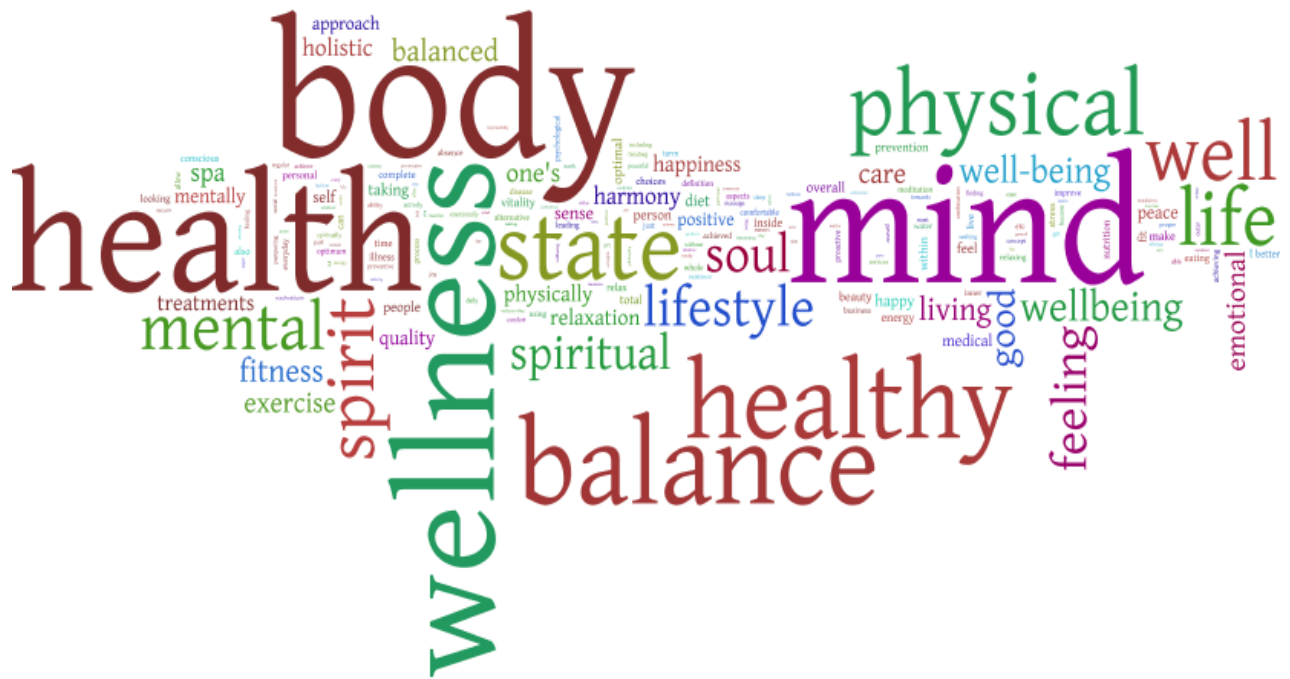


May 2010



Spas and the Global Wellness Market: *Synergies and Opportunities*

The Global Spa Summit gratefully acknowledges the support of our exclusive sponsor who made the research and this report possible.



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The Global Spa Summit (GSS) is an international organization that brings together leaders and visionaries to positively impact and shape the future of the global spa and wellness industry. Founded in 2006, the organization hosts an annual Global Spa Summit where top industry executives gather to exchange ideas and advance industry goals. For more information on the Global Spa Summit, please visit: www.globalspasummit.org.

About SRI International

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EXECUTIVE SUMMARY

Around the world, there is growing interest in changing the way we take care of ourselves – not just our bodies, but also our minds, spirit, society, and planet. There is a growing impetus for a paradigm shift, a switch from mere reactivity – trying to treat or fix our problems – to a proactive and holistic approach to addressing and prevent the root causes of our personal and societal ills. This is what the wellness movement is all about.

Recognizing the opportunities that wellness presents for the spa industry, the Global Spa Summit has commissioned SRI International to conduct an in-depth analysis of the emerging global wellness market. The objectives of this study are:

- To provide a rigorous investigation of the market and consumer forces driving the growth of wellness services and products.
- To collect some of the first ever primary data from industry and consumers about their views on wellness.
- To highlight key areas of opportunity and intersection where the spa industry can take advantage of growth and partnership opportunities in myriad wellness-related sectors.
- To provide recommendations on how spas – both as a collective industry and as individual business owners – can position themselves strategically to capitalize on growing wellness lifestyle trends.

Wellness: The Concept, the Industry, and the Consumer

Wellness as a concept has a long, ancient tradition and body of knowledge behind it

Wellness is a modern word with ancient roots. As a modern concept, wellness has gained currency since the 1950s, 1960s, and 1970s. Starting with a seminal, but little known, book published by Dr. Halbert Dunn in 1961 (called *High-Level Wellness*), the writings and leadership of an informal network of physicians and thinkers in the United States have largely shaped the way we conceptualize and talk about wellness today. The origins of wellness, however, are much older – even ancient. Aspects of the wellness concept are firmly rooted in several intellectual, religious, and medical movements in the 19th century United States and Europe. The tenets of wellness can also be traced to the ancient civilizations of Greece, Rome, and Asia.

