

## Market Analysis Appendix

### Market Need: Supplementary Material

One way of describing and quantifying the market for health and preventative information is by LOHAS and non-LOHAS market segments. Whereas LOHAS consumers – or cultural creatives – strive to enhance healthful living, non-LOHAS consumers typically lack the education, time, or healthcare resources necessary to reverse poor health. Both groups seek health care information via the web.

#### Non-LOHAS

The Milken Institute recently reported that healthcare for many preventable forms of chronic illnesses costs the U.S. more than \$1 trillion annually, a cost that, at the current rate, is expected to reach \$7 trillion by 2050.<sup>1</sup> Total U.S. healthcare expenditures exceed \$2 trillion annually and are expected to reach \$4 trillion by 2015.<sup>2</sup> The report also indicates that chronic illness costs the economy millions in various forms such as missed work and unnecessary medical procedures that lead to expensive complications. Experts estimate that the prevention of chronic illnesses could save the economy \$1.7 trillion by 2023. As observed by the Milken Institute, the health crisis in the U.S. is not necessarily spurred by individual people but by a systematic failure of remedial healthcare which is designed to treat – and not prevent – illness and disease. The total cost for treating the 40 million preventable cases of chronic illnesses exceeds \$277 billion annually, while the estimated economic loss tops \$1.1 trillion. Prevention of other major issues such as obesity could reduce healthcare spending by \$60 billion by 2023. In fact, obesity and cigarette smoking are the two most common causes of chronic illnesses in the U.S.– presenting viable starting points from which to remediate American health.<sup>3</sup> The following table describes the costs associated with chronic illnesses in the U.S. Apart from most forms of cancer, most of the following illnesses are preventable.

Chronic Illness Costs – U.S.				
Disease	Reported cases	Treatment cost	Value of lost productivity	Total economic expense
Cancer	10.6 million	\$48.1 billion	\$271.2 billion	\$319.3 billion
Hypertension	36.8 million	32.5 billion	279.5 billion	312 billion
Mental disorders	30.3 million	45.8 billion	170.9 billion	216.7 billion
Heart disease	19.1 million	64.7 billion	104.6 billion	169.3 billion
Pulmonary conditions	49.2 million	45.2 billion	93.7 billion	138.9 billion
Diabetes	13.7 million	27.1 billion	104.7 billion	131.8 billion
Stroke	2.4 million	13.6 billion	22.1 billion	35.7 billion

#### LOHAS

The staggering cost of treating chronically ill people as well as the gamut of other medical issues has in recent years spurred a new healthy lifestyle movement entitled LOHAS, or lifestyles of health and sustainability. This \$209 billion market focuses on wellness, health, lifestyle, environment, and other interconnected factors relating to HealthEDD's business model.<sup>4</sup> Evidence of this trend includes the growth in sales of organic and natural foods. More than two thirds of Americans purchased organic foods in 2005, a 50% jump from the previous year, and this trend continues to escalate.<sup>5</sup> The following table describes the LOHAS market and current spending in each category:

<sup>1</sup> San Francisco Chronicle. "Chronic illness costs the economy more than \$1 trillion a year." October 2007. <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2007/10/03/BUDKSGJLP.DTL>

<sup>2</sup> National Coalition on Healthcare. "Health insurance cost." <http://www.nchc.org/facts/cost.shtml>

<sup>3</sup> SIGMA. <http://capwiz.com/sgma/issues/alert/?alertid=9198336>

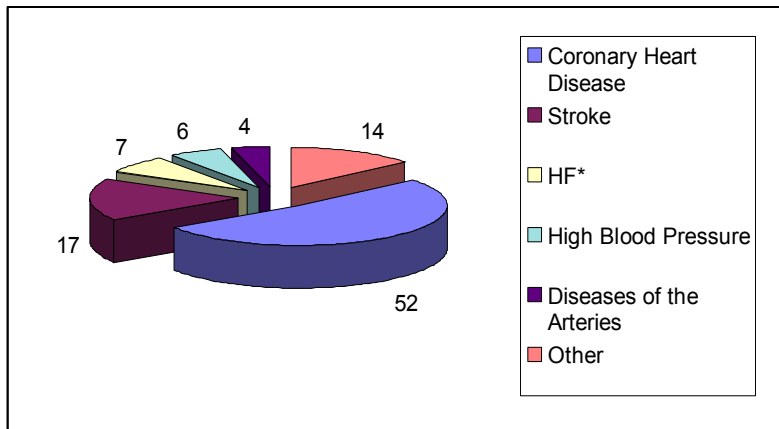
<sup>4</sup> LOHAS. "LOHAS Background." <http://www.lohas.com/about.htm>

<sup>5</sup> Consumer Report. "When it pays to buy organic." February 2006. <http://www.consumerreports.org/cro/food/diet-nutrition/organic-products/organic-products-206/overview/>

LOHAS Market <sup>6</sup>	
<b>Personal Health</b> -\$118.03 billion	<b>Natural Lifestyles</b> -\$10.6 billion
<b>Green Building</b> -\$50 billion	<b>Alternative Transportation</b> -\$6.12 billion
<b>Eco Tourism</b> -\$24.17 billion	<b>Alternative Energy</b> - \$380 million

**Preventable Chronic Illnesses**

The Company will further cater to those who desire good health and longevity but are dealing with chronic illness. This market segment is substantiated by the increasing incidence of heart disease, pre-diabetes, diabetes, obesity, and many other diseases preventable with the proper health plans. The obesity epidemic continues to claim more Americans every year. Currently, 65% of the U.S. population is overweight or obese, which results in \$93 billion in annual medical bills. This eclipses medical bills associated with smokers, which is valued at \$76 billion. In general, obese people generate 37.7% more in medical costs each year than people with average weights.<sup>7</sup> Obesity has far-reaching effects on health, increasing one’s risk of heart disease, certain cancers, diabetes, infertility, joint pain, and many other health problems. One of the most common and serious consequences of obesity today is diabetes. Diabetes now affects about 20 million Americans. Obesity is a major risk factor for type II diabetes.<sup>8</sup> However, the primary cause of death in the United States is heart disease, which took more than 652,000 lives in 2004 alone.<sup>9</sup> The following graph displays the percentage of deaths from cardiovascular diseases in 2004.<sup>10</sup>



