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### **Executive Summary**

Headspace and Calm, two leading mindfulness apps, have effectively differentiated themselves in the wellness market by offering distinct brand identities and unique features. Headspace emphasizes a warm, approachable tone with a focus on scientific-backed mindfulness and personal well-being. Its partnerships with major brands and its expansion into the health space through Headspace Health have positioned it as a credible, long-term wellness solution. In contrast, Calm has carved a niche by incorporating lifestyle elements like sleep and music, leveraging celebrity endorsements and immersive storytelling to appeal to users seeking a sensory and emotional connection. This entertainment-driven approach has helped Calm break through early marketing clutter, though it faces the risk of becoming overshadowed by the increasing use of celebrity marketing across industries.

Both brands have successfully built awareness and engagement through strategic partnerships, influencer marketing, and personalized offerings. However, as consumer needs evolve towards deeper emotional and mental health support, Headspace's health-oriented positioning may have greater long-term impact. To maintain their market co-dominance, both brands should focus on emerging trends such as AI-driven personalization, mental health integration, wearable technology, wellness retreats, and physical exercise. By aligning their offerings with these trends and emotional drivers, both companies can ensure sustained relevance and deepen their connections with users in an increasingly crowded wellness space.

### **Question 1: How has Headspace vs. Calm carved out separate consumer markets and distinct offerings in the mindfulness app market? How do these apps differ in terms of their brand image and what they offer consumers?**

Although Headspace and Calm share the same core goal—promoting mindfulness and meditation—they have carved out distinct brand identities and features to remain competitive in the wellness app market. Headspace stands out with an aesthetic that emphasizes creativity, warmth, simplicity, and approachability. Its design uses clean lines, soft animations, and a warm color palette, like shades of orange, to create a calm, non-overwhelming experience. The app speaks in a casual, friendly tone, helping users feel at ease and welcomed. Headspace uses founder and Buddhist monk Andy Puddicombe's voice for the app's meditation features, which creates a sense of authority and authenticity (Israeli, et al, 2022, p. 1-2). Headspace has strategically extended its reach through high-profile partnerships with brands like Colgate, Hinge, Starbucks, Nike+ Run Club, and Weight Watchers (Israeli, et al, 2022, p. 4). It also created Headspace Studios, which has produced a Netflix series, multiple podcasts, a YouTube channel, and even "Monster Meditations" in collaboration with Sesame Street (Israeli, et al, 2022, p. 3) —further reinforcing its playful, educational tone. Headspace leverages lifestyle influencers to promote the app as a part of everyday routines (Israeli, et al, 2022, p. 3). It has also entered the corporate wellness space, offering subscriptions as part of employee benefit packages (Israeli, et al, 2022, p. 4). More recently, Headspace has moved into the health and nutrition space through initiatives like Headspace Health and its partnership with Whole Foods on the "Food for Mood" campaign (Israeli, et al, 2022, p. 4-5). Overall, Headspace differentiates itself

by blending science-backed mindfulness with a light, approachable, and creative user experience, making it feel both credible and enjoyable for a broad audience.

While Calm employs similar marketing strategies to Headspace—including influencer collaborations and major brand partnerships with companies like American Airlines, Uber, and American Express—it has successfully cultivated a distinct brand identity.

Calm’s visual aesthetic leans heavily on blue tones and serene imagery, often featuring elements of nature to evoke a sense of peace and grounding. Unlike Headspace’s playful tone, Calm emphasizes a more sensory and immersive experience, with a particular focus on sleep and music as key pillars of wellness. To deepen this emotional connection, Calm has partnered with numerous A-list celebrities. For example, they’ve collaborated with top artists to produce exclusive music and appointed John Legend as their Chief Music Officer (Israeli, et al, 2022, p. 6). Their signature Sleep Stories are narrated by celebrities like Matthew McConaughey and Harry Styles, combining star power with soothing storytelling (Israeli, et al, 2022, p. 6). Calm has also partnered with HBO to produce the visually rich series “World of Calm,” featuring celebrity narrators guiding viewers through calming visuals. To establish authority and credibility, Calm launched Masterclasses led by experts in mental health, wellness, and personal growth (Israeli, et al, 2022, p. 6). Additionally, Calm demonstrates strong social listening and adaptability. For example, they partnered with CNN during the 2020 U.S. election, where they aired Calm-branded ads recognizing that election season is a peak period of public anxiety (Israeli, et al, 2022, p. 7). While Calm and Headspace share the same mission, they’ve effectively differentiated themselves through brand tone, color palette, content focus, and the way they incorporate celebrity influence and cultural relevance (*See Exhibit 1*).

