



# Profiting from the *Wellness* Consumer

Arnold Bos  
Consultant

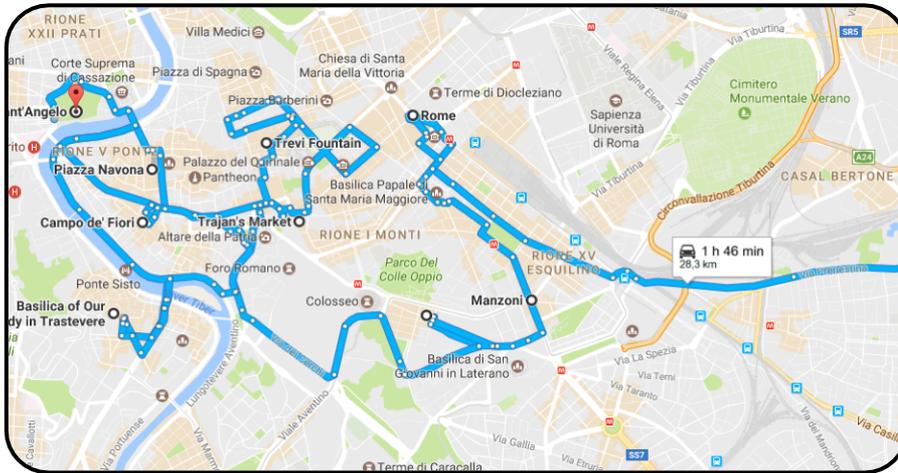
The Rise of Consumer Health and Wellness  
June 1, 2017



**lux** executive summit

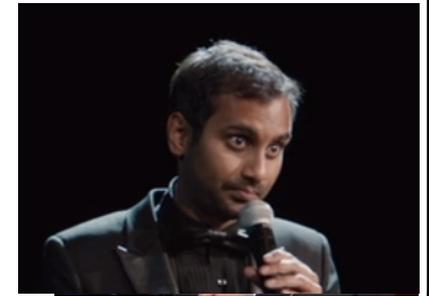
Amsterdam • May 31 - June 1, 2017

# We live in an age of optimization



On always wanting the best:

“We have all these options, and we have all this information at our fingertips to research it, and we always want the best, why not have the best?”



-Aziz Ansari, Madison Square Garden, New York

# Agenda

- We live in an age of new, difficult optimization problems
- What do good wellness solutions *actually* look like
- How to avoid the “Fitbit trap”

wellness

vegetables

fruits

wholesome

sleep

balance

health

water

vital

strong

well

exercise

relaxation

bike-riding

education

heart

school

physical-activity

caring

breakfast

good

nutrition

energetic

lifestyle

walking

breath

food

stress-reduction

laughter

playful

safety

feelings

healthcare

movement

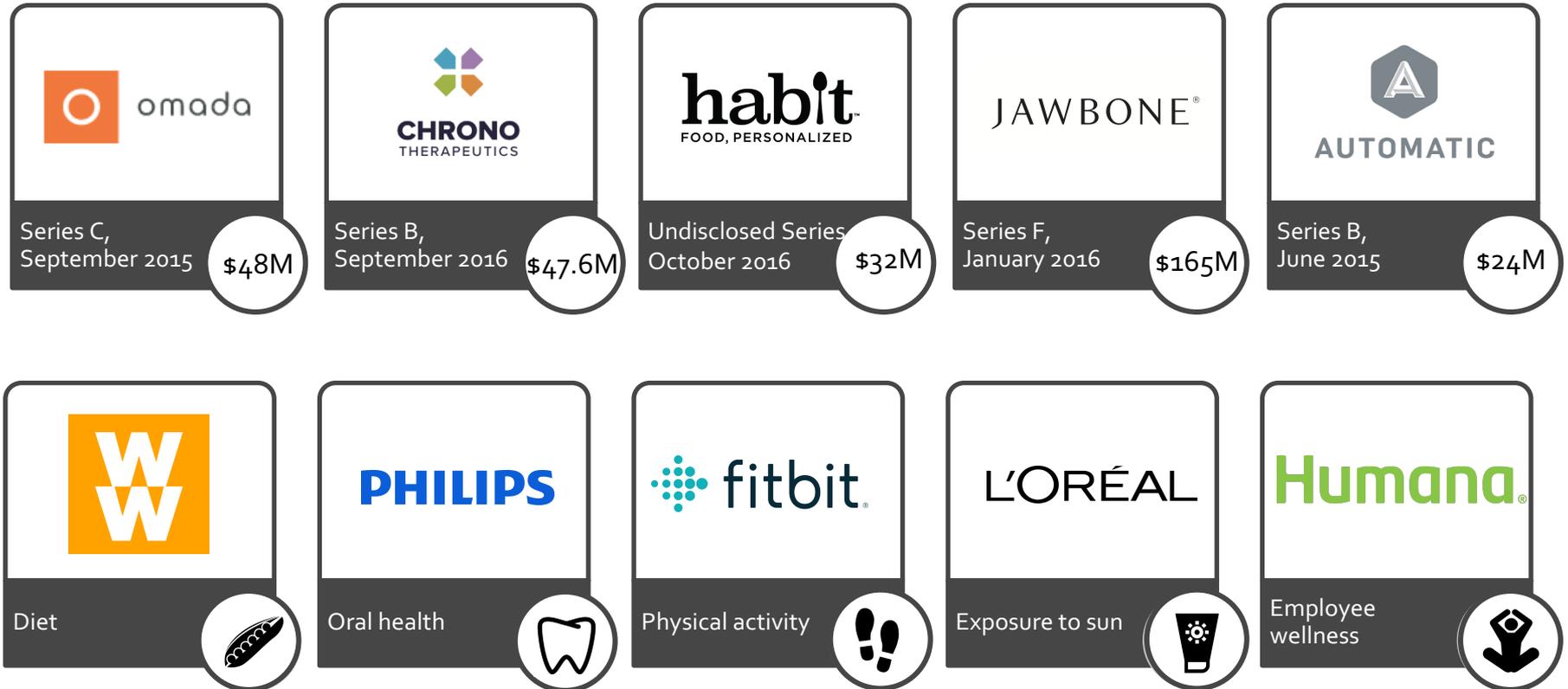
friends

Annual medical cost for obese individuals are **€1,200 higher**

Smoking cost **€1.2 trillion** globally in 2012

Unwellness at work costs the **European economy alone**  
at least **€400 billion** a year

