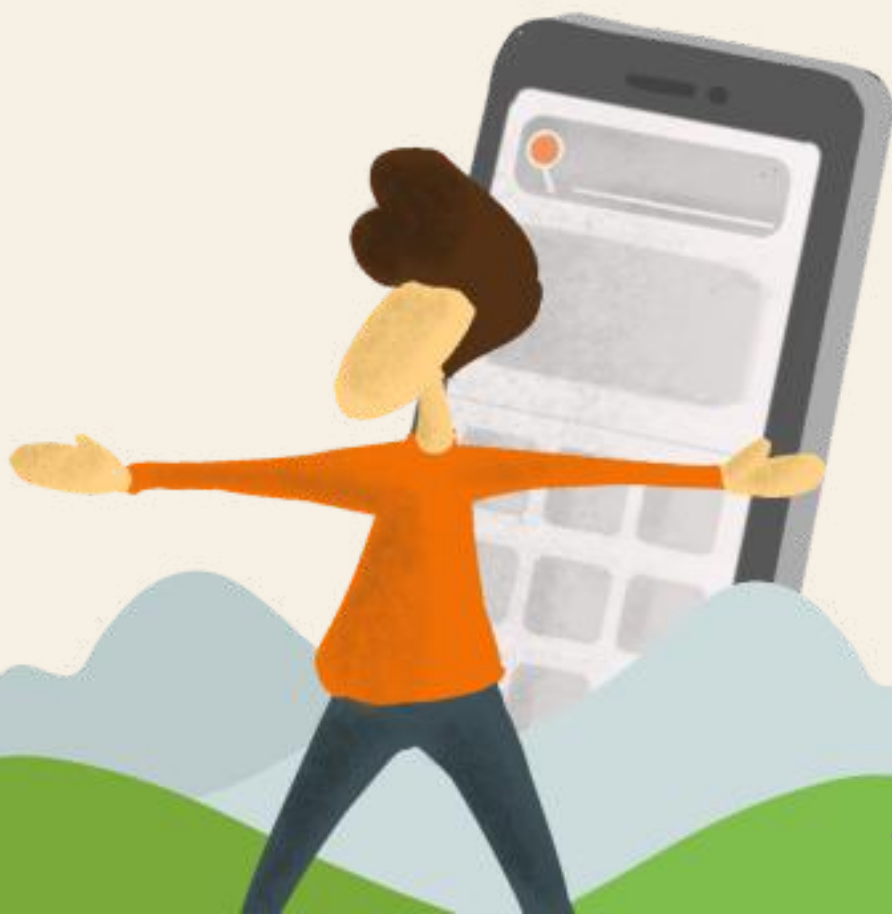**APP MARKET REPORT**

Wellbeing apps in the UK

Version 1.3
Published 30 Jun 2023
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How can I create a mental health app that will succeed?

If you're a founder or business leader considering creating a mental health or well-being app, you face enormous opportunities and many big challenges.

The market for digital health apps is growing at over 15% per year, and the UK market is set to be worth almost £24bn by 2025*. So yes, there are **opportunities** indeed. Some mental health apps are generating millions yearly, as you'll learn in this report.

So, what about the **challenges**? Firstly, it's very likely you'll have a lot of competition. There are over 220,000 health apps available in the UK. In 2020, there were over 250 launched around the world each day**. But there are other issues you'll need to overcome relating to quality, evidence, and user experience.

Developing apps is also **not a cheap sport**, nor an easy one. Over 99% of start-ups fail, and a CBInsights report noted that the top two reasons are poor market fit and blown budgets. So, you'll need to make sure you're building something people want and also that you plan your app well.

"75% of health apps fail to pass our review process. This means they cannot be included on our digital health libraries."
Orcha, December 2022

This report blends **data and best practices** to help you avoid those problems and plan a more successful wellbeing or mental health app.

It starts with empathy - learning about the **people** you serve and the problems you want to solve.

Then, we look at the **market** and competitors so you can see how many downloads your app might be able to get. We also help you understand the **costs** of reaching those people.

