

# myfitnesspal



## How This Winner-Took-All by Helping People Lose



Emily Alonso  
UC, Davis

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## **Introduction**

### *Digitizing Health and Fitness*

Up until about 10 years ago, when a person thought of fitness, health or weight loss, they did not necessarily associate those things with technology. However, as the world takes on a new digital landscape, health care industries from weight-loss to hospitals are becoming increasingly digitized. The idea behind this digitization of the health/fitness industries is that people able to quantify their health will be more likely to improve it (MacManus). Thus with the utilization of big data, big people will begin to no longer be an “epidemic” in our society. Though this is wishful thinking, digital platforms are making individual health related data processes more efficient, with quicker delivery than ever before possible and an enhanced user experience. Those willing to commit to their own positive physical change whilst utilizing assisting technologies are becoming healthier in a more efficient manner. (Chanelle)

In California, the health industry including care, fitness and weight-loss is growing rapidly. About 65% of the U.S. population is obese and collectively Americans spend roughly \$60 billion a year on weight loss-programs and products and \$148 billion in obesity-related healthcare costs (Ziobro). These numbers are remarkably high and have continually risen. Consequently, the need for more Americans to take control of their health is at an all time high. This is where the tech industry comes in.

“The Digital Health Movement,” as it’s referred to, is evolving rapidly to address the weight-related health issues of the vast population of unhealthy people in America (Olson). Between electronic medical records and online medical care options, the health care industry is able to serve a substantial amount of people through the usage of digital platforms. Increasingly, people are becoming reliant on these platforms in order to maintain their physical health as

doctor and nurse capacity per person is rapidly decreasing (Asay). However, large health care providers, both public and private, can only do so much by way of digitizing to improve patient health because they do not have the access to the knowledge, nor the capacity to dedicate to creating individual health solutions. Therefore, there is an overwhelming market opportunity for entities' to address and derive quantified personalized health solutions at a capacity that is not currently possible by health care industry giants. More specifically, a large chunk of that opportunity exists for industry to fill the weight-related health care industry as “obesity-related conditions include heart disease, stroke, type 2 diabetes and certain types of cancer” are some of the leading causes of preventable death in the United States. This is where MyFitnessPal comes in. (MFP.com)

One of the founding fathers of the health and fitness electronic application market, MyFitnessPal (MFP) has been using big data and advanced user interface to help people lose weight and maintain better health since 2005 (MFP.com). Unlike other Web-apps that sprung out of the “Digital Health Movement,” such as WebMD and Dr. Koop that act as trusted medical informants to the general population on a wide-range of medical topics including weight, MyFitnessPal specializes in nutrition and fitness and creates individual user-driven mobile solutions to weight-related health issues. A private tech-company that began as a side-project from a Silicon Valley executive, MFP has created and dominated the health and fitness mobile app industry, prompted the development of a cluster of other fitness and health mobile applications in San Francisco, created the most extensive nutritional databases in the world, and by helping over 80 million users shed a collective 150 million pounds, has acquired a substantial share of the weight-loss industry market (Ziobro).

*MyFitnessPal's History*

The idea for MyFitnessPal was developed in the summer of 2003 when, Co-founder and CEO, Mike Lee, and his fiancé, wanted to shed a few extra pounds before their upcoming wedding and honeymoon to Hawaii (Chanelle). After seeing a personal trainer at their local gym in Silicon Valley, Lee was baffled when he was told to count and track his calories via a book of 3,000 items and a note pad. As a marketing executive for Palm, the Silicon Valley firm, and a veteran of the Tech Boom, Lee immediately searched for an online alternative to the calorie-tracking books. In 2003 there was no deficiency of online calorie and nutritional tracking solutions, but none of them worked the way that Lee believed they should. He found that the user-experience for many of these calorie-counters was not nearly up to par (Chanelle). Notably, it was very difficult to find foods on these websites, and often times, even after searching, one would have to manually input caloric information regardless. Lee was also puzzled at the lack of “intelligence” integrated into these systems and as such; remembering what one eats to create an easier calorie logging system became an integral feature when developing MFP later on. Thus in 2003, Lee had deduced that it was easier to log his calories manually on paper than using one of the twelve or so web-applications for calorie tracking that he had tested out. (MacManus)