**Question 2: Compare Headspace and Calm marketing initiatives in terms of the purchase funnel (awareness/interest/desire/action). How did these apps build awareness and connection with consumers? What would the positioning statements be for the two brands?**

**Awareness:** Both Calm and Headspace effectively leverage brand partnerships to boost visibility and reach new audiences. Calm places a strong emphasis on celebrity collaborations, using star power to introduce themselves to diverse demographic groups. Both brands also make strategic use of influencer marketing to integrate their messaging into everyday routines. Headspace further expands its reach through paid out-of-home advertising, including placements on taxis and billboards. Additionally, both companies have invested in television advertising, with campaigns aired on networks like CNN, while Headspace has also extended its reach through Fox (Israeli, et al, 2022, p. 3, 7).

**Interest:** Headspace captures user interest through its fun, approachable brand voice, making meditation feel accessible and unthreatening. One of its standout initiatives includes collaborations with airlines, offering in-seat meditation experiences that introduce travelers to mindfulness during flights. Calm has executed a similar strategy through its partnership with American Airlines, extending its reach in the travel space. Headspace also maintains credibility and trust by featuring co-founder and former Buddhist monk Andy Puddicombe as the voice behind its meditations, reinforcing the app’s authenticity. In contrast, Calm sparks interest through celebrity appeal and expert-led content. It draws users in with immersive visual and auditory storytelling, leveraging emotional triggers like soothing imagery, calming voices, and engaging soundscapes to create a deeply sensory and emotionally resonant experience.

**Desire:** Calm effectively builds desire by demonstrating strong social listening skills. Calm responds to cultural moments with relevant, timely content. A prime example is their campaign during the 2020 U.S. election, where they addressed heightened public anxiety through calming ads on CNN. Calm also taps into pop culture and celebrity influence to generate excitement and hype, using well-known voices and personalities to make the app feel trendy and emotionally resonant. In contrast, Headspace fosters desire through a more scientific and credibility-driven approach. The launch of Headspace Health, the first FDA-approved prescription meditation app for chronic illness, positions the brand as a leader in mental health innovation (Israeli, et al, 2022, p. 4-5). This clinical focus, combined with structured mindfulness content and the authority of co-founder Andy Puddicombe, creates a deep sense of trust and legitimacy, appealing to users seeking expert-backed wellness solutions.

**Action:** Both Calm and Headspace use a variety of tactics to encourage user commitment. Each offers a freemium model, allowing users to access basic features for free, with the option to upgrade to a premium subscription that removes ads and unlocks full content libraries. Both apps offer flexible payment options, including monthly and annual plans. Notably, Calm differentiates itself by offering a one-time lifetime membership for life, appealing to users seeking long-term value and commitment without recurring fees (*See Exhibit 2*). Headspace expands its reach through extensive corporate partnerships, working with over 1,300 companies to include Headspace in employee wellness benefit packages, making access seamless and cost-free for many users (Israeli, et al, 2022, p. 4). Calm, meanwhile, leverages strategic partnerships such as its collaboration with American Express, which includes free trials for Amex cardholders. Calm also runs “Calm Schools,” a program that provides free subscriptions to teachers (Israeli, et al, 2022, p. 7).

**Question 3: As the pandemic was ending, in your assessment, was Headspace’s Health positioning or Calm’s Entertainment positioning more likely to succeed in the long run, or are both going to continue to be viable?**

While Calm and Headspace are both well-positioned for continued success, I believe Headspace’s health-oriented positioning will ultimately surpass Calm’s entertainment-driven approach in long-term impact and user loyalty. The pandemic served as a deeply humanizing experience, prompting many to re-evaluate their priorities and place greater value on authentic connection, emotional well-being, and personal growth. In this context, Headspace’s approachable, down-to-earth voice may better resonate with users seeking genuine support over spectacle. Its tone—warm, friendly, and guided by co-founder and former monk Andy Puddicombe—offers a kind of emotional closeness that feels particularly relevant in a post-COVID world. While Calm’s use of A-list celebrities and immersive storytelling helps build brand awareness, for some users, this approach can feel overproduced or impersonal. I surveyed about 15 people, aged 20-35 with the question: “How likely are you to purchase a product based on celebrity endorsement and collaboration?”. The scale was a Likert scale, consisting of answers 1-5. The answer 1 indicated “not at all” and 5 indicated “very likely”. Most respondents answered between a 1 to 3, 2 respondents answered a 4, and none answered 5 (*See Exhibit 3*). In an age shaped by TikTok and influencer culture, people are gravitating toward relatable, everyday figures who share their lives openly, creating trust and a stronger sense of community than traditional celebrity endorsements can.