According to the August 2007 *National Vital Statistics Report* by the Centers for Disease Control and Prevention, the 2005 average U.S. life expectancy rate from birth was 77.8 years, with males at 75.2 years and women at 80.4 years.<sup>11</sup> The primary cause of death in the United States and in the world is cardiovascular disease, which took more than 652,000 lives during 2004 alone in the U.S.<sup>12</sup> and accounted for 42% of deaths in the world in 2002 (combining cardiovascular disease [29.34%] and

<sup>6</sup> LOHAS. "LOHAS Background." <http://www.lohas.com/about.htm>

<sup>7</sup> Hellmich, Nanci. USA Today. "An overweight America comes with a hefty price tag." Obtained at: [http://www.usatoday.com/news/health/2003-05-13-obesity-usat\\_x.htm](http://www.usatoday.com/news/health/2003-05-13-obesity-usat_x.htm).

<sup>8</sup> Jones, Val. Medscape Today. "The 'Diabesity' Epidemic: Let's Rehabilitate America." May 2006. Obtained at: <http://www.medscape.com/viewarticle/530956>.

<sup>9</sup> Centers for Disease Control and Prevention. *National Vital Statistics Reports*. August 2007. Obtained at: [http://www.cdc.gov/nchs/data/nvsr/nvsr55/nvsr55\\_19.pdf](http://www.cdc.gov/nchs/data/nvsr/nvsr55/nvsr55_19.pdf).

<sup>10</sup> American Heart Association. *Heart Disease and Stroke Statistics – 2008 Update*. 2008. Obtained at: <http://www.americanheart.org/presenter.jhtml?identifier=3018163>.

<sup>11</sup> National Center for Health Statistics. U.S. Department of Health and Human Services. *Health, United States, 2007*. 2007. Obtained at <http://www.cdc.gov/nchs/data/hus/07.pdf#027>.

<sup>12</sup> Centers for Disease Control and Prevention. *National Vital Statistics Reports*. August 2007. Obtained at [http://www.cdc.gov/nchs/data/nvsr/nvsr55/nvsr55\\_19.pdf](http://www.cdc.gov/nchs/data/nvsr/nvsr55/nvsr55_19.pdf).

Ischemic heart disease [12.64%]).<sup>13</sup> The following table displays the percentage of deaths from major chronic illnesses in 2004 along with costs in treatment and lost productivity.<sup>14</sup>

Chronic Illness Costs – United States				
Disease	Reported cases	Treatment costs	Value of lost productivity	Total economic expenses
Cancer	10.6 million	\$48.1 billion	\$271.2 billion	\$319.3 billion
Hypertension	36.8 million	\$32.5 billion	\$279.5 billion	\$312 billion
Mental disorders	30.3 million	\$45.8 billion	\$170.9 billion	\$216.7 billion
Heart disease	19.1 million	\$64.7 billion	\$104.6 billion	\$169.3 billion
Pulmonary conditions	49.2 million	\$45.2 billion	\$93.7 billion	\$138.9 billion
Diabetes	13.7 million	\$27.1 billion	\$104.7 billion	\$131.8 billion
Stroke	2.4 million	\$13.6 billion	\$22.1 billion	\$35.7 billion
<b>Total</b>	<b>162.1 million</b>	<b>\$277 billion</b>	<b>\$942.1 billion</b>	<b>\$1.3 trillion</b>

Most, if not all, of these diseases are preventable to some degree. However, modern diets based on convenience and the increase in sedentary professional jobs is affecting people across the world. Every year, the world sees a growing number of disease sufferers, which not only hurts the individual and his or her company but also national healthcare plans and expenditures.

#### Cultural Contributions to Health Care Crisis

Consumer, corporate, and medical environments are incompatible with healthy lifestyles. For example, while good health depends on whole, fresh, and chemical-free foods, most people in the workforce eat quick-style, unhealthy food during lunch or on the go. These injurious eating habits compounded with years of inactivity comprise the leading cause of obesity. More than 44.5 million Americans smoke and 70% of Americans are considered over weight.<sup>15</sup> Combine sedentary lifestyles with poor eating habits and smoking and it is no surprise that 40% of Americans deal with chronic illnesses – costing the American economy more than \$1 trillion each year.<sup>16</sup>

The current solution is part of the problem. Standard medicine practices focus on disease-centered treatment, which often fails to appreciate the entire function of the human body and what the body needs. By focusing on treating individuals and excluding the underlying biological functions of the human body rather than preventing illness and using the body's existing capacity to fight illnesses, modern medicine tacitly aids in the degeneration of American health. According to Dr. Barbara Starfield, member of the Johns Hopkins School of Hygiene and Public Health, more than 250,000 deaths can be attributed to the U.S. healthcare system every year (the country's third-leading cause of death). This number is derived from the following categories:<sup>17</sup>

#### Deaths per year

- 12,000** – Unnecessary surgery
- 7,000** – Medication errors in hospitals
- 20,000** – Other errors in hospitals
- 80,000** – Infections in hospitals
- 106,000** – Negative effects of drugs

#### Complementary and alternative modalities (CAM)

<sup>13</sup> World Health Organization. *The world health report 2004 - changing history*, "Annex Table 2: Deaths by cause, sex and mortality stratum in WHO regions, estimates for 2002." Obtained at <http://tinyurl.com/18r>.

