



## EXECUTIVE INSIGHTS

# How to Scale Personalized Well-Being Solutions for Growth

Personalized well-being solutions — science-based, individualized alternatives to the current mass one-size-fits-all approach — are proliferating<sup>1</sup> across the nutrition, personal care and fitness/weight management categories. But so far, none of them have reached blockbuster status. Likely reasons include:

- **Data limitations** such as the high cost of diagnostics, a lack of data and privacy standards, and problems with data quality that hinder an organization's ability to optimize artificial intelligence (AI) and create solutions with demonstrable efficacy.
- **Friction in the consumer experience** stemming from solutions that aren't specific enough, tests that are too long and cumbersome, a lack of evidence-based efficacy, and limited behavioral support.
- **Business model challenges** like high acquisition costs, lack of differentiation and moderate consumer awareness.

What can brands do to overcome these barriers to drive scale and pave the way to mass adoption? Here are three potential strategies (see Figure 1).

**Figure 1**  
Strategies to unlock growth

Strategies	Associated barriers, broken down by each strategy		
	Data limitations	Business model challenges	Friction in consumer experience
Overcoming data-related barriers through data consortia	✓	✓	✓
Incentivizing third-party entities to subsidize the cost to the end consumer Government funding Insurance subsidies Employer funding	✓	✓	—
Driving adoption and retention by improving the consumer value proposition Targeted use cases Feedback loops Community element	—	✓	✓

Source L.E.K.Consulting, Research & Analysis

### 1. Data consortia

A biobank or other wellness-oriented data consortium would make large databases of personal data available for research or product development purposes. The more organizations participate, the more data there would be to improve AI capabilities and yield business insights

A data consortium is a centralized resource where organizations can pool and access data sets in a cost-effective way. These consortia are typically government or public-private initiatives in critical sectors like healthcare, transportation and telecommunications.<sup>2</sup>

Data consortia must align on certain standards. These include interoperability so that different entities can access and analyze the data, privacy in line with the desires of the individual who owns the data, and security to safeguard sensitive data. An external organization could play a role in setting out a code of conduct and enforcing accountability.

Although data consortia can have a variety of governance, membership and access models, a public-private partnership may accelerate progress. **UK Biobank** is a biomedical database that researchers use to advance medical discoveries. Since 2005, it has collected genetic and health information from half a million UK participants. Data from UK Biobank has informed over 5,000 scientific publications, new targeted prevention and screening strategies in the **UK's National Health Service**, COVID-19 research, and more.

In 2018, the **National Institutes of Health** launched **All of Us**, a research program to build a diverse health database in collaboration with 1 million people across the U.S. The database is to inform thousands of studies on a variety of important health questions, ranging from precision medicine to broader well-being. The program aims to speed up health discoveries and enable new kinds of individualized healthcare that reflect the nation's diversity — including groups that were underrepresented in past research.

## 2. Third-party subsidies

Personalized well-being solutions can be expensive, and consumers mostly pay for them directly. Changing the funding model could drive broader accessibility and greater adoption. From the payer's perspective, personalized well-being solutions can lower overall costs by helping covered patients manage their health conditions better.

In the U.S., the **Blue Cross Blue Shield (BCBS)** insurance group offers access to Blue365, which has year-round discounts on gym memberships, nutrition providers and wearable devices. Member organization **Blue Shield of California** has taken this concept a step further with Wellvolution, a platform that provides access to a network of clinically proven lifestyle apps.<sup>3</sup> Meanwhile, Oakland, California-based **Kaiser Permanente** provides its members with access to personalized online programs that help them make healthier choices in areas like exercise, nutrition and sleep.<sup>4</sup>

What about state-funded healthcare systems? Under Germany's Digital Healthcare Act, digital therapeutics are now available to the 73 million Germans who are covered under statutory health insurance.<sup>5</sup> Governments could replicate this innovative approach for personalized well-being solutions.

For employers, well-being solutions may boost productivity and employee resilience. They can also help attract and retain talent: A recent U.S.-based survey found that mental health benefits are a top priority among respondents weighing new job opportunities. **Noom for Work**, a digital health offering for employer-based plans, helps members build healthy mental and physical habits and has had high employee adoption.<sup>6</sup> **Headspace for Work**, a corporate wellness program of science-backed meditation and mindfulness solutions, offers a range of meditations and exercises and has over 70 million members.

## 3. Improved value propositions

Brands can improve the consumer value proposition of their personalized well-being solutions via targeted use cases, feedback loops and community elements.

**Targeted use cases.** Consumer awareness of personalized well-being solutions still has room to rise. One way to close the gap is by targeting specific use cases like diabetes (e.g., **January AI**), weight loss (**Calibrate**) or pregnancy (**Baby2Body**). A solution focused on a defined set of higher-need consumers can be more cost-effective than a general one. Target consumers are also more likely to stick around, driving higher lifetime value and profitability.

**Feedback loops.** Companies can shore up retention rates by letting consumers see the effectiveness of personalized well-being solutions for themselves. January AI, for example, lets users track progress and results by checking live data from a continuous glucose monitor for insights into their metabolic health.