Headspace Health positions the brand as a serious player in the wellness space, offering evidence-based solutions that extend beyond mindfulness into clinical mental health. With initiatives like the first prescription meditation app for chronic illness and its “Food for Mood” collaboration with

Whole Foods, Headspace is aligning itself with users looking for long-term lifestyle changes, not just temporary escape. Ultimately, while Calm's entertainment appeal may continue to attract users, Headspace's integration of science, healthcare, and approachable mindfulness gives it a more sustainable and purpose-driven path forward. In a world increasingly focused on authenticity, health, and meaningful connection, Headspace's positioning feels more in tune with where consumer values are headed.

**Question 4: What factors are attributable to Calm's rise to success? How did Calm overtake Headspace despite being the second mover in the market? In your assessment, is one of these apps more successfully breaking through the marketing clutter and connecting more closely with consumers on an emotional level?**

Although Calm entered the market after Headspace, it quickly rose to prominence by redefining the meditation app space. Rather than simply following in Headspace's footsteps, Calm expanded the boundaries of the category, placing a bold emphasis on lifestyle elements such as sleep and music. It was the first to introduce Sleep Stories, narrated by A-list celebrities, and to launch Calm Music, backed by John Legend and featuring top musical artists (Israeli, et al, 2022, p. 3-7). These innovations set Calm apart, offering features no other meditation app had introduced at the time. Calm has been particularly successful at cutting through marketing noise by leveraging the emotional power of celebrity endorsements. People tend to feel a sense of emotional connection with their favorite celebrities. Hearing a beloved celebrity narrate a bedtime story or guide a calming experience creates emotional connection that draws users in.

However, as celebrity marketing becomes increasingly common across industries, what once set Calm apart now risks becoming part of the new clutter. With countless brands now using celebrity endorsements to gain attention, consumers may begin to feel saturated rather than engaged.

In contrast, Headspace is already adapting to this shift through its Headspace Health initiative—a strategic move that aligns the brand more closely with scientific credibility, medical relevance, and social impact. By offering a prescription-based meditation app for chronic illness and partnering on wellness programs like Whole Foods' "Food for Mood," Headspace is beginning to emotionally connect with users in deeper, more purposeful ways—not just through entertainment, but through genuine support and lifestyle transformation (Israeli, et al, 2022, p. 4-5). While Calm broke through early clutter with innovation and star power and currently leads the market with the highest revenue as compared to other health and mediation apps worldwide (*See Exhibit 4*), Headspace may be better positioned to lead in the evolving market—where consumers are increasingly seeking authenticity, trust, and long-term wellness solutions.

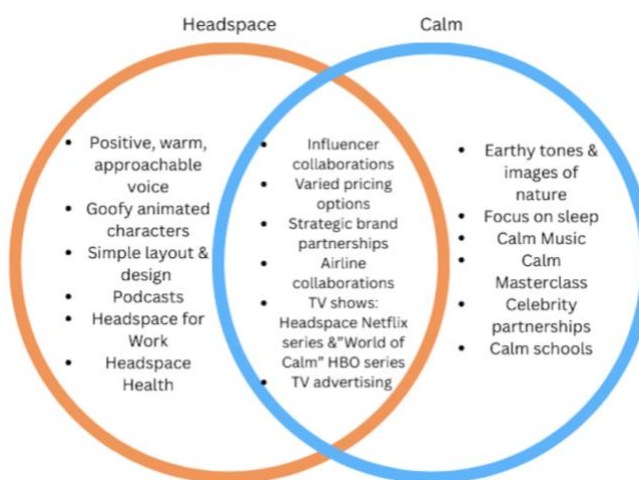
**Question 5: What should the brands do to maintain their co-dominance or to edge out the other and claim the number one spot?**

To maintain their co-dominance or to surpass one another and claim the leading position, Calm and Headspace must stay attuned to evolving market trends and shifting consumer needs. As the wellness space becomes more crowded and consumers seek deeper emotional and personal connections with the brands they engage with, both companies will need to innovate with empathy, relevance, and purpose. To do so, they should focus on the following key trends:

1. **AI & Virtual Reality:** AI can analyze stress levels, emotional needs, and behavior of each user to cater their meditation for their need (Meditation Market).