# Many— big and small— have tried to solve for unwellness



# But many— even the biggest of players— have also struggled



But many— even the biggest of players— have also struggled

Fitbit Inc

NYSE: FIT - Mar 27, 3:57 PM EDT

5.70

1 day

Fitbit plummets to all-time low after disappointing holiday results, layoffs

-MarketWatch, January 2017

Fitbit's Sales Plummet as Device's Popularity Fades

-Bloomberg, February 2017

Jul 2015

Oct 2015

Apr 2016

Jul 2016

Oct 2016

Jan 2017

# Fitbit promised wellness but did not deliver

“Our mission is to empower and inspire you to live a healthier, more active lifestyle”

## The “Fitbit Trap”



The promise



The method

Only **5%** of us are self-quantifiers by nature

The reality



The mismatch

Fitness band frustration: Users complain of weight gain with trackers

# Agenda

- We live in an age of new, difficult optimization problems
- What do good wellness solutions *actually* look like
- How to avoid the “Fitbit trap”

# Let's assume there are 4 trackers that aim to help you reach your physical activity goals

A



B



C



D



# The 'Just Do It' era is coming to an end

*"The message 'Just Do It' is baked into us in childhood. But the truth is that Nike sold us a lie; 'Just Do It' isn't the principle that works. [Behavior change is a] problem that is internal to you. [It requires] willpower and motivation, and even this isn't all of the story.*