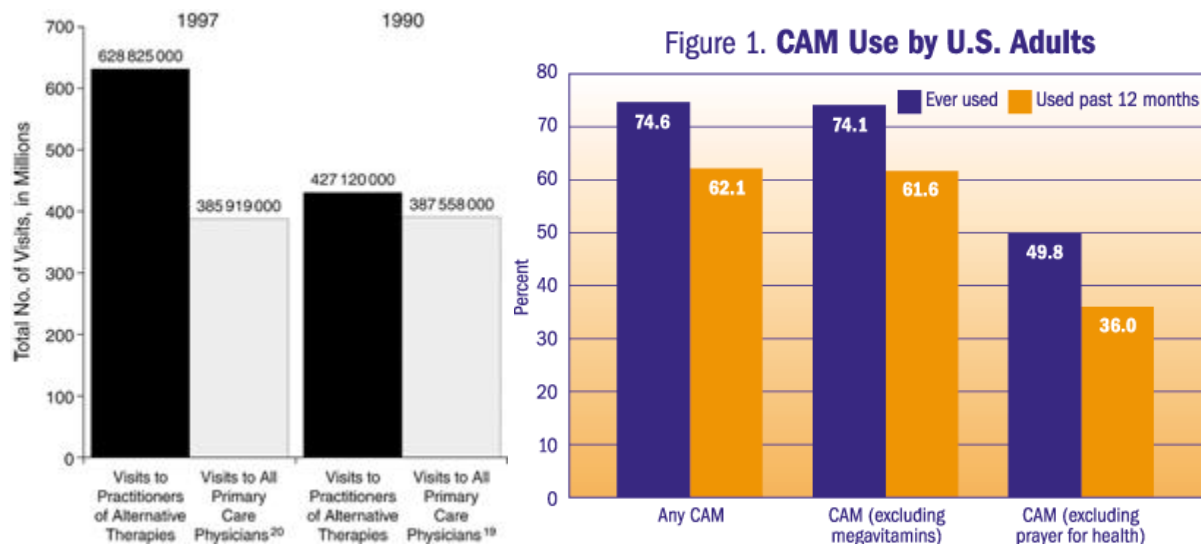
<sup>14</sup> American Heart Association. *Heart Disease and Stroke Statistics – 2008 Update*. 2008. Obtained at <http://www.americanheart.org/presenter.jhtml?identifier=3018163>.

<sup>15</sup> CDC. 2004. <http://www.cdc.gov/MMWR/preview/mmwrhtml/mm5444a2.htm>

<sup>16</sup> San Francisco Chronicle. "Chronic illness costs the economy more than \$1 trillion a year." October 2007. <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2007/10/03/BUDKSGJLP.DTL>

<sup>17</sup> Dr. Starfield, Barbara. *Journal of the American Medical Association*. Volume 284. July 26, 2000.

The market for complementary medicine has been the subject of much interest recently, with Congress establishing and funding the National Center for Complementary and Alternative Medicine (NCCAM) at the National Institutes of Health. Current 2008 research funding for NCCAM stands at \$121 million, with interest in CAM growing in the general population at an incredible rate. CAM usage in the U.S. is further depicted in the charts below.



In the ten years since it was established, NCCAM has already built a global enterprise based on research and scientific excellence regarding complementary and alternative medicine. NCCAM-supported studies, carried out at more than 260 institutions, encompass the wide range of CAM practices and have resulted in more than 1,500 scientific papers published in peer-reviewed journals. This is a vast, rapidly developing field of scientific research, with a wide range of established professionals charting new ground regularly.

This progress and development has not gone ignored by the American public. Americans are accepting complementary medical practices rapidly as they grow dissatisfied with the answers available to them through conventional medical means. According to the NCCAM, "36% of adults [in the United States] are using some form of CAM. When megavitamin therapy is used specifically for health reasons and is included in the definition of CAM, that number rises to 62%."<sup>18</sup> Americans are becoming comfortable in personalizing their medical routines and embracing approaches that often require active, ongoing participation in a diverse variety of health practices and behavior change approaches.

Driven largely by consumer demand for CAM, this area is rapidly becoming a major force shaping healthcare systems in the United States and around the world. This global shift toward incorporating CAM, in fact, is also being driven by economics on both a personal and national scale. There is no clear definition of what CAM involves. Instead, it is a combination of diverse resources and strategies apart from traditional Western approaches. NCCAM has developed a loose structure to enumerate the most widespread CAM treatments, which is summarized below.<sup>19</sup>

- *Whole medical systems* – Homeopathic medicine, naturopathic medicine, Chinese medicine, Ayurveda
- *Mind-body medicine* – Patient support groups, cognitive-behavioral therapy, meditation, prayer, mental healing, creative outlets (art, music, and dance)
- *Biologically based practices* – Natural herb, food, and vitamin intake
- *Manipulative and body-based practices* – Chiropractic, osteopathic, massage
- *Energy medicine* – Biofield therapies, bioelectromagnetic-based therapy

<sup>18</sup> NCCAM (National Center for Complementary and Alternative Medicine). "The Use of Complementary and Alternative Medicine in the United States." May 2007. Obtained at [http://nccam.nih.gov/news/camsurvey\\_fs1.htm](http://nccam.nih.gov/news/camsurvey_fs1.htm).

<sup>19</sup> NCCAM (National Center for Complementary and Alternative Medicine). "What Is CAM? [NCCAM CAM Basics]." Obtained at <http://nccam.nih.gov/health/whatiscam/>.