Lee left Palm in October 2004 and began the initial development of MyFitnessPal while working for another start-up. An amateur programmer himself, Lee took his newfound time to brush up on his skills and develop the diet tracker that he wanted from the ground-up. And almost a year later in September of 2005, MFP as a web-based application, had officially launched. At the time, Lee had been working on MFP on a part-time basis as a side project, having to pay the bills as a Marketing Executive and later President of a dating app startup called NextC. In these early stages of MFP, Lee used his knowledge of the Web-app market and

capabilities through this full-time job to develop the app and help it garner popularity. During this time, MFP, mainly by word of mouth, gathered thousands of unique users per month as it became one of the most user-friendly calorie tracking websites available at the time (MacManus).

The need for the Web-app to expand and restructure became apparent in about 2008 following Apple's launch of the second-generation iPhone 3G and the App-Store. It became apparent to Lee, and many others in the Silicon Valley early on that the App-store and smartphones would take off and revolutionize the tech industry due to the local tech buzz that surrounded the area. (Bathelt) It was then that Lee began making moves to make MFP mobile and in the summer of 2009, Lee quit his full-time job, asking his brother to do the same and become his full-time business partner as they redeveloped and restructured MFP to fit the new mobile app landscape. (Olson)

Using their own funds to run the business, the two brothers set out to jump on the "mobile device train." This turned out to be a pivotal moment for the company as they were one of the first and few weight-loss/fitness related Apps to catch the "smartphone-wave" in 2009. Accompanied by Fitbit, an activity tracker device that could link to your smartphone, MyFitnessPal set the stage for the consumer health technology market through their, now mobile, application. As one of the only iPhone apps for weight loss on the market at the time, MFP gained a huge following and by 2013 had roughly 40 million subscribers in the United States (Popolo). This was a huge period of growth for the start-up that, at the time, had received no other funding besides the initial investments from the co-founder brothers (Takahashi).

During this initial growth phase of the mobile application, the company acquired offices in San Francisco and 40 employees with money made solely off of advertisement revenue on

their later-developed Android App and restructured Web-app (Takahashi). The key to this success can be attributed to the expansive food database that contained about 3 million food items in 2013 and the intelligent programming that made calorie tracking as seamless as possible to the user. A huge step up from 3,000 food items and a pad of paper, MFP began to dominate the DIY-Diet Market at the time despite industry leaders like Weight-Watchers and Jenny Craig also creating similar Apps trying to jump aboard the train to mobile user success (MFP.com). Not only did MFP have a more developed and user-friendly interface, larger food database, and a network of over 40-Million people giving it rave-reviews in 2013, it was also free. The free app not only maintained technological advantage over other competitors that popped up during this growth period, but also had a higher return on investment (ROI) and financial benefit to the user.

Thus, MyFitnessPal was steadily on its way to becoming the “king” of the diet Apps. Claiming between \$100-\$120 million in profits and dominating the DIY (Do it yourself)-diet Market Share, it garnered attention from not only its expansive user-base, but also venture capital firms (Thomas). In the summer of 2013 MFP was signed on to receive its first ever venture capital funding from John Doerr of Kleiner Perkins Caufield & Byers and Andrew Braccia of Accel Partners totaling to \$18 million. Impressively, up until this point, the brothers had ‘bootstrapped’ the company (Ziobro).

With this new funding and Braccia and Doerr, two tech-venture giants, joining the board, the company planned to expand its nutritional database, double its employee count, and globalize. From this point on, MFP has seen extreme growth on all of these levels (Olson). In the early summer of 2014, MFP expanded its nutritional database to 3.5 million items, doubled its employees and engaged 10 million more users with even more innovations setting it apart as the “go-to” App for all of a persons DIY-Diet needs. As of February 2015, MFP increased those

figures even further increasing its user base to 80 million people, its nutritional database to 5 million items, and its employee count to about 150 people. (MFP.com)