*But that ['Just Do It'] attitude is changing now."*

-Stephanie Shorter, Neuroscientist



# Behavioral science has been studied for centuries, and dozens of models have been established

**1**

**5** Maintenance  
Ongoing practice of new, healthy behavior

High Motivation

1. Motivation

Low Motivation

Low Ability

High Ability

Triggers

**THE POWER OF HABIT**  
WHY WE DO WHAT WE DO IN LIFE AND BUSINESS

**HOOKED**  
How to Build Habit-Forming Products  
NIR EYAL  
WITH RYAN HOOVER

Sources of behaviour

Intervention

Policy cat

Behavior C

Efficacy

Environmental/Social Planning

Persuasion

Communication/Marketing

Incentivization

Legislation

Coercion

Hooked by Nir Eyal

MINDSPACE

The Power of Habit by Charles Duhigg

# Behavioral science teaches us that a behavior will occur if one has three things:



## Motivation

Higher motivation to engage in behavior than to not



## Opportunity

Physically accessible, affordable, socially acceptable



## Capability

Knowledge, physical strength, skills, stamina

# Let's assume there are 4 trackers that aim to help you reach your physical activity wellness goals

A



B



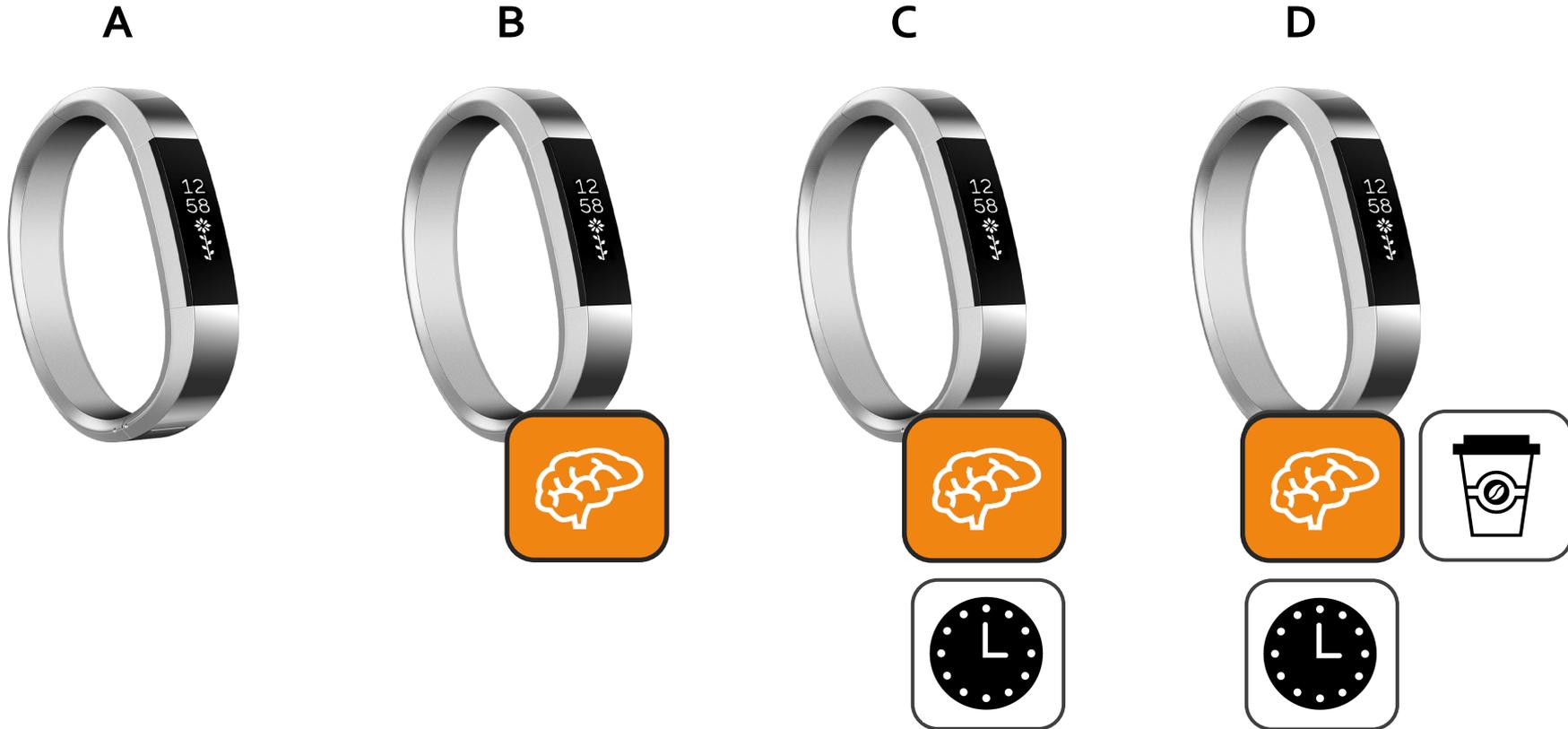
C



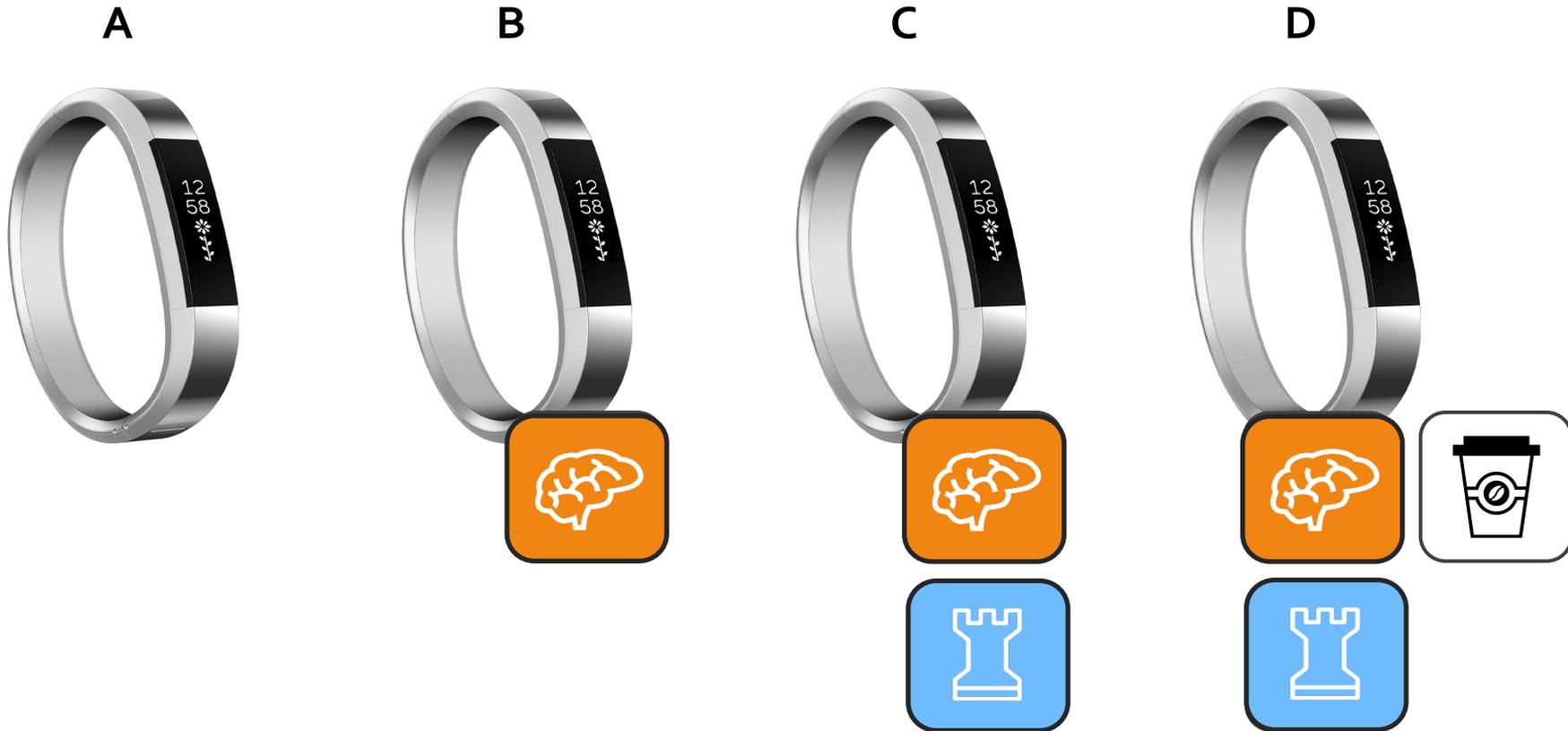
D



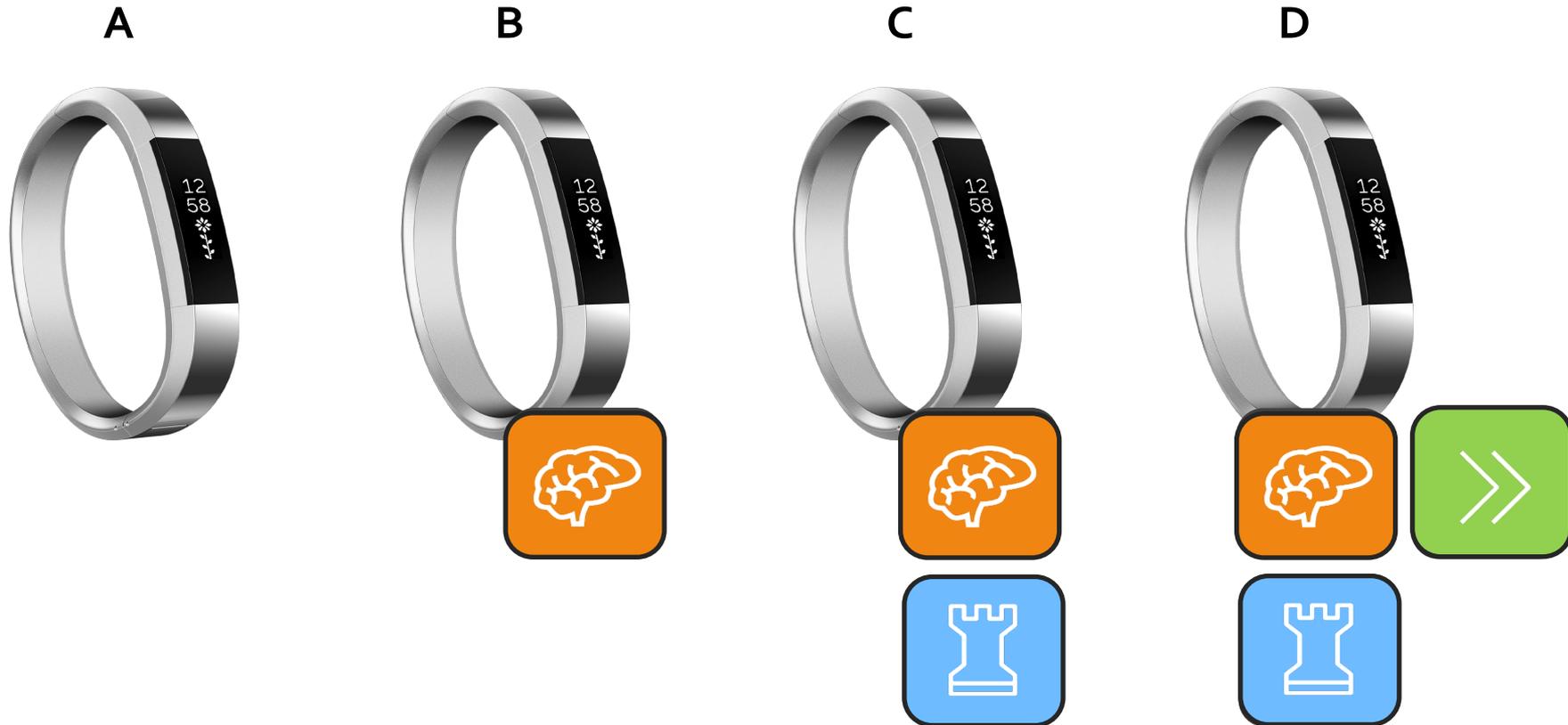
# Trackers B, C, and D play into Capability