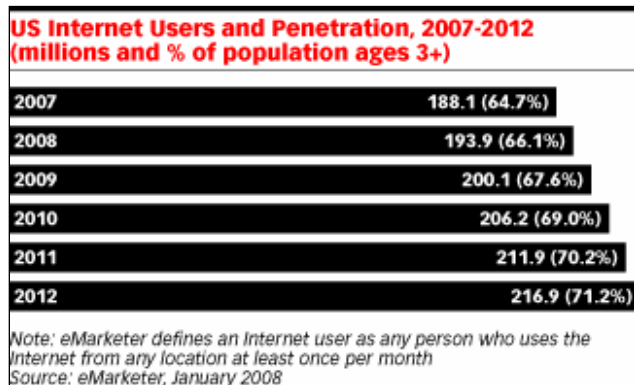
**NCCAM Funding History:** Congress established the Office of Alternative Medicine in 1992 and the National Center for Complementary and Alternative Medicine in 1999. Appropriations by year listed below.

FY 2008: \$121.5 million	FY 2002: \$104.6 million	FY 1997: \$12.0 million
FY 2007: \$121.6 million	FY 2001: \$89.2 million	FY 1996: \$7.7 million
FY 2006: \$122.7 million	FY 2000: \$68.7 million	FY 1995: \$5.4 million
FY 2005: \$123.1 million	FY 1999: \$50.0 million	FY 1994: \$3.4 million
FY 2004: \$117.7 million	FY 1998: \$19.5 million	FY 1993: \$2.0 million
FY 2003: \$114.1 million		

## Market Trends: Supplementary Material

### Internet penetration

Because the Company will be online-oriented, it is important to examine Internet and online video usage and e-commerce statistics as well. eMarketer penetration and Pew Internet user demographic results are displayed in the following chart and table.<sup>20,21</sup> Figures differ slightly due to survey bases, though both show great nationwide adoption.



Demographics of Internet Users			
<b>Total Adults</b>	73%	<b>Geography</b>	
Men	73%	Urban	74%
Women	73%	Suburban	77%
		Rural	63%
<b>Age</b>		<b>Annual Household Income</b>	
18-29	90%	Less than \$30,000	44%
30-49	85%	\$30,000-\$49,999	63%
50-64	70%	\$50,000-\$74,999	85%
65+	35%	\$75,000 or more	95%
<b>Race/Ethnicity</b>		<b>Educational Attainment</b>	
White, Non-Hispanic	75%	Less than High School	44%
Black, Non-Hispanic	59%	High School	63%
English-speaking Hispanic	80%	Some College	84%
		College and Higher	91%

<sup>20</sup> eMarketer. "What's Not to Like About Behavioral Targeting?" June 30, 2008. Obtained at [http://www.emarketer.com/Article.aspx?id=1006391&src=article2\\_newsltr](http://www.emarketer.com/Article.aspx?id=1006391&src=article2_newsltr).

<sup>21</sup> Pew Internet & American Life Project. "Internet Activities." July 22, 2008. Obtained at [http://www.pewinternet.org/trends/User\\_Demo\\_7.22.08.htm](http://www.pewinternet.org/trends/User_Demo_7.22.08.htm).

Although most HealthEDD users will come from the United States, its resources will be available to a worldwide audience due to its web-based operations. As such, an analysis of Internet penetration and usage in all major world regions will help to quantify the Company's potential base of users. The following table is provided by Miniwatts Marketing Group and is based on the latest statistics (June 30, 2008) from leading online research organizations.<sup>22</sup>

World Internet Usage and Population Statistics						
Region	Population (2008 Est.)	Internet Users (2000)	Internet Usage (Latest Data)	% Population Penetration	Usage % of World	Usage Growth (2000-2008)
Africa	955,206,348	4,514,400	51,065,630	5.3%	3.5%	1,031.2%
Asia	3,776,181,949	114,304,000	578,538,257	15.3%	39.5%	406.1%
Europe	800,401,065	105,096,093	384,633,765	48.1%	26.3%	266.0%
Middle East	197,090,443	3,284,800	41,939,200	21.3%	2.9%	1,176.8%
North America	337,167,248	108,096,800	248,241,969	73.6%	17.0%	129.6%
Latin America/Caribbean	576,091,673	18,068,919	139,009,209	24.1%	9.5%	669.3%
Oceania/Australia	33,981,562	7,620,480	20,204,331	59.5%	1.4%	165.1%
<b>World Total</b>	<b>6,676,120,288</b>	<b>360,985,492</b>	<b>1,463,632,361</b>	<b>21.9%</b>	<b>100.0%</b>	<b>305.5%</b>

**NOTES**

- (1) Internet Usage and World Population Statistics are for June 30, 2008
- (2) Demographic (Population) numbers are based on data from the U.S. Census Bureau
- (3) Internet usage information comes from data published by Nielsen//NetRatings, by the International Telecommunications Union, by local NIC, and other reliable sources.

**Online video trends**

eMarketer has developed the following statistics regarding which sources consumers regularly receive video content from, marking the personal computer as the second most popular video channel.<sup>23</sup>

<b>Video Content Usage among US Online Video Viewers*, by Age and Device, February 2008 (% of total)</b>					
	<b>12-17 (n=132)</b>	<b>18-24 (n=132)</b>	<b>25-34 (n=211)</b>	<b>35-54 (n=396)</b>	<b>55+ (n=231)</b>
Television	55%	61%	69%	76%	74%
Personal computer	24%	27%	21%	16%	18%
Movie theatre screen	9%	6%	4%	4%	4%
Portable digital media player	5%	3%	3%	1%	1%
Portable DVD player	5%	1%	1%	2%	2%
In-vehicle DVD player	2%	1%	1%	1%	1%
Mobile phone or PDA	1%	1%	1%	1%	-
Other	1%	-	-	-	-

*Note: numbers may not add up to 100% due to rounding; \*who have streamed or downloaded video content*  
 Source: Ipsos MediaCT, "MOTION" as cited in press release, May 30, 2008

095227 www.eMarketer.com

While online video still represents just 2.4% of all online ad spending, eMarketer suggests that ad spending in this category will reach \$1.15 billion, up from 2008's \$505 million. By 2013, online video ad spend could represent as much as 10% of total online marketing expenditures.<sup>24</sup> Spending in 2008 constituted an impressive 55.9% increase from 2007, suggesting that online video represents a

<sup>22</sup> Internet World Stats. Miniwatts Marketing Group. "World Internet Usage Statistics News and World Population Stats." Obtained on November 11, 2008 at <http://www.internetworldstats.com/stats.htm>.