### *MyFitnessPal App Features*

Part of what has really set MyFitnessPal apart as the premier DIY-weight loss App is its simplicity to the user. Not only does MFP track calories and nutritional content ‘in’ through consumption, and ‘out’ through exercise, it gives the user realistic and attainable measures to attain their own weight loss goals. MFP, as explained by Lee, “is not a magic pill,” meaning that having it alone, will not make a person lose weight, it just provides accountability measures for those willing to make the necessary changes to their diet (Popolo). MFP doesn’t use any “gimmicks” that other weight-loss industry giants exploit, it is simply an input-output formula that can estimate anticipated weight loss based on the statistics given to it periodically regarding weight and daily net calorie intake. By holding people accountable for their daily calorie intake through quantifiable data by having them track what they eat on MFP, they are likely not to over-eat and remain within their target calorie goals. Results from clinical trials demonstrate that just having access to the App is not enough to start losing weight, it requires continues usage and commitment to overarching goals over-time in order to obtain weight-loss results (Popolo).

### *Community Creation*

However, MFP is not simply a calculator of personal data. In fact, one of the biggest user-features is the social aspect of the application that serves to facilitate a supportive community for the user in the “weight-loss” journey. Part of the reason it is called “MyFitness**Pal**” is so that users can link up with people they know, or people they meet on the various conversation “community” boards in order to help with their weight loss. Many medical weight loss studies have shown that “people who use the buddy-system are more likely to lose

weight than people who go in alone.” The other people following a user provide accountability in more personal ways that data could not, proving to be a huge benefit to the user for long-term weight management. (MacManus)

A newer social feature to the App is the Blog portion. Written by MFP staff, the “hellohealthy” blog is a feature of MyFitnessPal that features articles written on various diet and exercise topics and also gives insight as to what is going on within the company to the users (MFP.com). Mike Lee has a blog himself from which he posts regular announcements and new features that might be of interest to those who follow him. The options to participate in the social functions of the app, however, are completely optional. Every MyFitnessPal user has the option to keep their profile private, as some might not be as willing to share such personal information. Though, those who take advantage of the social options tend to better in achieving their weight loss goals on average. (Olson)

### **Building the Health and Fitness Mobile App Cluster**

#### *Strategic Placement in the Bay Area*

The Bay Area is a known hotspot for technology development. From the Silicon Valley to San Francisco and feeding into the surrounding areas holds a breadth of knowledge and information that is spread by “face-to-face contacts, co-presence and colocation of people and firms” in this case within the tech industry (Bathelt et al.). Therefore it is not a surprise that a Marketing Executive for a firm that created one of the inspirations to the smartphone (Palm) had the inside scoop on how big the App industry would become. Being in Silicon Valley put Lee at a competitive advantage when he started MFP out of his home because he was still brushing up on his coding and needed to stay around the buzz. As “Silicon Valley is one of the best known clusters for microelectronics, biotech and venture capital,” (Porter 80) by staying in the Valley

during early development, Lee was also able to get enough attention to get financial backing from two of the biggest venture capitalists from the Valley, Accel and Kleiner Perkins Caufield & Byers, that made MFP into the business it is today (Thomas).