Defining Wellness

There are a number of rigorous and well-thought-out definitions of wellness, developed over time by the leading thinkers in the field. In fact, it was the process of attempting to define, understand, and measure wellness during the 1950s-1970s that initially led to the propagation of the concept in the modern era. However, like the term “spa,” there is still no universally accepted definition of the word “wellness.”

The World Health Organization’s definition of “health” is a convenient, internationally recognized description that captures the broad tenets of wellness. This definition – adopted by the WHO in 1948 – was significant in the fact that it went beyond just the physical state of freedom from disease and emphasized a positive state of being that includes mental and social dimensions. It also laid the groundwork for much of the ongoing thinking about wellness in the mid-20th century.

Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity. ~Preamble to the Constitution of the WHO

While recognizing that there are regional variations in the concept of wellness, several common threads stand out across the various definitions of wellness:

- Wellness is multi-dimensional.
- Wellness is holistic.
- Wellness changes over time and along a continuum.
- Wellness is individual, but also influenced by the environment.
- Wellness is a self-responsibility.

The decision of whether or how to use the word “wellness” in marketing is probably best left to individual businesses to decide, based on their own business strategy and customer base. However, it would also be beneficial for the spa industry to start thinking and talking about wellness in a more coherent and harmonized manner. In the recommendations section of this report, we provide guidance on some core principles of wellness that could be adopted by the spa industry.

The burgeoning wellness industry includes proactive approaches to feeling better and preventing sickness from developing

In the fields of economics and business, there is no clearly defined wellness industry, although there is an emerging sense that such an industry does exist and is growing rapidly. An easy way to understand the wellness industry is to view it on a continuum. On the left-hand side of the continuum are **reactive** approaches to health and wellness – that is, mechanisms to treat or address existing illnesses or conditions. Conventional medicine (which is sometimes called the “sickness industry”) would fall on the left-hand side of the continuum. Addressing problems and curing diseases brings a person only to the middle, or neutral point, of the continuum. To the right-hand side are **proactive**

approaches to health and wellness – that is, things that enhance quality of life, improve health, and bring a person to increasingly optimum levels of well-being.

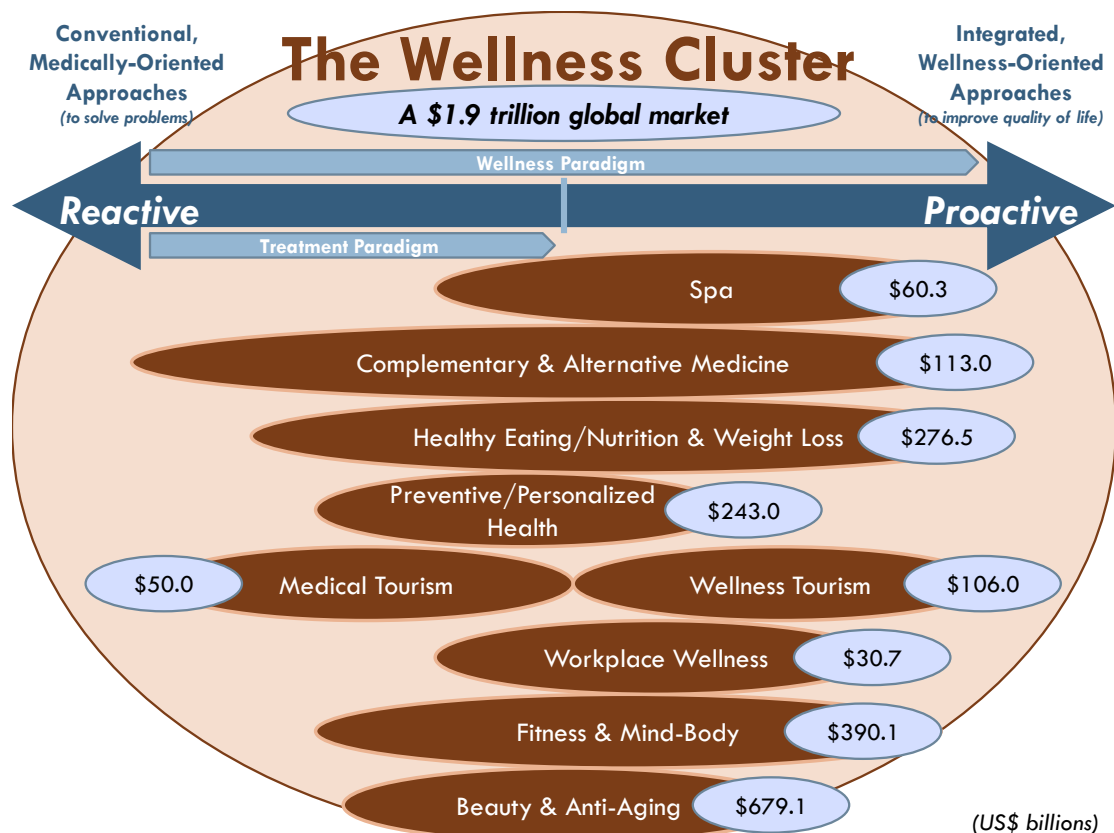
SRI has developed for this study a model of the wellness industry that includes nine industry sectors, and each sector is depicted along the wellness continuum.¹ ***SRI estimates conservatively that the wellness industry cluster represents a market of nearly \$2 trillion dollars globally.*** All of the wellness sectors have direct market interactions with the core spa industry, and they present high-potential opportunities for the spa industry to pursue new wellness-oriented business ventures, investments, and partnerships beyond the menu of products and services traditionally offered at spas.