# Trackers C and D play into Opportunity



# Only tracker D increases Motivation



# Pokémon Go

Location-based augmented reality game

- › Technology and differentiators
  - › Augmented reality (AR) game that allows users to catch Pokémon in the virtual world as they travel the real world
- › Strategy and markets
  - › Free-to-play; in-app purchases



## Summary information

Released in	July 2016
User base	650 million (Feb 2017)
Revenue	\$1 billion (Jan 2017)

# How successful is Pokémon Go?

**Pokémon Go catches five new world records**



\$206.5 million of revenue in its **first month**

# How successful is Pokémon Go?

Pokémon Go catches five new world records



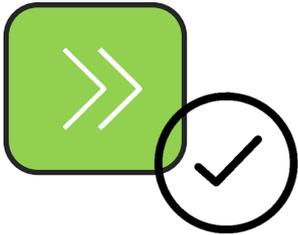
\$206.5 million of revenue in its **first month**



Covered more than **150 kilometers** on foot and shed **4.5 kilograms** in 2 weeks

# Pokémon Go: Does it check off all behavioral science requirements?

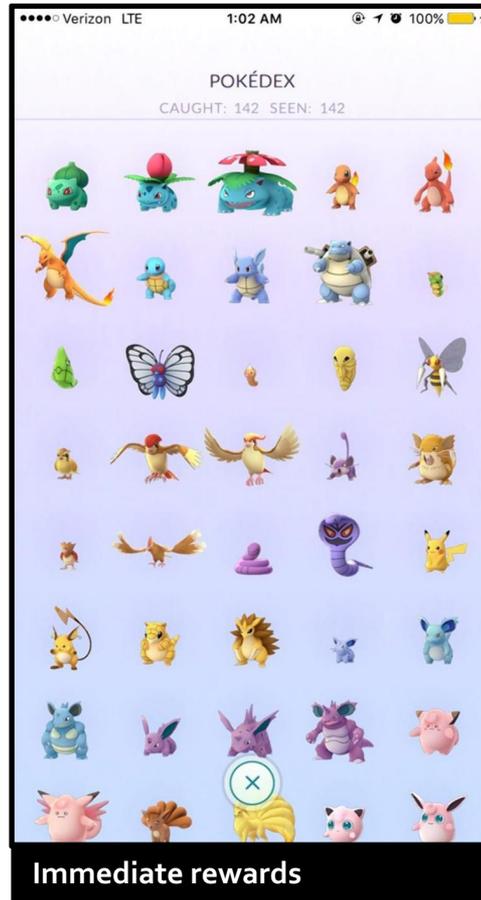
Motivation



Opportunity

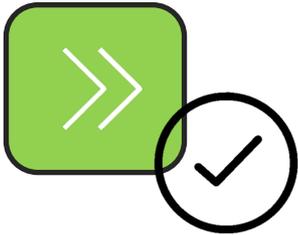


Capability

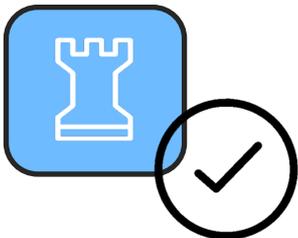


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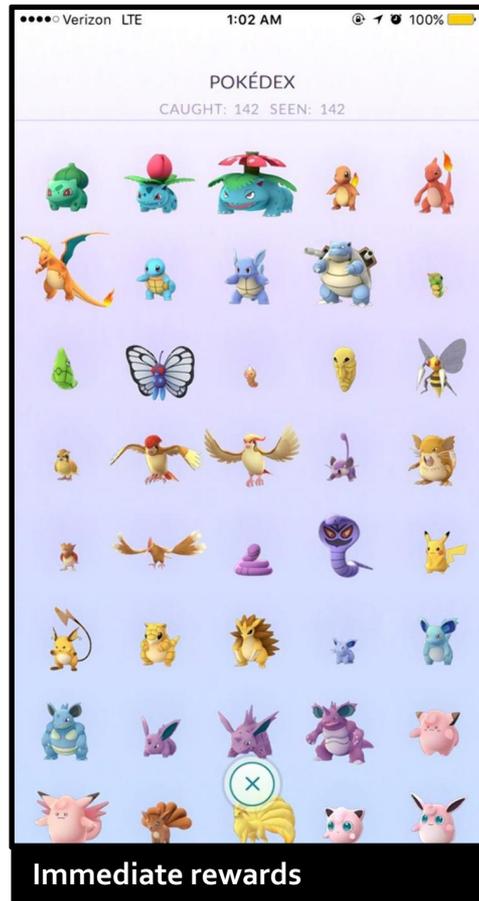
Motivation