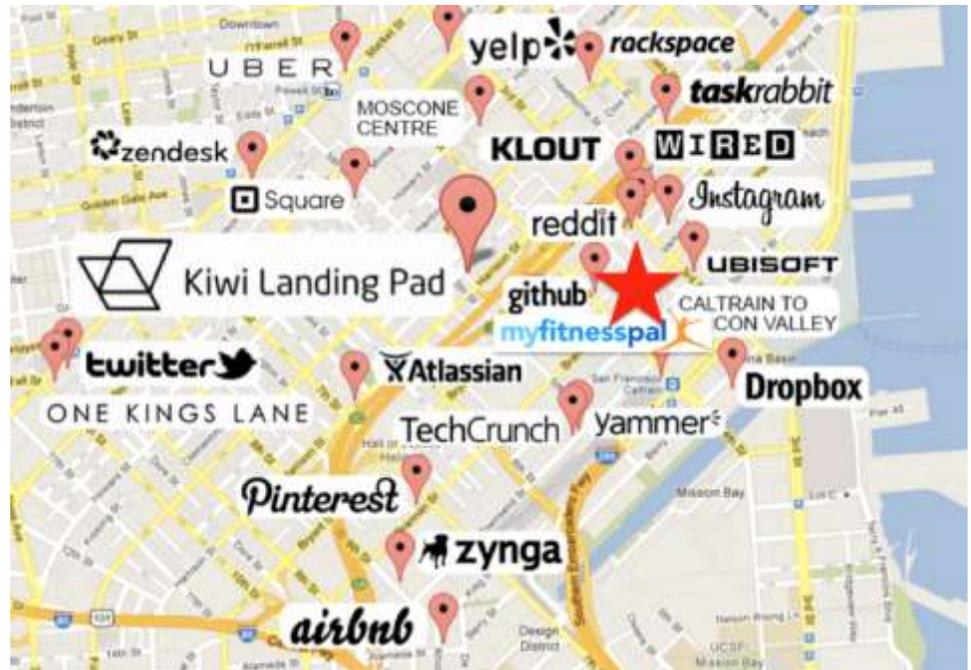


Figure 1. Source: <https://www.linkedin.com/pulse/20140804164413-79619513-recruiters-pesky-pests-or-your-company-s-saving-grace>. Edited.

However, when it came to actually setting up his offices, Lee was strategic about choosing San Francisco, instead of the Valley. Primarily, Lee wanted to be closer to the people who would actually use his product (not the hardcore tech elitists of the Silicon Valley) and secondly, Lee knew of a small cluster of App firms that was developing in the SoMa area of San Francisco that were more people-oriented. See Figure 1. (Olson)

As “the role of geography in the appropriation of knowledge is critical for firm strategy in today’s global economy,” Lee choosing his location wisely based on proximity to other customer focused App firms in the area was vital to growth of MyFitnessPal and the growth of a new mini-health and fitness app cluster (Kenney & Sturgeon 20). As FitBit, a popular wearable exercise tracking device and MyFitnessPal had teamed up and synced their products to be partners in 2013 both were located in the SoMa area of San Francisco, other fitness/health app or

device firms quickly followed them to the same neighborhood and partnered up with them as well while developing their own firms in a positive feedback dynamic leading to a mini-cluster

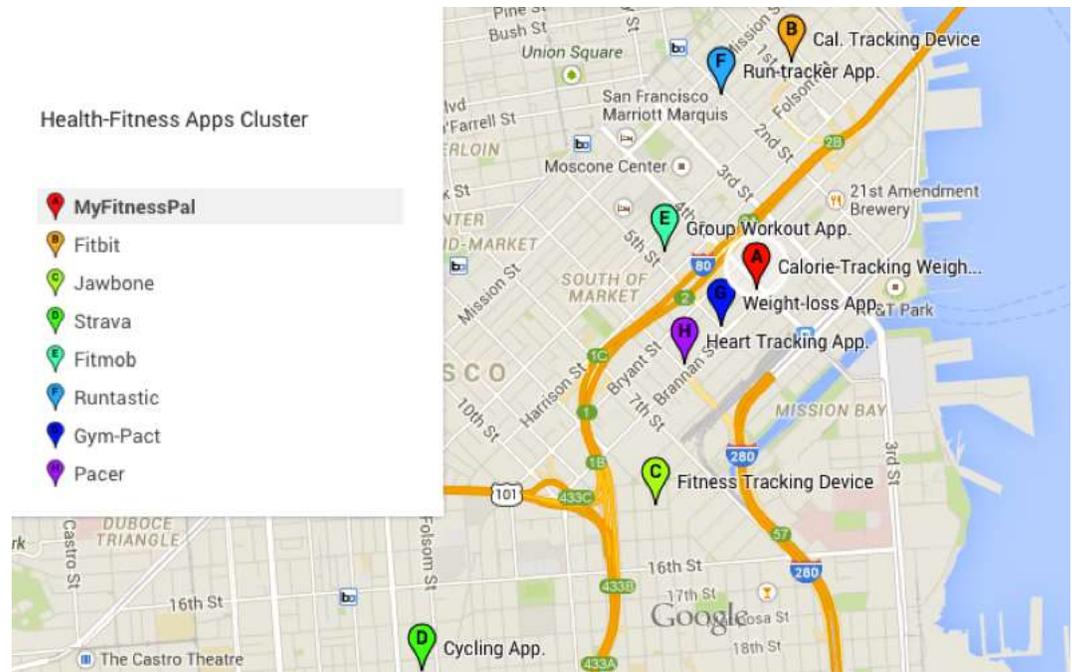


Figure 2. Image created via google.maps

(Chiles). As is shown in Figure 2, there are nine health/fitness app offices out of twelve within a two-three mile radius of the MyFitnessPal offices. All of these apps are partnered with MyFitnessPal. (Lomas)

