

Headspace Health acquires new wellness app while Calm lays off some of its workforce

Article

The news: Digital mental health and wellness platform **Headspace Health** acquired wellness app **Shine**. The latter app offers over 45,000 subscribers self-guided content like daily

meditations, self-care courses, and personalized support.

Meditation apps sink or swim: Headspace Health is holding its head above water, while competitors like Calm flounder.

In August, wellness app **Calm laid off 20% of its staff** including approximately a dozen roles in its consumer marketing department, per WSJ. One laid-off employee said company leadership cited macroeconomic trends as the reason for the layoffs.

High operating costs could have also contributed to Calm's cuts. In February, Calm **acquired** health tech company **Ripple Health Group** to replace its existing employer offering (Calm for Business) and rebrand it as Calm Health.

On the other hand, Headspace Health—a top competitor of Calm with a very similar product—signals it's doing well with its Shine acquisition. For context, both **Calm and Headspace Health account for 90% of active mental health app users.**

The larger trend: The number of adults flocking to meditation apps like Headspace surged over the past two years.

- **In Q2 2020, only 12%** of US adults said they used mindfulness and mediation apps, **according to** CivicScience's 2022 Trend Adoption Tracker. That figure **climbed to 19% of US adults by Q4'21** alone.
- Plus, it's likely the number of meditation app users isn't dropping anytime soon. US adults are interested in **adopting** apps for mental health use cases.

The challenge: keeping patients on board.

- Some mental health and mediation services have high out-of-pocket costs that could deter patients from coming back.
- Apps like Headspace Health appeal to cost-conscious consumers by offering a low-priced monthly plan at \$12.99, for instance.
- Meanwhile, meditation apps like **Aura** only offer yearly subscriptions starting at nearly \$60 per year.

US Adults Who Use Select Health and Wellness Items, Q2 2020-Q4 2021

% of respondents

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Telemedicine	29%	37%	39%	39%	44%	43%	43%
Fitness tracking apps	29%	30%	32%	29%	29%	33%	33%
CBD	24%	24%	23%	25%	25%	30%	30%
Mindfulness meditation apps	12%	12%	14%	13%	13%	19%	19%

Note: ages 18+

Source: CivicScience, "Trend Adoption Tracker," Jan 10, 2022

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