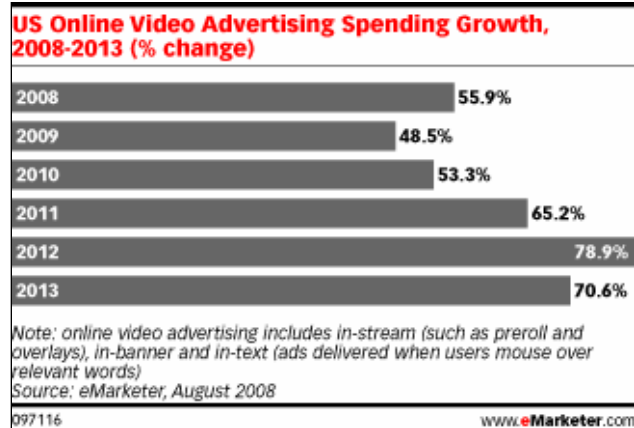
<sup>23</sup> eMarketer. "More Video Viewed on PCs." June 2008. Obtained at <http://tinyurl.com/59ephu>.

<sup>24</sup> eMarketer. "Online Video Ad Outlook Still Optimistic." September 8, 2008. Obtained at <http://tinyurl.com/6qftky>.

potentially explosive avenue for advertising in the coming years.<sup>25</sup> The following charts show LiveRail's own valuation of online video in relation to total online ad spend from 2006 to 2010 as well as eMarketer's forecasted growth of online video advertising expenditures from 2008 to 2013.

	2006	2007	2008	2009	2010
<b>Online video ad spending</b>	<b>\$214</b>	<b>\$371</b>	<b>\$619</b>	<b>\$962</b>	<b>\$1,399</b>
% change	-	73.3%	66.9%	55.5%	45.4%
<b>Total online ad spending</b>	<b>\$16,879</b>	<b>\$21,206</b>	<b>\$26,168</b>	<b>\$31,248</b>	<b>\$36,215</b>
% change	-	25.6%	23.4%	19.4%	15.9%
<b>Online video % of total online</b>	<b>1.3%</b>	<b>1.8%</b>	<b>2.4%</b>	<b>3.8%</b>	<b>3.9%</b>

Source: LiveRail, "State of the Industry: LiveRail's Q3 2008 review of online video advertising," September 3, 2008  
097780 [www.eMarketer.com](http://www.eMarketer.com)



**E-commerce**

Although it is impossible to quantify the number of businesses operating online, e-commerce statistics for websites generating sales provide a useful estimate of this booming market. According to statistics by InternetRetailer.com, 66% of U.S. Internet users are active online searchers and shoppers. This represents 126 million Americans shopping online, with some estimates topping 147 million.<sup>26</sup> E-commerce has continued to grow as an industry by 25% each year since 2003, with \$175 billion spent online in 2007. If this growth trend continues, the final sales figure at the end of 2012 will reach \$334.7 billion.<sup>27</sup> The following table, provided by the same source, displays the projected growth in online retail sales from 2008 to 2012.

Year	Amount to be spent
2008	\$204.0 billion
2009	\$235.4 billion
2010	\$267.8 billion
2011	\$301.0 billion
2012	\$334.7 billion

**Market Segmentation Supplementary Material**

HealthEDD.com's initial primary target markets include corporate health promotion programs and their suppliers, consumers, health care practitioners. The target market includes the vast majority of Americans who experience chronic illness or obesity but lack the necessary tools to mitigate these health issues; the other target market includes cultural creatives who are part of the LOHAS movement. These target market groups are classified as non-LOHAS (those suffering from chronic illness, overweight individuals, or smokers) and LOHAS consumers:

Health Care Professionals

The Company's website will be a useful resource for all types of medical practitioners, whether they are administering customary or complementary medicine. Physicians (MD, DO or ND), nurses, chiropractors,

<sup>25</sup> eMarketer. "How Many TV Ad Dollars Can Online Video Advertising Grab?" September 12, 2008. Obtained at <http://tinyurl.com/4lfstx>.

<sup>26</sup> Internet Retailer. "58% of Canada's population is online, lagging slightly behind U.S." October 2006. Obtained at: <http://www.internetretailer.com/dailyNews.asp?id=20349>.

<sup>27</sup> Internet Retailer. "2007 online retail sales hit \$175 billion, Forrester Research says." January 2008. Obtained at: <http://www.internetretailer.com/dailyNews.asp?id=25168>.

and acupuncturists constitute this segment's top four niches. Fifty percent of medical doctors use the Internet as a resource to help their patients. In fact, 68% actually research on the web while their patients are waiting. Of the 50% who commonly use the Internet for medical research, 55.8% claim improved results.<sup>28</sup> Physicians include M.D. (Doctor of Medicine) or D.O. (Doctor of Osteopathic Medicine) or N.D. (Doctor of Naturopathy). Chiropractors and some small subset of other health practitioners (acupuncture/OMD, Ayurvedic, Clinical Nutrition, Sports Medicine, PT, etc.) may be interested in the HOC program.