* https://orchahealth.com/market-facts-and-figures/
 ** https://www.cbinsights.com/research/report/startup-failure-reasons-top/
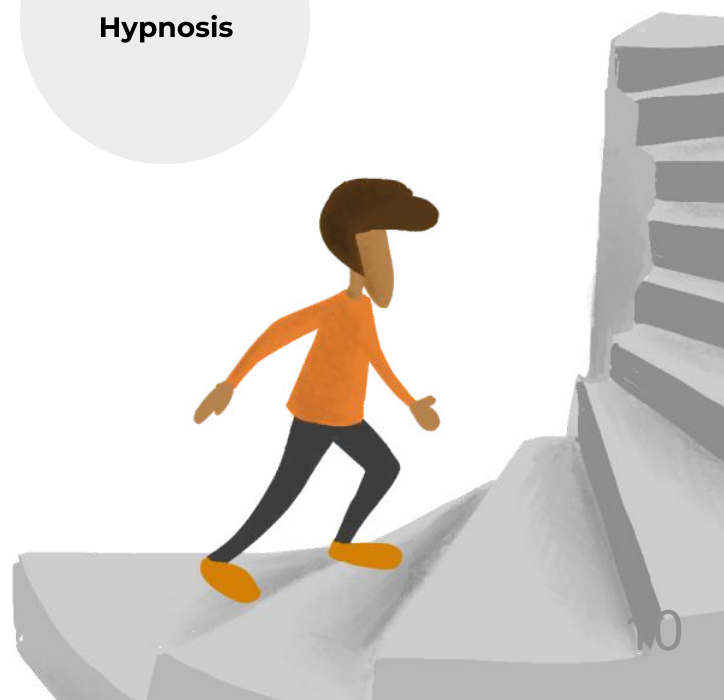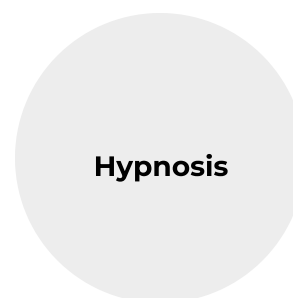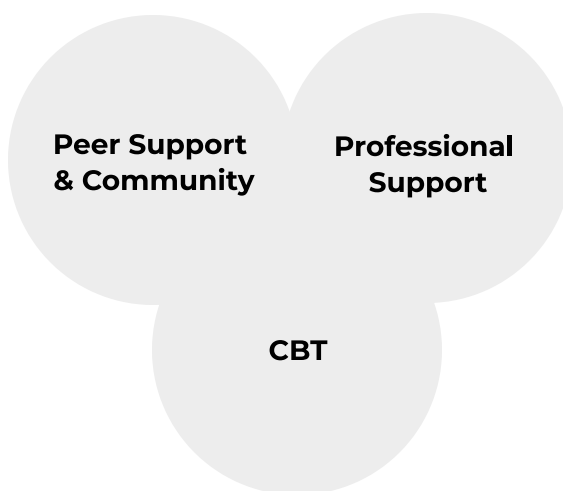
By Tobin Harris
Managing Director, Pocketworks

Tobin is a mobile technology specialist with experience in healthcare, banking and retail.

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People are turning to mobile apps to improve their mental health

Here is an outline of how today's apps cover various needs.
Some apps address many different ones.

Anxiety   Depression

Self Help &   Mood
Self Care   Tracking

Stress   Panic Attacks

Sleep   Mindfulness &
Meditation

Peer Support   Professional
& Community   Support

Hypnosis

CBT

> ## Childline only stressed me out more. My parents don't believe me.

@anonymous on r/anxiety, aged 13, March 2020

What do people search for and what do they find?

The table below shows what people search for on the app stores ordered by popularity, with a "competitiveness" indication showing how hard you might find it to appear at the top of the search results.

KEYWORD	POPULARITY	COMPETITIVENESS	APPS	MOST DOWNLOADED	DL/MONTH
Sleep Tracker	54	84	1,021	Sleep Tracker	15,000
Meditation	**52**	91	9,717	Calm	60,000
Counciling	**5**	64	3,860	Wysa	2,800

Tip: When you name your apps, ensure that your main keyword is in the title. The subtitle should also contain keywords but **not** duplicates of the ones in the title. These steps will help you rank high in the search results.

Popular apps get over 60,000 monthly UK downloads.

Here are a selection of apps taking different approaches to helping people tackle their mental health issues.

Calm - Meditation
60,000 monthly UK downloads
UK sales £200,000+ a month

ShutEye - Sleep Therapy

Breeze - CBT / Mood Tracker

BetterHelp - Councelling

Dare - Anxiety Education

Tip: Consumer apps for meditation, sleep and mood tracking have a much larger addressable market. If you want to be more niche, you may want to consider launching in many countries to get enough downloads to generate higher monthly recurring revenue.

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Quicklook: Sleep

Sleep apps help people get to sleep and also track the quality of their sleep, and the impact on their lives.