Opportunity



Capability

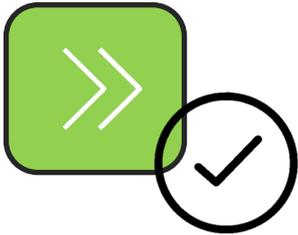


Social acceptance

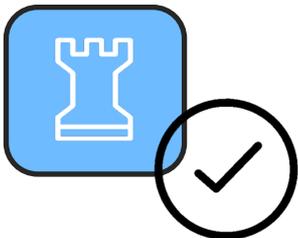


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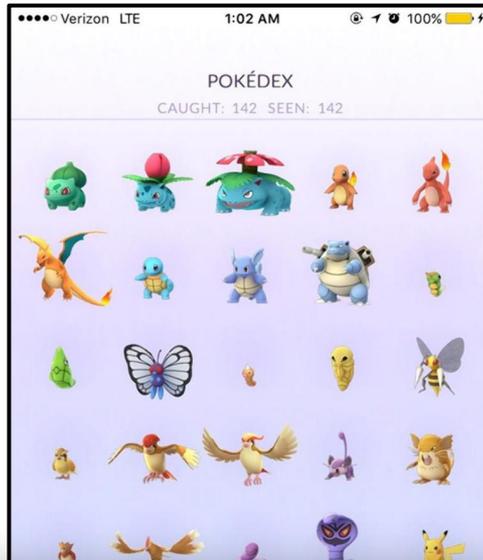
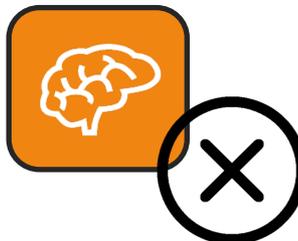
Motivation



Opportunity



Capability



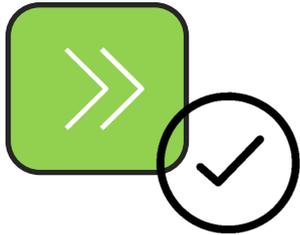
**Pokémon GO Sparks Accidental Fitness Trend**

No education

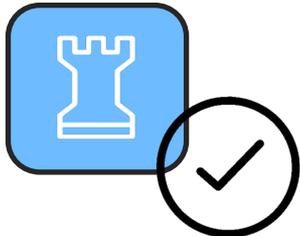


# Pokémon Go's success was big, but short-lived

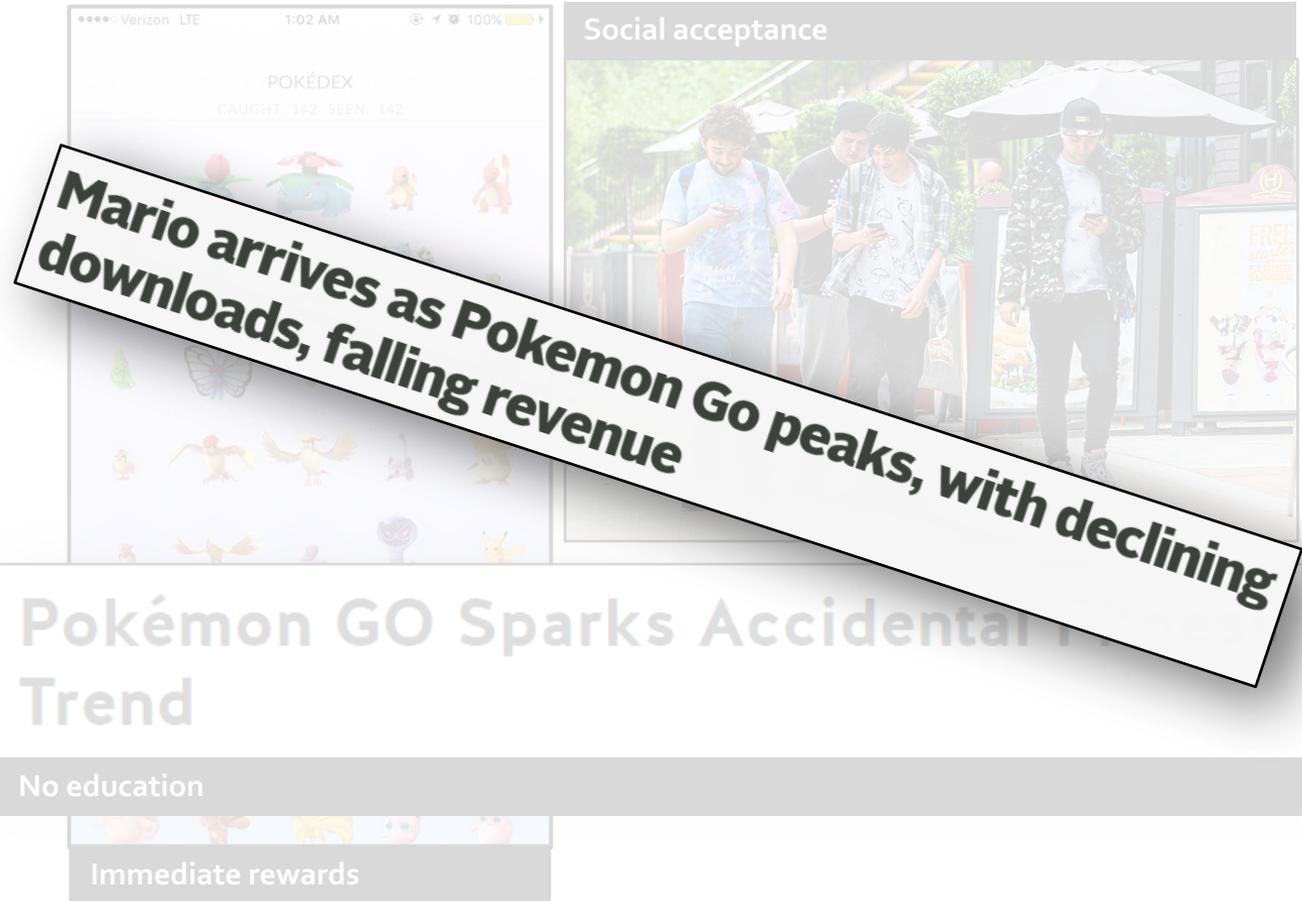
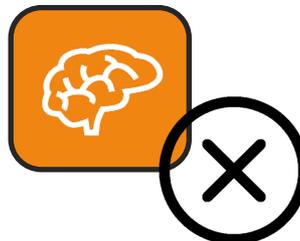
Motivation



