct expenses to the meditation app will be mostly IT (AWS) and customer service cost. Once we launch the public beta test in mid-September advertising will become an expense to acquire new users to the app. In approximately 1.5 years, to maintain the app’s rapid growth rate, we will need to bring on several other key people, like a VP of Sales and Operations Director. We will also need to provide customer service functions to our expanding user base, which are included in the expanding IT budget.

Monthly Expenses



Does not factor in development and marketing strategy, which will be covered by (removed)

Revenue vs. Expense

Our forecast indicates we will make revenue in September 2019, and profits by April 2020.¹⁸ The dip in profits in June 2020 is due to onboarding additional full-time staff to help manage and maintain growth. Growth will come from ongoing marketing efforts on social media and paid ads, as well as excellent customer service to retain users. We will also listen to feedback, iterate, and release new versions of the app every month-quarter with new asked for features.

¹⁸ Full financial details available in the proforma: (removed)

Report Produced by:



www.tenzingstartup.com | (434) 218-5572 | contact@tenzingstartup.com