8,819

Apps ranking in the UK for the keyword "sleep"

71,200

UK downloads in Jan 2023 for Sleep Cycle, the UK leading app (estimated)

$101,000

UK revenue in Jan 2023 for Sleep Cycle, the UK leading app

Global & UK Top Earner		Sleep Cycle	Launched in 2009, Sleep Cycle has patented tracking, integrated with wearables like Apple Watch, and also helps people fall asleep faster with exercises.
UK #2		BetterSleep: Relax and Sleep	BetterSleep has 50,000 monthly UK downloads and over $50,000 in monthly revenue from UK users. It's core focus is on helping people get to sleep .
Top Rated		Insight Timer: Sleep & Meditation	Insight Timer scores a whopping 4.9 star rating, with over 388,000 ratings. It generates over $60,000 a month with over 25,000 downloads.
Unique Approach		Endel: Focus, Sleep, Relax	Endel support for 3D spatial audio, and adapt to the local weather, location and heart rate. $20K/m UK revenue and $250K globally per month.
Trending Up		Sweet Dream - Sleep Sounds	An unual hit in the USA with over 600,000 downloads in 12 months. A very simple value proposition and no revenue model, launched in May 2022.

What's in it for me?

- **Sleep Cycle**: Less stress, more rested, happier
- **BetterSleep**: Reduce stress, sleep better, increase focus, feel happier
- **Headspace**: Reduce stress, sleep soundly,. manage anxiety and stress

Why are people increasingly downloading sleep apps?

- **Increased Awareness**: Greater understanding of the importance of sleep for overall health and well-being.
- **Modern Lifestyle**: Busy, stressful schedules and increased screen time can disrupt sleep.
- **Pandemic Impact**: COVID-19 has caused increased stress and disrupted routines, impacting sleep.
- **Technological Advancements**: Rise in wearable tech that can monitor sleep patterns and integrate with sleep apps.
- **Scientific Support**: Growing body of research supports the effectiveness of certain app features, like guided meditations and white noise.
- **Promotion**: Endorsement and use by celebrities and influencers.
- **Personalization**: Ability to tailor features to individual needs, from help falling asleep to understanding sleep patterns.

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There is heavy investment in digital health apps

UK startup investments last 2 years

Organization Name	Description	Funding	Type	Date
Hiwell	Hiwell is an online platform bringing psychologists and users together to make psychological support accessible, available, comfortable.	$11,000,000	Seed	2022-11-02

Notable global funding over the past 5 years

App	Publisher	Annual Revenue	Funding	Global Monthly Downloads
Wysa	Touchkin	$16.2m	$29.4m	100,000+

Tip: If you're seeking investment, bear in mind that UK seed rounds usually range from £50K to £500K. Do an much as you can to validate and demonstrate your **problem** before seeking investment, and use early rounds to prove the **solution** in the most lean way possible.

Where apps fall short

Apps are not evidence-based

14%

Offer evidence of accreditation or real-world trials

In a report for Nature Digital Medicine, researchers analysed the claims on 73 mental health apps related to depression, self-harm, substance use, anxiety and schizophrenia. Of the mental health apps, 64% claimed effectiveness at diagnosing a mental health condition or improving symptoms or self-management.

Yet none of the apps referenced certification or accreditation processes and just two apps offered "low-quality, primary evidence" from a study using that particular app. Only one app included a citation to published literature.

" However, only 14% of the apps described a design or development involving real–world experience, and no apps referenced certification or accreditation processes. "

npj | digital medicine

https://www.nature.com/articles/s41746-019-0093-1

Tip: To raise quality, plan an app with fewer features and invest more in accessibility, user testing and software testing.

Why apps are hard

99% of apps fail because they run out of funding or don't find market fit

Apps are deceptively hard to get right; over 99% fail and typically 50% of customers abandon an app after first use. According to Gartner, most start-ups fail because they run out of money and don't find market fit. So, if you're building a healthcare app, your work is cut out for you.

Going in with eyes open
In our opinion, the best thing you can do is to start your app journey armed with the facts. Here are are a few that you will find relevant.

Only 1%-2% purchase
If you want to make money from in-app purchases, expect only 2% to buy from you. This means if you get 10,000 downloads, 200 of those people will convert to a paying customer. Put this data in your forecast spreadsheet.

Most people that leave, leave in the first two months. So what you really want to do is optimize for onboarding: are they adopting habits that look like they're getting value?" Robbie Kellman Baxter, RevenueCat State of Apps 2023 Report

60% of users disappear in 30 days
For every 100 people that download your app, only 40 will still be using it after 30 days. After a year, expect to have lost 80% of those 100 people.

The winners update their apps weekly
If you look at the market leaders, they update their apps almost weekly. This means they have a development team working on it permanently. What would it take for you to do this?

They saw it

30% Installed

21% Took a look around

4% started a trial

1% subscribed