Opportunity



Capability



Verizon LTE 1:02 AM 100%

POKÉDEX  
CAUGHT: 142 SEEN: 142

Social acceptance

**Mario arrives as Pokemon Go peaks, with declining downloads, falling revenue**

Pokémon GO Sparks Accidental Trend

No education

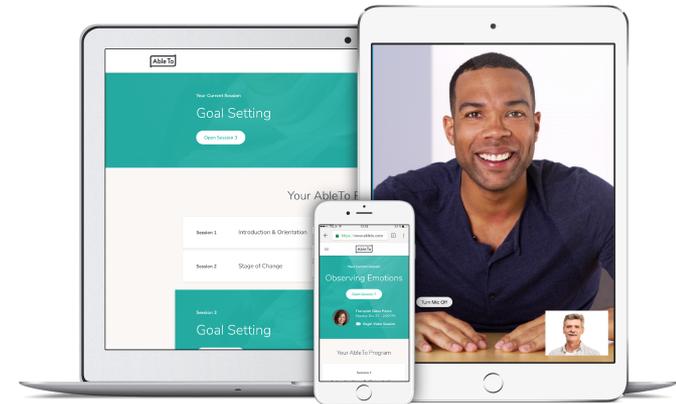
Immediate rewards

# AbleTo

Online platform for mental health management



- › Technology and differentiators
  - › Eight-week online health management program for individuals with mental health issues
  - › Combines telehealth with educational sessions
- › Strategy and markets
  - › Targets health plans and employers
  - › Revenues from value-based fees per program delivered per patient
- › How successful is AbleTo?
  - › **50%** decrease in depression rate
  - › **\$10,800** in decreased medical cost

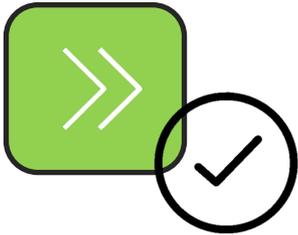


## Summary information

Founded in	July 2008
User base	Thousands of patients
Revenue	\$8 million

# AbleTo: Does it check off all behavioral science requirements?

Motivation



Opportunity

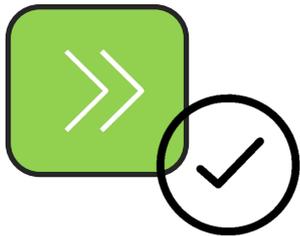


Capability

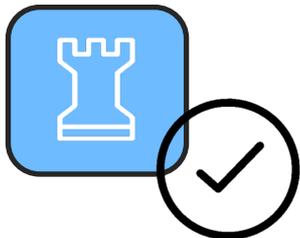


# AbleTo: Does it check off all behavioral science requirements?

Motivation



Opportunity



Capability



Affordability

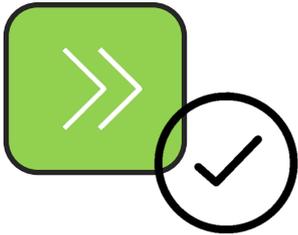


Remote delivery

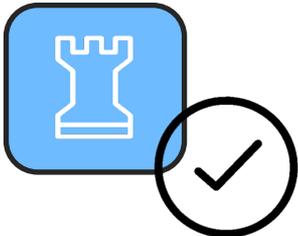


# AbleTo: Does it check off all behavioral science requirements?

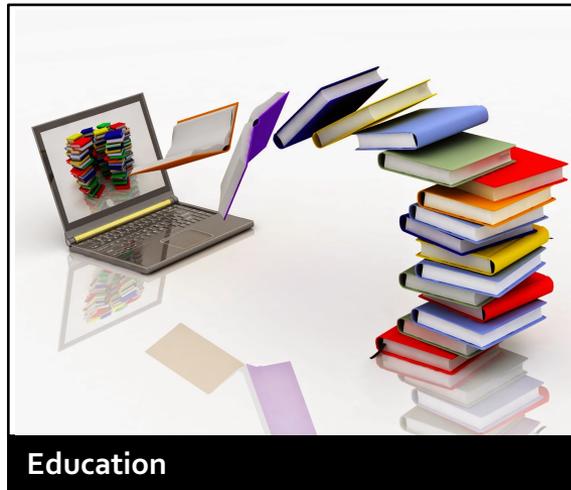
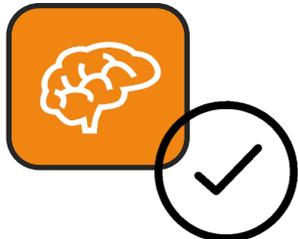
Motivation



Opportunity



Capability

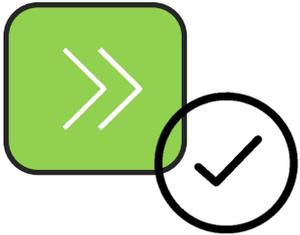


Affordability

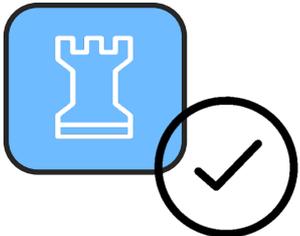


# AbleTo continues to be successful

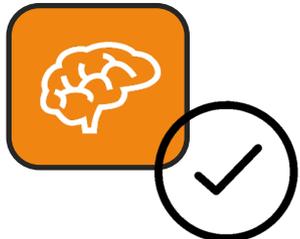
Motivation

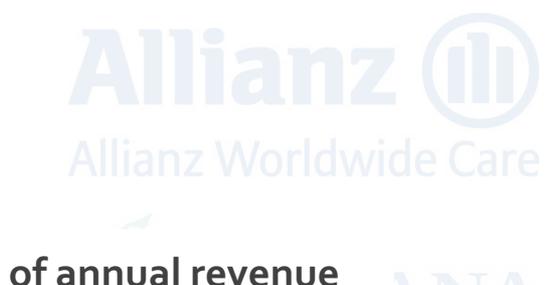


Opportunity



Capability



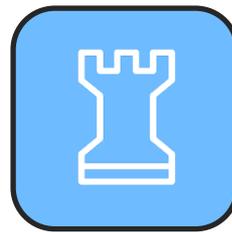
 <p>Grown to close to <b>\$8 million</b> of annual revenue</p>	<p>Affordability</p> 
<p>Accountability</p> <p><b>Thousands</b> of active users at any given point in time</p> 	<p>Remote delivery</p> 
<p>Education</p>	

# Successful wellness solutions offer:



## Motivation

Higher motivation to engage in behavior than to not



## Opportunity

Physically accessible, affordable, socially acceptable



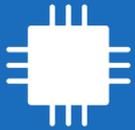
## Capability

Knowledge, physical strength, skills, stamina

# Agenda

- › We live in an age of new, difficult optimization problems
- › What do good wellness solutions *actually* look like
- › **How to avoid the “Fitbit trap”**

# Many are falling into the “Fitbit trap”: Selling a state of wellness they cannot deliver on



“Fitbit helps people lead healthier, more active lives by empowering them with data, inspiration, and guidance to reach their goals.”



