



Preventative Healthy Habits Application

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STATUS: **DRAFT**

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A user guide for the Sales and Customer Support

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Background

- Physical activity market is estimated to be \$1.1 trillion in 2023 and growing – [source](#)
- We currently have 12.2 million customers with operating costs of \$81.8B

Problem

- Only 1 in 4 US adults and 1 in 5 high school students get the recommended levels of physical activity – [source](#)
- Sedentary lifestyles:
 - increase all causes of mortality, doubles the risk of cardiovascular diseases, diabetes, obesity, increase the risks of colon cancer, high blood pressure, osteoporosis, lipid disorders, depression, and anxiety
- Our operating cost is high and can be reduced by customers through physical activity increase and improvement on healthy habits

Goals

- User have recommended levels of physical activity
- Users regularly exercise to reduce possibility of specific diseases
- Users eat healthy and a balanced diet
- Users can connect food and fitness and see the results immediately
- We generate savings by converting customers to regular users

Key Features

- AI creation of fitness, and food plans unique for each individual
 - Important because it is our biggest differentiator to our competitors
- Tracking of results, and on-time notifications with advanced scheduling
 - Important because we need to keep people active and boost their morale in using our application
- Connection with Doctors, Health Care Facilities, and other health agencies
 - Important because it also differentiates us from our competitors and provides a big advantage to our users

Success Metrics

- Usage rate of active customers growing by 610 000 each year (first to third)
- Customer retention rate higher than 90%
- Conversion from free to paid subscription at least 15%
- Average Revenue per User (ARPU) > \$150 (including savings)

Target Market

This market is rapidly growing (estimated \$287 Billion by 2027) - [source](#).

We are in a preventative health care market which is a part of the physical activity market with a TAM of \$ 104 B - 260 mil adults in the US x \$ 400 per customer per year.

Our target audience is our current customer base. During the first three years, we plan to convert 15% of our current customer base (5% each year) to actively use this application with a plan to recruit new customers in the future from year 4.

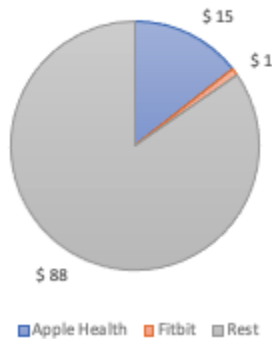
Our target market is people of age 15+ who want to improve their eating and fitness habits or people currently affected by health problems actively communicating with their doctors and health agencies.

Competitors

Apple Health, Revenue \$15 billion, saturation 10.6%

Fitbit, Revenue \$1.13 billion, saturation 0.8%

TAM and competitors coverage in billions



Competitors details:

Fitbit

Known for its popular fitness trackers

Fitbit has attempted to build an Apple Watch competitor

Fitbit has added more active users every year, even as its lost market share and revenue

Part of the Google hardware division from 2019

Revenue 2020	\$1.13 billion
Profit 2020	(\$190 million)
Active users 2020	31 million

[Source](#)

MyFitnessPal

One of the most popular calorie trackers, with a database of food products

In 2015, Under Armour acquired the company for \$475 million

The past five years have seen steady revenue and usage growth

Under Armour has struggled to build out its connected fitness segment after multiple failures

Revenue 2020 \$128 million

Profit 2019 \$17 million

Active users 2020 200 million

[Source](#)

Marketing and Pricing strategy

We plan to market this application in three main channels:

Direct selling

Direct selling is a marketing channel that involves a professional communicating directly with potential clients. Typically, these interactions happen one at a time. This channel has smaller expenses, reduced costs, and we expect a higher overall conversion from this channel.

We have chosen this channel because it allows us to utilize our current capabilities and networks (Doctors, Health Care Facilities, and Consultants)

Digital advertisements

This communication marketing channel includes a variety of digital platforms that we will use to promote our application. We will use advertisement space on social media platforms as is Facebook, Instagram, and TikTok.

We have chosen this channel because it allows us to approach a specific group of people directly, mainly people looking to be fit and healthy. Also, it shapes how our product will be visible.

Email marketing

This channel refers to promotional emails sent to a target audience that contains a specific message. A marketing email may include information about an upcoming sale, a new product release, or changes to a familiar product. Email marketing can help companies provide specific information across a range of email messages, which provide unique opportunities for marketing professionals.