As is the case with most clusters, those who engage locally, do better in the market. Consequently, “the mere colocation of companies, suppliers, and institutions creates the potential for economic value.” (Porter 88) Based on my own research between comparing RunKeeper a Boston based company, and Runtastic, Runtastic is experiencing much higher growth and has more innovative features than RunKeeper. Though this is only one direct comparison, it can be argued that those companies listed above in the chart who are located in SoMa that are partnered with MyFitnessPal, have a larger audience simply because of their connection with MyFitnessPal and do better than similar companies that aren’t located in the region and don’t have a connection with MFP. (Chanelle)

### *Strategic Partnerships*

In 2012, MyFitnessPal launched its API, or Application Programming Interface, which allows for partners to build on top of MFP's database (Takahashi). With this API, developers can connect fitness devices with the, now 5 million item nutritional database in real time. This move was part of a strategy by MFP to create a network of devices that worked together to give the user a full measure of their physical health. With partner integrations, MyFitnessPal users are able to sync exercise, weight, heart rate and body fat content information from other apps and devices directly with their MyFitnessPal food diary and exercise log (Takahashi).

Today, MyFitnessPal has managed to form partnerships with about 80% of other health and fitness apps devices on the market today. A few of those partners included in Figure 2. A more extensive list can be found on the MyFitnessPal website which as of March 20th, 2015 had over 65 partner Apps and Devices. As MyFitnessPal develops partnerships with other Apps, most of the whom share the same aspirations for integrated quantified health and fitness for every individual, their popularity is not only increasing, but they have made their integration a necessity for new apps entering the market. In other words, MyFitnessPal has become a barrier to entry for other health and fitness apps as partnering up and using its API is necessary. (Panagiotopoulos)

This mass coordination between health and fitness apps has proved to be a very successful asset to MyFitnessPal, however another partnership that has proved to be very valuable to MFP is the relationship that they have with the University of California, San Francisco. In 2013, MFP partnered with University of California, San Francisco (UCSF) to aid their 25,000 UCSF employees, visitors, and patients with logging their foods more easily with MyFitnessPal as a part of their, "Smart Choice, Smart U" Program. MFP also added nutritional

information on food items from UCSF to the database for ease in logging. However, it was not just a great publicity stunt to make MFP look good (Lomas). MFP realized when partnering with the University, in order to really utilize them, there has to be a benefit to the firm as well. This proved to be true with UCSF as the partnership was undoubtedly mutually beneficial. After teaming up, MFP garnered attention with the medical field in a very public way and legitimized both their app and nutritional database with the medical community whom often recommend this app to their overweight/diabetic patients so that they can get a better gage on their health. Doctors were also prompted to put the app to clinical trials after this and then contributed to the research surrounding the app leading to updates and development from MFP staff (Kenney & Mowery 17).

MyFitnessPal has created a significant local presence in SF as well, working with the UCSF campus, the second largest employer in SF, they have not only garnered attention, but also clients from the medical facilities and graduates of the school who want to use their nutritional background in a data-related setting. Working collectively with the UCSF campus as well as with the other fitness apps that make up the mini fitness/health app cluster, MyFitnessPal continues to grow as the world's go-to fitness/ calorie tracking app as well as the largest nutritional database in the world. (Asay)

#### *MyFitnessPal: A Monopoly?*

In contrast to the notion that MyFitnessPal has prompted growth and new entry into the fitness and health mobile app market, many argue that the horizontal integration and API models dictate a more monopolistic relationship as MFP takes such a dominant position in this Market (Asay). It is a general rule of thumb that about 75% of weight loss and fitness is diet, while the other 25% is exercise. Therefore, by way of the 1st moves advantage, MyFitnessPal effectively

capitalized on the 75% in the fitness app market concerning diet due to its database, and is connected to so many fitness and exercise apps that it dominates a fair share of the exercise 25% as well. As a result, other firms who enter the market end up drawing percentages of the percentages that MyFitnessPal dominates. (Ha)