Volvo has made a shocking pledge: By 2020, no one will be killed or seriously injured in a new Volvo car or SUV.

[CNN Money](#)



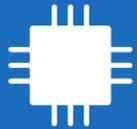
“To make all athletes better through passion, design, and relentless pursuit of innovation.”



“We all tap into and use our inner strength in different ways. Special K wants to be your cheerleader, [...] to help you stay fortified for the journey ahead.”



# Many are falling into the “Fitbit trap”: Selling a state of wellness they cannot deliver on



95% of us are not self-quantifiers

“Fitbit helps people lead healthier, more active lives by empowering them with data, inspiration, and guidance to reach their goals.”

Stephanie Shorter, Neuroscientist



20% of fatal accidents involve drowsy drivers

Volvo has made a shocking pledge: By 2020, no one will be killed or seriously injured in a new Volvo car or SUV.

AAA Traffic Safety Foundation



Up to 80% of runners are injured each year

“To make all athletes better through passion, design, and relentless pursuit of innovation.”

B.J. Sports Med.



Inner strength requires **more** than eating cereal

“We all try to get stronger in different ways. Special K wants to be your cheerleader, [...] to help you stay fortified for the journey ahead.”



# Yoplait: What it is and what is its promise?



'We're trying to make it a mission to include more people on the journey of spreading "so goodness.'"

## "Path to Goodness"



2009



2012



2015

# A yogurt alone cannot deliver “So Goodness”

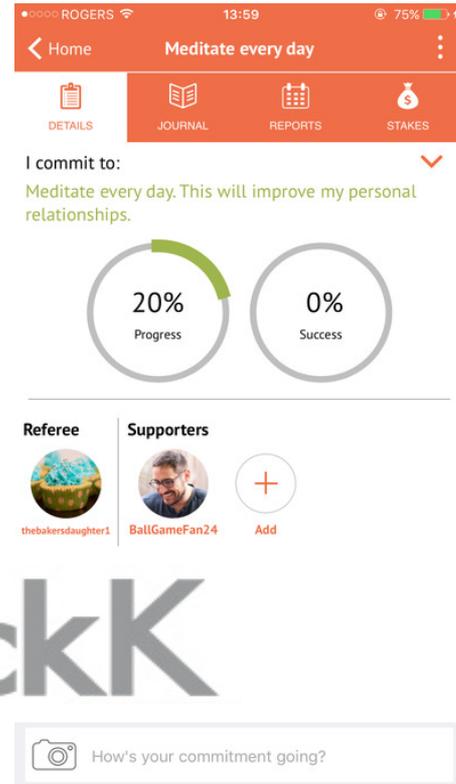
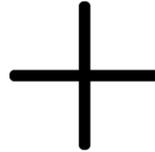
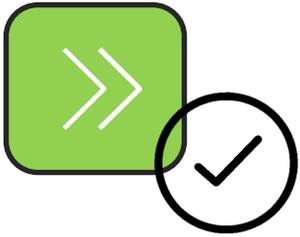


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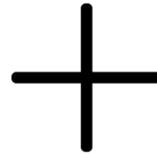
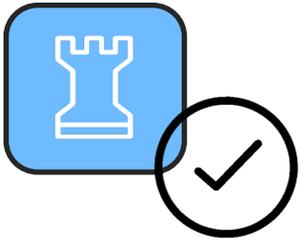
# Re-imagining a better path to “So Goodness”

## Motivation



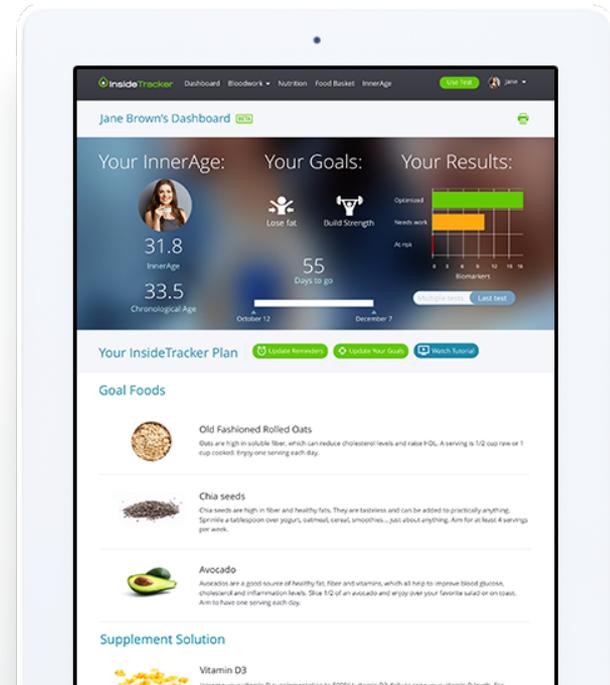
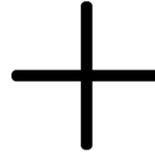
# Re-imagining a better path to “So Goodness”