- a. **Emotional Driver:** Personalization creates a stronger emotional bond between users and the app. When meditation feels tailored, users feel seen, experience greater benefits, and are more likely to stay engaged and motivated.
2. **Mental Health Integration:** As society becomes more open about mental health, growing stress and anxiety levels highlight the need for more than just meditation. Users are seeking deeper solutions to anxiety and stress (Global Meditation Market Size, Share, and Trends Analysis Report, 2025). Apps can meet this demand by partnering with therapy programs, enhancing services like Headspace Health to offer holistic mental health support.
  - a. **Emotional Driver:** Tap into audience's needs for deeper healing and not just surface-level calm.
3. **Wearable Technology:** There has been an increasing trend in wearable technology, like the Fitbit and Apple Watch. The new Oura Ring, which is a ring that can now keep track of wellness and health, has seen exponential growth and is now valued at \$5.2 billion (Landi, 2024). One of the apps can partner with a company like Oura Ring or engineer their own form of wearable technology to better assess and personalize meditation for the user.
  - a. **Emotional Driver:** Personalization and real-time feedback.
4. **Wellness Retreats and Digital Detoxes:** With society increasingly consumed by technology, many users seeking mindfulness would benefit from wellness retreats or digital detoxes (Rose, 2025). Both companies could capitalize on this trend by partnering with or creating their own detox experiences.
  - a. **Emotional Driver:** Taps into users' need for physical connection and a break from their phones, offering a restorative, physical experience
5. **Physical Exercise:** With the growing popularity of wellness exercises like Pilates and Yoga, combining mindfulness and meditation with physical activity is becoming a strong trend (Mallenbaum et al, 2024). Both brands can tap into this by offering digital Pilates or Yoga classes that incorporate meditation and encourage mindfulness.
  - a. **Emotional Driver:** Holistic wellbeing and lifestyle integration.

**Exhibit 1: Venn Diagram**



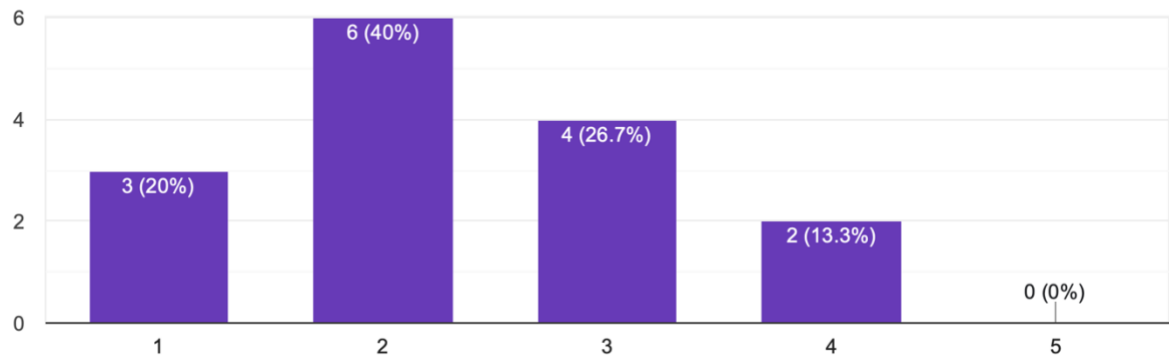
### Exhibit 2: Price Comparison

	<u>Headspace</u>	<u>Calm</u>
<b>Free Trial</b>	7 days monthly, 14 days annually	7 days annually
<b>Monthly</b>	\$12.99	\$14.99
<b>Annually</b>	\$69.99	\$69.99
<b>Lifetime</b>	N/A	\$399.99
<b>Extra perks</b>	Student plans	Family plans

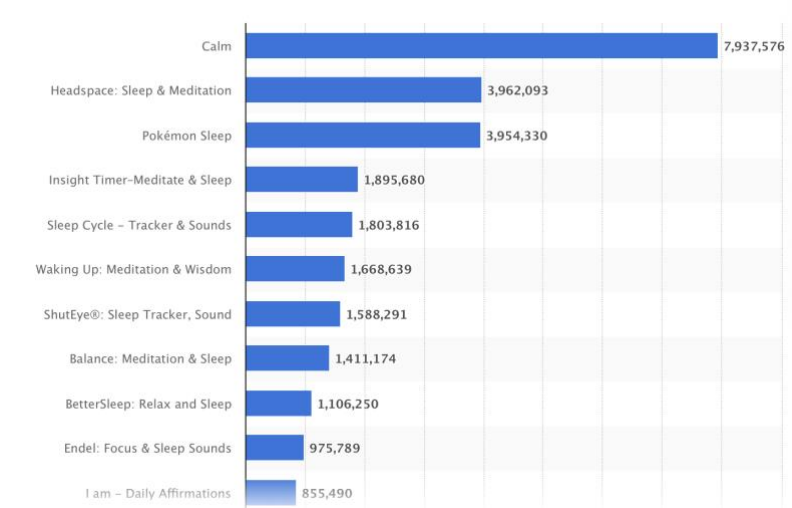
### Exhibit 3: Questionnaire

How likely are you to purchase a product based on celebrity endorsement or collaboration?

15 responses



### Exhibit 4: Leading Health and Meditation Apps Worldwide in January 2025, by Revenue



Source: Statista

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