**Community elements.** Consumers have a better chance of improvement when they're part of a community. **Noom** and **DnaNudge**, for instance, match users with online support groups for those with similar health aims or conditions. Florida's **Brain Health Initiative** works with local stakeholders — think schools, religious institutions and military installations — to create and engage entire communities in improving their lifestyle.

## Breaking down barriers to scale

Brands have a significant opportunity to drive both innovation and growth in the personalized well-being space. By participating in a data consortium, developing partnership strategies and enhancing the consumer value proposition, they can break down the barriers to scaling their business. Each requires extensive research, analysis, planning and organization alignment. A critical first step is identifying the internal and/or external resources with the right skill sets in each of these distinct and complex areas.

For more information, please contact [strategy@lek.com](mailto:strategy@lek.com).

## Endnotes

<sup>1</sup>Lek.com, "Why Personalized Well-being is Gaining Momentum." <https://www.lek.com/insights/con/global/ei/why-personalized-well-being-gaining-momentum>

<sup>2</sup>Himss.com, "Interoperability in Healthcare." <https://www.himss.org/resources/interoperability-healthcare>

<sup>3</sup>News.blueshieldca.com, "Blue Shield of California's Wellvolution Program Now Offers Headspace App to Help Members Reduce Stress and Increase Resilience." <https://news.blueshieldca.com/2021/10/26/blue-shield-of-californias-wellvolution-program-now-offers-headspace-app-to-help-members-reduce-stress-and-increase-resilience>

<sup>4</sup>Healthy.kaiserpermanente.org, "Participate in Healthy Lifestyle Programs." <https://healthy.kaiserpermanente.org/health-wellness/healthy-lifestyle-programs>

<sup>5</sup>LinkedIn.com, "The Future of Digital Health." <https://www.linkedin.com/pulse/diga-how-germany-channeled-digital-health-apps-its-mesk%C3%B3-md-phd/>

<sup>6</sup>Noom.com, "Press Release: Noom Announces Enterprise Offering." <https://www.noom.com/blog/announcing-noom-for-work/>

## About the Authors



### **Mark Boyd-Boland**

Mark Boyd-Boland is a Partner in L.E.K. Consulting's London office and is a member of L.E.K.'s global Consumer practice. Mark has led many high-profile strategy and transformation projects for large corporates and has provided buy- and sell-side support on multiple transactions. He has extensive experience advising clients across the retail, consumer products, and travel and leisure sectors, having worked on a broad range of strategic engagements including growth strategy, digital strategy, proposition development, customer segmentation, loyalty and customer experience, and market entry.



### **Alex Evans**

Alex Evans, CFA, is a Managing Director as well as the head of L.E.K. Consulting's Los Angeles office and a member of L.E.K.'s Americas Regional Management Committee. Alex concentrates on consumer-facing sectors. He focuses on a diverse set of verticals, including health and wellness, direct selling, specialty retail, sports, television, film and OTT (over-the-top)/DTC (direct to consumer) digital services.



### **Dominic Miles**

Dominic Miles is a Partner in L.E.K. Consulting's London office and serves as Global Co-Head of the firm's Consumer sector. Dominic has worked across the firm's network in Europe, North America and Australia. He has over 30 years of advisory experience in strategy consulting and works principally in the consumer, retail and services sectors, in which he has undertaken numerous proposition development, route to market, format, operating model reconfiguration and transactional engagements.



### **Adrienne Rivlin**

Dr. Adrienne Rivlin is a partner in L.E.K. Consulting's London office and a member of the firm's Healthcare practice. Adrienne advises private and public sector organisations across the pharmaceutical, biotech, medical device and consumer healthcare sectors on their critical commercial challenges, including corporate and portfolio strategy development, product launch, pricing and market access, clinical governance structures and processes, and commercial and regulatory due diligence.

## About the Authors



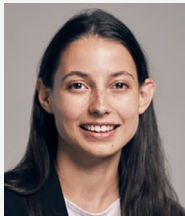
### Stephen Roper

Stephen Roper is a Partner in L.E.K.'s London office and a member of the European Healthcare practice. He focuses on the life sciences sector, and has extensive experience in strategic and transaction-related assignments for pharma, biotech and diagnostics companies, as well as contract services providers and investors. Stephen advises clients on growth strategy, opportunity assessment, revenue forecasting and valuation, indication prioritization, commercial due diligence and acquisition screening, customer experience, and market entry.



### Anna Ondik

Anna Ondik is an Engagement Manager in L.E.K. Consulting's Chicago office. Anna joined L.E.K. in 2010 as an Associate. After leaving for a corporate marketing position, she rejoined L.E.K. in 2020 as a consultant in the consumer products sector, focusing on health and wellness as well as home products. Anna advises clients on a range of critical strategic issues, including growth strategy and M&A, and has expertise in customer analytics and online retention strategy.



### Juliet Gurassa

Juliet Gurassa is an Associate in L.E.K. Consulting's London office. Juliet has experience across a range of consumer fields, including personalized well-being and retail. She has worked on a variety of strategy and M&A related projects in these areas.

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