Schools

School populations are a future target, as the material must be specially developed for the different age groups. But it is ultimately the most desirable group in order to help children establish healthful habits. According to SchoolDataDirect.org, there are slightly less than 100,000 schools in the U.S. (98,905 in 2006). With regard to K-12 education, there are 53,075 elementary schools, 16,374 middle schools, and 15,671 schools in the nation. These numbers are demonstrated in the following graph:<sup>29</sup>

U.S. Public Schools & Districts: Education Facts	
2006 Total Expenditures (\$ Per Student)	10,400
2006 Number of Students	49,676,964
2006 Number of Schools	98,905
2006 Number of School Districts	14,598
2006 Number of Elementary Schools	53,075
2006 Number of Middle Schools	16,374
2006 Number of High Schools	15,671
2006 Number of Charter Schools	3,900

The Census Bureau states that there are 2,363 higher education four-year institutions and 1,721 two-year institutions. There are also approximately 1,500 private, non-profit, four-year institutions. On the subject of postsecondary vocational and technical institutions, there are 3,660 in the U.S., with 2,073 two-year and 1,587 less-than-two-year institutions.<sup>30</sup>

The most recent data from 2003 indicates that there are more than 2 million children who are homeschooled.<sup>31</sup> This number continues to increase by an estimated 7% per year. It is estimated that there are roughly 23 national homeschooling organizations in the country, listed below:<sup>32</sup>

Academy of Home Education	National Challenged Homeschoolers Association Network
Accelerated Christian Education (ACE)	National Home Education Research Institute
Advanced Training Institute	NCFCA
Alpha Omega Academy	Our Lady of Victory School
BJU Press Distance Learning	Parents Educating at Home
Catholic Family Expo	Seton Home Study School
Christian Liberty Academy School System	Sonlight Curriculum
Crosswalk.com Support Group	Sycamore Tree, Inc.
The Great Books Academy	Tapestry of Grace
Home Grown Families	TORCH
Laurelwood Publications	Tri-State Home School Network
National Black Home Educators Resource Association	

<sup>28</sup> Andrews JE, et al. Information-seeking behaviors of practitioners in a primary care practice-based research network (PBRN). J Med Libr Assoc 2005;93:206-12; and, Chew F, Grant W, Tote R. Doctors on-line: using diffusion of innovations theory to understand internet use. Fam Med. 2004;36:645-50

<sup>29</sup> SchoolDirectData.org. "United States Public Schools & Districts." 2006. Obtained at: <http://www.schooldatadirect.org/app/location/q/stid=1036196/llid=162/stllid=676/locid=1036195/site=pes>.

<sup>30</sup> Obtained at: <http://www.census.gov/prod/2003pubs/02statab/educ.pdf>; and <http://nces.ed.gov/surveys/PEQIS/publications/2000023/images/tab1.gif>.

<sup>31</sup> Williams, Candace. DetNews.com. "As more homeschool, state could track kids." September 2008. Obtained at: <http://www.detnews.com/apps/pbcs.dll/article?AID=/20080909/SCHOOLS/809090383/1026>.

<sup>32</sup> Obtained at: <http://www.hslda.org/Default.asp?bhcp=1>.



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### Government

There are a total of 28 national government institutions, including military, public health, and transportation, among other departments. This figure does not include the number of institutions within the states themselves. These organizations will constitute a substantial customer base for HealthEDD, as they can use the information for internal programs or the creation of programs for public dissemination. Government institutions broken down by category are listed below.<sup>33</sup>

U.S. Government Institution Name
Army and Air Force Exchange Service
United States of America Postal Service
United States of America, Army
United States of America, Attorney General
United States of America, Central Intelligence Agency
United States of America, Department of Agriculture
United States of America, Department of Commerce
United States of America, Department of Energy
United States of America, Department of the Interior
United States of America, Department of State
United States of America, Department of Transportation
United States of America, Director National Security Agency
United States of America, Environmental Protection Agency
United States of America, Federal Aviation Administration
United States of America, Federal Bureau of Investigation
United States of America, Federal Communications Commission
United States of America, Federal Reserve Bank of Boston
United States of America, Federal Reserve Bank of Richmond
United States of America, Federal Trade Commission
United States of America, Health and Human Services
United States of America, Library of Congress
United States of America, National Aeronautics and Space Administration
United States of America, National Science Foundation
United States of America, Navy
United States of America, Small Business Administration
United States of America, Tennessee Valley Authority
United States of America, Treasury
United States of America, Veterans Administration

**The National Institutes of Health (NIH):** The NIH is part of the U.S. Department of Health and Human Services, and is considered a federal agency. This agency conducts and supports medical research. It is composed of 27 Institutes and Centers in the United States. Scientists at these agencies explore new ways to treat and prevent disease, as well as the causes and symptoms.

**The World Health Organization (WHO):** There are 8,000 people in the U.S. and abroad who work for the WHO's 147 offices, 6 regional offices, and its headquarters in Geneva, Switzerland. This world organization is responsible for providing leadership on global health matters, shaping the health research agenda, setting norms and standards, articulating evidence-based policy options, providing technical support to countries around the world, and monitoring and assessing health trends.

**Center for Disease Control and Prevention (CDC):** This is the nation's premier public health agency. The overall goal of CDC is to ensure that healthy people live in a healthy world. CDS employs

<sup>33</sup> Obtained at: [http://www.uspto.gov/go/stats/govt/total\\_counts/govt\\_ct\\_list.htm](http://www.uspto.gov/go/stats/govt/total_counts/govt_ct_list.htm).

more than 14,000 employees in 54 countries. This agency is composed of the Office of the Director, the National Institute of Occupational Safety and Health, and 6 coordinating centers (or offices), including the following:

- **Health Promotion: this is the most relevant mandate for Health Oneself**
- Environmental Health and Injury Prevention
- Health Information Services
- Infectious Diseases
- Global Health and Terrorism Preparedness
- Emergency Response.