However, there are many stakeholders, including mobile fitness app users and some of the fitness startup apps with less dominance in the field that don't mind this complete monopolization of the industry. This is because they claim that integration is necessary to achieve "the quantified self," the idea that there should be a single platform to give smart-phone users a holistic view of their health (Asay). While people who use the apps await these capabilities, other fitness/weight loss apps might be less excited about this monopoly because the health and fitness mobile app and device industry will become even more dominated by industry leaders such as MyFitnessPal and Fitbit who have the API capabilities that would make "the quantified self" possible. Thus, those health/fitness mobile app companies not located in the bay area cluster or partnered with MFP are at a disadvantage because they will not have the integration capabilities necessary to be competitive in the market. (Ha)

More and more fitness apps are partnering with MyFitnessPal voluntarily for exposure, knowing that with such a highly rated app backing them they will experience more users and might even have a higher ROI than they would going at it alone. For example, an app called Gym-PACT based out of the health and fitness Apps mini-cluster in SoMA, which essentially lets one bid on their or their friends' weight loss, rewarding them accordingly. This app has gained extreme popularity since its partnership with MyFitnessPal and "improved their ability to capture potential benefits" (Porter 87).

## MyFitnessPal as the “Winner”

### *Global Reach*

As MyFitnessPal has gone global as well in the past few years and now operates in 14 languages, they utilize remote knowledge from the regions that they serve in order to cater to the individuals that speak the language. In fact, in 2013 MyFitnessPal was acquiring volunteers, mainly college students, to a “translation program” in which they would essentially donate their time to MyFitnessPal to translate their frequently asked questions (Ha). Interestingly enough, the positions filled and the services were no longer needed. MyFitnessPal, despite operating in locations globally, has no global employee base, all employees are based out of San Francisco and utilize publicly accessible knowledge to cater to the diverse crowd of users.

As is illustrated by Figure 3, besides the United States, there is a large user base in



Figure 3: Source: <http://metricsmonk.com/apps/facebook/186796388009496-myfitnesspal/demographics/us>

Europe and Asia. This is probably because as countries become more industrialized, they also acquire the problems that go along with that such as over-consumption resulting in obesity. (Ha)

While at the moment, all of MyFitnessPal's employees are housed in their San Francisco office and they are not offshoring any of their work in the traditional sense, the app outsources their customer service on the website to desk.com, a company owned by salesforce.com also located in the app cluster in San Francisco (See figure 1.). Therefore, MFP may indirectly offshore their customer service through the offshoring done by salesforce.com (desk.com). A trend of globalization, it is known that higher skilled jobs such as those in customer service and even those in data analysis are likely to be offshored. Perhaps as MFP grows, it will begin to utilize offshoring options for an even larger portion of its employee base. (Kenney Ppt: Lewis 2005)

### *Employees*

Another benefit to working out of the Bay Area as a Tech firm is that there is access to the best and the brightest employees. Because of this, MFP has extremely competitive salaries, with an average of \$128,000 (indeed.com), even when adjusting for the cost of living in San Francisco that is still a very high salary (Bohn 14). They also offer a very inclusive and quirky benefits package and promote a culture of creativity and innovation throughout its hiring campaigns. Though there are many local rivals in the industry as far as fitness apps are concerned, MyFitnessPal has really taken control of the market and therefore tends to attract the best employees for the job. (MFP.com)

Creativity is the most highly prized commodity in not only our economy, but also the tech world. The creativity of the people who work for MyFitnessPal as content writers, data analysts, research assistants and customer satisfaction teams led them to develop the largest health and fitness app on the market and maintain that precedent even after industry giants such as weight watchers try to take control back over the market (Thomas). Looking on their website,

their office environment spurred creativity and it looked to be a diverse group of individuals, with a large majority of the staff being women and about a third of the staff pictures being what appeared to be minorities (MFP.com). As diversity is needed for innovation and for a company that has to appeal to a diverse audience, it is only logical that MyFitnessPal would hire based on these principles. Also with changes to markets, there is a larger percentage of creative professionals in health care as well (Olson). The culture of creativity that sparks new ideas and innovation is something that is highly valued by MyFitnessPal and it shows in their economic outcomes. A direct quote from the job searching site that reflects this innovative image they are producing as an employer, states “our culture is more important than our product (mfp.com/jobs).” In a way, this new start-up work culture reflected by MFP, of “autonomy and flexibility” does actually help to create the most innovative product possible (Florida 15, 17). Therefore, by caring about culture, a company would inadvertently care about product.