Opportunity

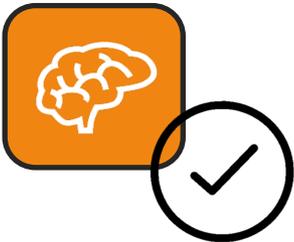


**amazon** dash  
BUTTON

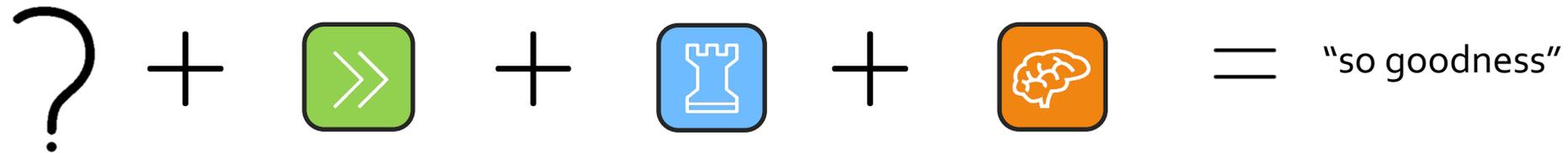
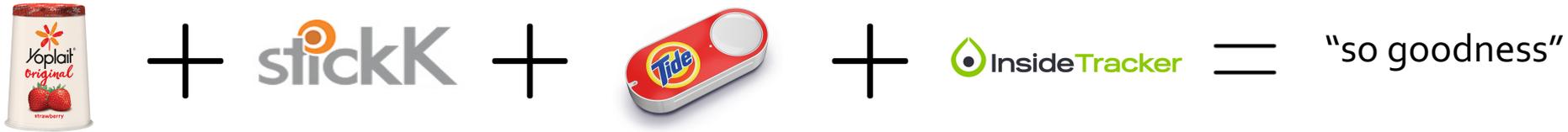
# Re-imagining a better path to "So Goodness"



Capability



# There are many paths to “so goodness”



# Conclusions & Outlook

- Most consumer companies fall into the “Fitbit trap”
  - They promise wellness but do not deliver
- Successful wellness solutions are those that help consumers take on “wellness” behaviors
  - The increase consumers’ motivation, opportunity, and capability
- The continued search for wellness will challenge existing companies claiming to deliver it
  - **As a wellness company**, you should look to design for behavior change, not just offer wellness products
- The shift from only offering *wellness products* to also promoting a *wellness behavior* will create opportunities for non-traditional wellness players
  - **As a non-wellness company**, you have the opportunity to leverage existing products, services, and expertise to add value to incomplete wellness offerings



# Thank you



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wellness

vegetables

fruits

wholesome

health

balance

sleep

water

vital

strong

well

exercise

relaxation

bike-riding

lunch

feelings

stress-reduction

healthcare

movement

friends

laughter

playful

safety

walking

energetic

lifestyle

nutrition

good

caring

breakfast

physical-activity

heart

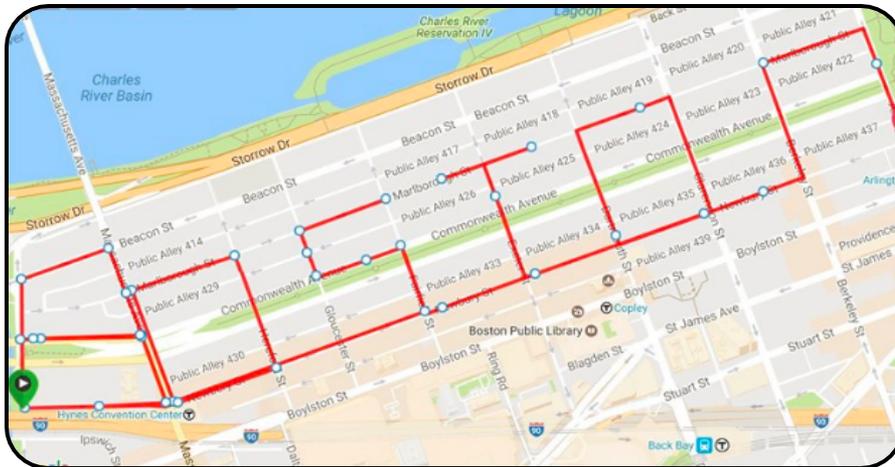
school

education

breath

food

# We live in an age of optimization



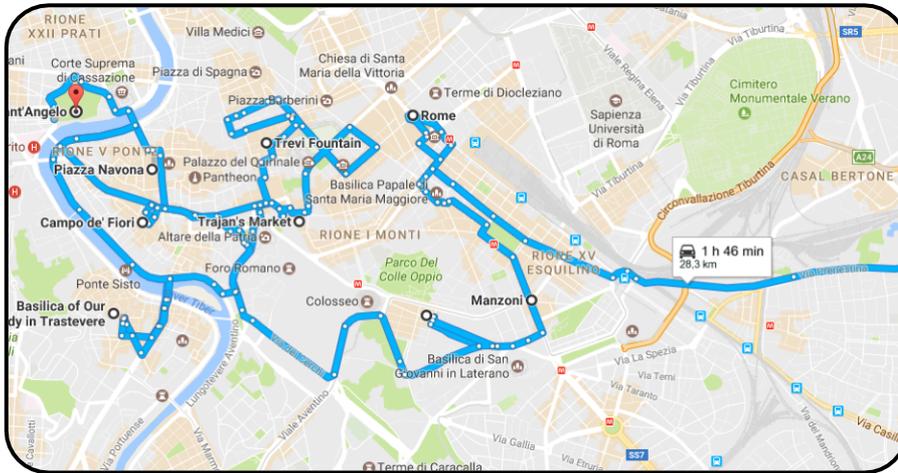
On finding a romantic partner:

“We want something that’s very passionate, or boiling, from the get-go. In the past, people weren’t looking for something boiling; they just needed some water.”



-Aziz Ansari, Modern Romance: An Investigation

# We live in an age of optimization



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-Aziz Ansari, Modern Romance: An Investigation

# There are many paths to "so goodness"



- › Jan2017: [FitBit + Habit, Peleton](#)
- › 2013: [Fitbit MyFitnessPall](#)
- › Jan 2017: [Fitbit Adds Software Tools That Deliver Inspiration, Personalization and Smarter Guidance](#)
- › 2015 [survey among self-quantifiers](#)
- › KIT KarlsRuhe study on [quantified-self](#)
- › 2015 report: [The Internet of Everyone: Consumer Relationships in the Age of IoT](#)

## Fitbit Adds Software Tools That Deliver Inspiration, Personalization and Smarter Guidance

1/5/2017

These features include a more engaging social experience through a new **Community section** and **tailored insights with Personal Goal Setting** in the Fitbit app; more **personalized guidance** with a new Fitstar Personal Trainer app; and advanced health and fitness features coming to Fitbit Blaze.