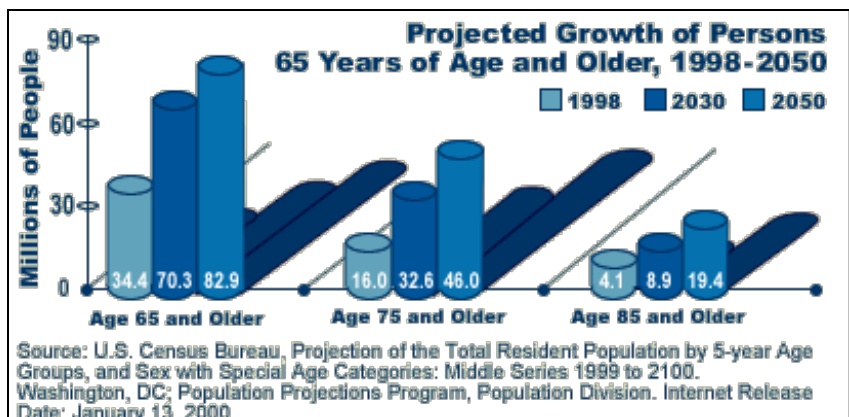
*Corporation Health promotion programs:* HealthEDD will target corporations interested in receiving accurate health information in an entertaining format. These users will be able to apply the information to internal health programs, reduce losses on absenteeism, or implement employee programs based on the website’s information and video. Substantiating this market segment, corporate health and wellness programs are on the rise. Nationally, companies lose more than \$226 billion annually on employee absenteeism related to poor health and related problems.<sup>34</sup> In other words, more than one quarter of a trillion dollars is spent on lost productivity due to otherwise preventable health problems. If employers could cut this cost by 50%, the savings would exceed \$113 billion annually. According to a report by Hewitt, a national survey of more than 450 major U.S.-based corporations indicated that two-thirds have organized wellness and disease management programs.<sup>35</sup> Many of these (38%) included employee incentives such as smoking prevention and obesity reduction through exercise.<sup>36</sup> Regardless of the variance between corporate health programs, market trends overwhelmingly show that businesses can reduce expenses through appropriate health incentives.

*General public*

HealthEDD’s general public market segment will include all individuals interested in health issues and want to receive accurate information quickly and easily. The Company’s cartoons will help to entertain and educate people on a wide variety of topics. This group will include the aforementioned LOHAS and non-LOHAS individuals as well as Baby Boomers and any other consumer segment looking for health information. Target markets in particular include relatively higher income and education levels, more women than men, and metropolitan dwellers.

A substantial amount of the Company’s market share will be directly attributed to the influential older-than-50 Baby Boomer demographic. This prosperous generation represents 39% of the U.S. population, and more than 30% of Americans will be older than 50 by 2010.<sup>37</sup> Boomers are the most health conscious cohort group on the planet today and as the current Boomer generation ages, its members will require mounting medical services.

According to the U.S. Census Bureau, the population of Americans age 65 and older is expected to double within 25 years. Nearly one in five Americans will be older than 65 by 2030, representing about 72 million people. The fastest growing U.S. age group is the older-than-85-years population.<sup>38</sup> The following table displays age group growth



<sup>34</sup> The Washington Post. "Now, the Stick." November 2007. <http://www.washingtonpost.com/wp-dyn/content/article/2007/11/09/AR2007110902102.html>

<sup>35</sup> The Washington Post. "Now, the Stick." November 2007. <http://www.washingtonpost.com/wp-dyn/content/article/2007/11/09/AR2007110902102.html>

<sup>36</sup> Ibid.

<sup>37</sup> AdvantAge. "What is the AdvantAge Initiative?" Obtained at: <http://www.vnsny.org/advantage/whatis.html>.

<sup>38</sup> Bergman, Mike and Susan Farrer. U.S. Census Bureau. "Dramatic Changes in U.S. Aging Highlighted in New Census, NIH Report." March 2006. Obtained at: <http://tinyurl.com/pylpw>.

rates from 1998 figures projected to 2030 and 2050.<sup>39</sup>

Another important future target market is children for edutainment via HealthEDD’s educational cartoons. However, as with the school population, the material must be specially developed to be age appropriate. According to *ScienceDaily*, children begin watching videos, television, and DVDs at a very early age. A study compiled by the University of Washington found that the main reason parents expose their children to television is for educational or entertainment purposes. In fact, 29% of parents exposed their children for educational benefits, while 21% responded that some form of television or video relaxed their children.<sup>40</sup> More importantly, children begin to use computers at a very young age. The National Science Foundation concluded that 21% of children less than two years old use computers, while 58% of three to four year olds and 77% of five to six year olds use computers.<sup>41</sup> By 2005, children were increasing their Internet usage by viewing websites with interactive stories and animated lessons for a variety of subjects.<sup>42</sup>

### Industry Analysis: Supplementary Material

HealthEDD will operate within the *Health and Allied Services* industry (Standard Industrial Classification 8099). The table below shows Dun & Bradstreet data regarding the performance of the businesses in this industry on a national level.<sup>43</sup>

Industry: Health and Allied Services (8099)							
Establishments primarily engaged in providing health and allied services.							
Market Size Statistics							
Estimated number of U.S. establishments: 44,638							
Number of people employed in this industry: 276,589							
Total annual sales in this industry: \$27.3 billion							
Average number of employees per establishment: 6							
Average sales per establishment (unknown values are excluded from the average): \$600,000							
Market Analysis by Specialty (8-digit SIC Code)							
SIC Code	SIC Descr.	No Bus.	% Total	Total Emps.	Total Sales	Avg. Emps.	Avg. Sales
8099-0000	Health and allied services, nec	30,110	67.5%	87,181	\$4.7 billion	3	\$200,000
8099-0200	Physical examination and testing services	960	2.2%	11,080	\$1.7 billion	12	\$2.5 million
8099-0201	Health screening service	1,417	3.2%	17,644	\$834.1 million	13	\$600,000
8099-9906	Nutrition services	3,153	7.1%	15,922	\$1.2 billion	5	\$400,000

<sup>39</sup> AdvantAge. "What is the AdvantAge Initiative?" Obtained at: <http://www.vnsny.org/advantage/whatis.html>.