The actual job positions offered by MFP fit into symbolic analyst roles. In their job descriptions listed on their jobs website they ask for “problem solvers” and it looks like most of their positions are pulled directly from Reich’s three column word chart on symbolic analysts. For example, one of the positions is “Customer Happiness Lead,” and another is “Senior Software Engineer.” Consequently, with jobs that center around big data, the need for data analysts is rapidly increasing and about a third of the jobs available at MyFitnessPal today center around these careers (Zysman & Kenney). The other jobs on the team are engineering, customer service oriented, or content writing oriented. People who apply for any position at MFP will have to be experts in the “solving, identifying, brokering” of problems (Reich 187). MyFitnessPal’s profit margins and domination of the market however, serve as an example to prove Florida’s

proposal that “economic development was a result of attracting a smart, creative workforce (Lui et al.)”

### *Nutritional Database*

Even though MyFitnessPal states on their website that culture is more important to them than their product, something that has to be more important to them than their culture is their extremely vast nutritional database. Using the Amazon cloud, MyFitnessPal’s nutritional database is probably one of the greatest assets to the company and something that it has over every other competitor out there, both in large corporations and public institutions (Olson).

Much like how Facebook has no value without user-generated content, if MyFitnessPal didn’t have such a large user base that was contributing nutritional data, then they would not have one of the largest nutritional databases around today, stacking up at 5 million items (MFP.com). Also like Facebook, MyFitnessPal is providing new jobs for nutritionists and personal trainers who can now gain clients via message boards on the app itself. Consequently, with jobs that center around big data, the need for data analysts is rapidly increasing and about a third of the jobs available at MyFitnessPal today center around these careers (Zysman & Kenney).

Essentially MyFitnessPal has capitalized on remote knowledge acquired through its users by collecting it all into its own database. With all remote knowledge, comes the possibility of knowledge distortion. In the case of MyFitnessPal, they have a very extensive terms and agreement that doesn’t hold them liable for nutritional data error, but they do have analysts moderate commonly used food items and ensure a decent amount of accountability (Thomas). Also, the MyFitnessPal community itself regulates the data and holds itself accountable for the nutritional information that they publish, as producing accurate caloric and nutrient information

will help them with their weight loss. For a firm like MyFitnessPal, their data distortion is the users problem and something that the user can also solve. MyFitnessPal has made itself a source of shared-specialized knowledge from their over 80 million users. Therefore, even though they are not a large company by today's standards, they have acquired a large following that industry giants are obviously taking note of. As MyFitnessPal holds a wide array of specialized and cumulated knowledge through their crowd-sourced nutritional database, it is another source of bargaining power, as only a few suppliers may have a particular expertise required by the buyer, which also leads to small numbers bargaining (Dedrick).

### *Revenue*

As MyFitnessPal runs on a digital platform, it makes money through monetized posting of ad's on its Android App and Web App. It doesn't utilize monetized ad postings on the iOS app because it is not necessary and doing so might be deterrence to iPhone users (Ha). A competitive advantage to MyFitnessPal in the fitness/health app market is that it doesn't "stratify its app." This means that it doesn't have a premium version that one can pay for to upgrade his or her app, and that everyone gets the same product. Like Google, MFP is so popularly used, it makes enough money on ads to sustain itself, therefore it is not constantly asking the user if he or she would like to upgrade. (Chanelle)

In this data sharing economy, everybody wins by losing (lbs), but MyFitnessPal wins by winning. As "online human activity, both work and not work, creates (or transformed into) value," MyFitnessPal derives almost all of their nutritional database value from the users of the site, while they pay data scientists to simply analyze it, clean it out, and use it to keep users on the app through suggestions (Kenney ppt: Rethinking Labor). Though MFP has access to and analyzes this data for internal use, it does not give out any personal data on who eats what to

third party analysts, but this could also serve as a potential source of revenue. As of now, they only provide data on their nutritional items to third party analyst and site-users. (Chanelle)