We have chosen this channel because it allows us to utilize our current customer base, and directly approach them with our new free offer.

Marketing Guide

We have prepared a marketing guide here: [4 - Product Launch Marketing Guide template.docx](#)

Pricing

Our pricing strategy is a little different from the usual pricing strategies. The application is delivered in a freemium model. We aim to generate revenue mainly from savings and partially from premium features of our app (~ average \$150 per customer, savings \$140, premium \$10).

We aim to get 15% (1.83 Mio) of our customer base to use it in three years:

- Estimated revenue first year (5% of our customer base - 0.61 Mio)
 - \$91.5 million = 610 000 * \$150
- Estimated revenue third year (15% of our customer base 1.83 Mio)
 - \$274.5 million = 1 830 000 * \$150

So as can be seen our **revenue goal** in the third year is \$274.5 million. **This goal was set** after we performed an analysis of how many of our customers we are able to convert to use this application, and how many of them are interested in the premium features. The analysis was conducted as a combination of the application alpha and, beta run, market analysis performed by an external company for us, and a customer survey performed by our team on a set of 1000 of our current customers.

Our **pricing strategy** is described above.

Preparing for Launch

As we are going to launch our application, we created a launch checklist to be used during different launch phases:

- The **legal** team reviewed our TOS (terms of service), our privacy data storage, and all legal items and gave us ok at least 2 weeks before the launch.
- Testing is complete. All the bugs are reviewed and assessed. No P0 or P1 are left.
- The **engineering team** gave their ok for the launch. They have a dedicated person on call for the day of the release. They have all the metrics and monitors in place.
- The **marketing team** is ready and gave their ok for launch. They already have prepared blog posts, marketing plans, and information emails for our customers and partners
- **Sales** team is ready and prepared their sales process
- **Customer Support** team reviewed all of our documents and has trained support specialists for our application

- Release notes will be ready at least one week before the submission to Apple. All visual elements for the store are ready
- **Leadership** reviewed our project and gave us a green light 3 weeks before the launch.
- We are ready at least 3 days before the submission to the App Store.
- We submit the app to the AppStore
- App is approved
- We inform all of our doctors, health care agencies, and partners that the app is ready, and send a manual of how to start with installations
- Push the button! (and watch for metrics including downloads post-launch crashes)

Risks Plan

Launch Risks

Heavy load

Engineering: Talk to the Engineering team and confirm that our system can handle it if our marketing campaign will be initially too successful and a load of our servers will be heavy (max expectation is 2 Mil of clients)

Customer questions

Customer Support: Talk to the Customer Support team and discuss whether we could reallocate some of their capacities in case of our current capacities won't be enough. For example, if unexpected amounts of customers will need to ask about some specific feature, the feature won't work correctly, etc.

Marketing message - reach our customers fast about potential improvements

Marketing: Talk about the possibility of an ad-hoc marketing campaign in case our testing was not sufficient and we need to address an issue quickly with a workaround, or a new release.

A training guide for the Sales and Customer Support

We have prepared a training guide for the Sales and Customer Support here: [4 - Product Launch training guide for the Sales and Customer Support.docx](#)

A user guide for the Sales and Customer Support

We have prepared a training guide for the Sales and Customer Support here: [4 - Product Launch user guide.docx](#)

Post Launch Activities

Test of the feature from post-launch user feedback

Food Plan Selection

We have feedback from the field that our users are struggling with plan selection, specifically that the food plans do not feel related to them. We do not know if this is a problem with our algorithm or with their preferences.

Potential Solutions to the Food Plan Problem

Prepare a change to parameters that are used to filter our recipes for each user.

Implement more localized recipes.

Add a possibility to create their own recipe.

We will test the change of parameters because it is the fastest solution to implement and we expected that this part will need finetuning - for example, more parameters to work with.

A/B Test

For the users in the control group: we will do nothing (group A)

For the users in the variant group: we will change parameters according to our proposed solution (Group B)

Our hypothesis is that the second group will have a broader set of relevant recipes, thus will schedule more Food plans. Group B should have more active food plans after the release of this update.

Launch email

We have prepared a launch email here: [4 - Product Launch email.docx](#)