<sup>40</sup> Sciencedaily.com. "Many children younger than two watch TV regularly, but content varies." May 2007. Obtained at: <http://www.sciencedaily.com/releases/2007/05/070507183624.htm>.

<sup>41</sup> NSF.gov. "Children, TV, Computers, and More Media: New Research Shows Pluses, Minuses." February 2005. Obtained at: [http://www.nsf.gov/news/news\\_summ.jsp?cntn\\_id=102813](http://www.nsf.gov/news/news_summ.jsp?cntn_id=102813).

<sup>42</sup> eSchoolnews.com. "More preschoolers going online." June 2005. Obtained at: <http://www.eschoolnews.com/news/showStory.cfm?ArticleID=5723>.

<sup>43</sup> Dun & Bradstreet. Industry Data for SIC XXXX-0000. May 2008.

## Marketing Strategy: Supplementary Material

These marketing mediums are referenced in *Entrepreneur Magazine's* October 2008 issue:<sup>44</sup> "Get Noticed: Shine a Spotlight on Your Business with Our 21 Low-Cost Marketing Moves", by Gwen Moran.

- 1) *Blog all about it:* The Company will leverage social media optimization to garner interest in its website and services. This will require the Company to log on to blog sites, social media sites, and health-related websites to "get the word out" and refer people to its new site.
- 2) *Cultivate loyalty:* HealthEDD will implement customer referral programs to encourage use of its website.
- 3) *Distribute content:* The Company will submit press releases to major media outlets. Press releases provide the following benefits for businesses: name recognition, website enhancement, and rapport building.<sup>45</sup>
- 4) *Mine your data:* To encourage adoption of its online services, HealthEDD will enable individuals to mine data through its website. By encouraging participation, individuals will be more likely to visit its website.
- 5) *Speak up:* Word travels quickly between peers, family members, and colleagues who are pleased with the quality of service they receive. The Company will rely on this form of effective, yet inexpensive marketing to generate interest in its services. Consumers have reported that "a person like me" has become the most credible source of information about a company or a product – from 20% in 2003 to 68% today.<sup>46</sup>
- 6) *E-mails:* Clients can opt to receive the Company's newsletter, which advertises Company news and updates. The e-mail newsletter will also be sent out to leads generated from demographic information, strategic industry partnerships, and philanthropic partners. This will reinforce brand building among the Company's target market.
- 7) *Make employees a sales tool:* The Company's staff will wear t-shirts and hats emblazoned with the Company's name and logo.
- 8) *Start surveying:* Polling the target audience is a proven way to cultivate customer loyalty. Customers want their voices and opinions to be heard. Therefore, the Company will conduct surveys on an ongoing basis.
- 9) *Reward referrals:* HealthEDD will explore the possibility of deploying a referral program for practitioners and/or consumers.
- 10) *Get a group going:* In addition to posting profiles on social media sites and LinkedIn, the Company will also consider starting a group to advocate its services.
- 11) *Become a specialist:* The Company recognizes the importance of specializing in a particular topic, and will therefore leverage its expertise in health-related concepts to further its trust and credibility in the marketplace.
- 12) *Use what you've got:* A low-cost marketing tactic includes sending out mailers and post cards with the Company's name and logo to prospective users/clients.

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<sup>44</sup> Ibid.

<sup>45</sup> Obtained at: [http://www.allengoel.com/content/Benefits\\_of\\_Press\\_Releases.pdf](http://www.allengoel.com/content/Benefits_of_Press_Releases.pdf).

<sup>46</sup> Edelman Trust Barometer. Ecommercetimes.com. "Can Web 2.0 Help Retailers Win Price Wars?" Obtained at: <http://www.ecommercetimes.com/story/56517.html>

- 13) *Do the Q4 boogie:* This tactic involves tracking when major media outlets are accepting new advertisements and press releases. The Company will keep a calendar that tracks the most ideal dates to distribute content.
- 14) *Compete, then repeat:* Competing in “best of” contests against competitors and other similar websites will naturally increase the Company’s publicity.
- 15) *Write and op-ed or letter to the editor:* The Company will send editorials to local newspapers, speaking on behalf of a relevant issue. In this editorial, the Company will include its website and services. This, in turn, will spur interest.
- 16) *Post a video:* The Company will create an information-packed video to be posted on its site or a video site such as YouTube.
- 17) *Exploit the Web:* To increase online traffic, the Company will consider using a combination of Internet advertising including cost-per-click, Google Ad-words, tags, banner ads, and search engine optimization of its website. This multi-pronged effort will help generate interest in the Company from the online community and general public.
- 18) *Hit the streets:* The Company’s staff will visit local businesses as well as gyms to promote its services.
- 19) *Use your space:* Eye-catching signs will be posted in major metropolitan areas throughout the U.S. to raise awareness of its website and services.
- 20) *Create a customer advisory board:* HealthEDD will invite customers to be part of a panel that provides continual feedback on its services.
- 21) *Team up:* HealthEDD will make use of cross promotional marketing tactics by working with to-be-determined companies. These partnerships will be mutually beneficial to both companies, and will help increase brand awareness in the target market for both the Company and its partners.