### *Winner-Take-All*

In these digital platform economies, those who benefit the most from the work that they do are entrepreneurs who retain most of the profit from both their staff labor, and the labor of the users in this case: adding data to the system and for android users-accidentally clicking ads (MFP.com). It isn't perfect and it's risky to start a cloud-based business- the digital platform economy follows the power law meaning there is only a small amount of firms that can be at the top and get everything, and a large distribution of firms that get little to nothing. (Thomas)

Despite MyFitnessPal being in the health and fitness mobile app cluster, this does not mean that everyone is a winner within it. At the moment, MyFitnessPal dominates the profit margins of the fitness/health app game making it become a winner-take-all economy and to an extent, a monopoly (Panagiotopoulos). In a winner-take-all economy only a small number of firms capture the rewards. As MyFitnessPal collects other apps and continues to partner, it acquires even more money for itself and now dominates a significant majority market share of the health and fitness app market (marketdata). Thus, MyFitnessPal is expanding profit margins even further, while those partnered apps aren't receiving as much reward (Kenney-ppt, rethinking Labor).

### **Long Live the Health and Fitness App Winner**

In conclusion, with weight loss trends heading further from traditional industry heads such as Weight Watchers and Jenny Craig, it seems as though the DIY health/fitness app will even further dominate the weight loss market (De LaRosa). Marketdata found that:

“the share of dieters that prefer a self-directed program is now 82% during 2012— near the highest ever. Historically since 1989, about 70% of dieters have used a self-directed plan, but this share has risen due to the last recession (De LaRosa).”

As a result, traditional weight loss methods will probably be abandoned by all but few die-hard fans because digital platforms allow for more flexibility and autonomy, which is what the majority of the “creative class,” aka the main health and fitness market, will want (Reich). The people who work for MFP or any other digital weight loss platform will probably end up with much higher profit margins than those people who traditionally would in the past. Because independent workers in the traditional weight loss industry, such as personal trainers and nutritionists are losing their market to a huge quantity of DIY dieters, the market for those careers is decreasing and the median salaries of personal trainers and nutritionists is much below that of a MyFitnessPal employee (Friedman). Thus, people such as nutritionists and trainers might be taking a pay cut as clients are taken into the “digital world.” However, the probability that personal trainers will become automated in the next 20 years is very low (Kenney ppt: Rethinking Labor).

What the probability isn't low for, however, is that MyFitnessPal and the health and fitness mobile app industry going anywhere but up any time soon. With the recent acquisition of MyFitnessPal for \$475 Million and all the other most profitable fitness apps by Under Armour, a sporting good company, MyFitnessPal's future is rather uncertain. However, early articles suggest that Under Armour plans to create a more integrated ‘Whole Body Health’ or ‘quantified-self’ digital system and let MyFitnessPal remain slightly autonomous with their recent acquisitions, but MFP users are anxiously waiting to see where the company will be going moving forward as Under Armour is not necessarily a tech-centered company. Many users have

expressed worry over the seemingly “random” acquisition on the community boards because the app quality, responsiveness and closeness to the community of users might be diluted by the incorporation, as is sometimes the case with large-scale acquisitions. Along these lines it is also speculated that soon the app may no longer be “free,” and stratification might occur in an attempt to increase Under Armour’s ROI. (Panagiotopoulos)

However, regardless of what the acquisition may bring, MyFitnessPal will forever be regarded as the company that addressed the need within the “Digital Health Movement” surrounding individual weight-loss related solutions, instigated the mini health/fitness mobile app cluster in SoMA, “strengthened local capabilities for innovation” by creating an API for new fitness apps to work off of, and managed to create the largest nutritional database in the world (Lester). By following the “three T’s,” technology, talent, and tolerance,” MyFitnessPal has acquired economic, academic, and community success globally (Lui et. al.). These days, with the plethora of free integrated options available, it is easier than ever to track nutrition and exercise. It’s getting a little bit more difficult to use the age-old excuse of “I don’t have time to lose weight” any longer. As the limits to the cloud and what can be done as far as further innovations in health and fitness IT are endless, America can look forward to a fitter future with fatter pockets.

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