Drivers of the Growing Wellness Industry

Several major trends are driving the growth of wellness as an industry. These trends not only directly impact the spa industry and its customers, but also are opening new opportunities for spas to play a leading role in a paradigm shift toward more proactive ways of taking care of ourselves.

- Increasingly older, unhealthy people
- Failing medical systems
- Globalization and connection

Estimated Global Market Size of the Wellness Industry Cluster



¹ The continuum concept used in this model of the wellness cluster is adapted from Dr. John W. Travis' wellness-illness continuum, detailed in Appendix A.

The consumer market for wellness is large and growing, and the potential market is even larger

Anecdotal evidence – from leading stakeholders and thinkers in the spa industry and the broader wellness cluster – suggests that the “Baby Boomer” generation has been and is currently the core consumer group driving the growth of the wellness industry. However, there is also a large and growing younger generation of consumers interested in wellness products and services, as well as a large, as-yet unstudied and untapped local market for wellness in Asia, Latin America, and other regions around the world.

Wellness consumers are not a niche market – their number is already large and growing. In fact, ***SRI estimates that there are already about 289 million wellness consumers in the world's 30 most industrialized and wealthiest countries.*** Like the wellness industry, wellness consumer segments can also be viewed on a continuum:

Health and Wellness Consumer Segments		
<i>Sickness reactors, not active spa-goers</i>	<i>Wellness focused, moderate-to-active spa-goers</i>	
Periphery	Mid-level	Core
• “Entry level” health and wellness consumers • Aspire to be more involved in health and wellness, but their behaviors do not yet follow their aspirations • Are mostly “reactive” rather than “proactive” when it comes to matters of health and wellness	• Moderately involved in a health and wellness lifestyle • Tend to follow some of the trends set by the Core • Purchase large amounts of both conventional and health and wellness-specific products • Still somewhat concerned with price and convenience, but also driven by knowledge and experience	• Most involved in a health and wellness lifestyle • Serve as trendsetters for other consumers • Health and wellness is a major life focus for them • Driven by sustainability, authenticity, and local sources
Source: GMDC and The Hartman Group, <i>Consumer Shopping Habits for Wellness and Environmentally Conscious Lifestyles Study: Insights for Health, Beauty and Wellness</i>, September 12, 2009, http://www.pacific.edu/Documents/school-pharmacy/acrobat/Consumer%20Shopping%20Habits%20for%20Wellness%20-%20Presentation.pdf.		

Survey of Industry and Consumer Views on Wellness

SRI and GSS developed two short surveys that were distributed to spa stakeholders and consumers around the world. These surveys queried industry members (319 respondents) and consumers (1,077 respondents) about their views on wellness – both as a concept and as a trend – in relationship to business planning, purchasing patterns, and lifestyle.

Industry and Consumer Awareness and Definitions of Wellness

- Eighty-three percent of industry respondents are using the term “wellness” in their businesses, and almost all consumer respondents are aware of the term.
- Industry and consumers tend to define wellness in similar ways, and both groups relate the following words and phrases most closely with wellness: quality of life, physical fitness, happiness, balance, relaxation, emotional balance, stress reduction, and spa. However, consumers rank “mental health” and “medical health” among their top ten terms associated with wellness, while industry members rank “holistic health” and “spiritual health” in their top ten.
- Eighty-one percent of consumer respondents stated that they are “extremely” or “very interested” in improving their personal wellness. When seeking to enhance their wellness, consumer respondents said they are most likely to exercise, eat better, and visit a spa. The placement of exercise and eating better at the top of the list indicates an opportunity for spas to add or enhance their service offerings in the areas of fitness and nutrition.
- Seventy-one percent of consumer respondents said they would be “much more likely” or “somewhat more likely” to visit a spa if they learned that a series of research studies demonstrated that spa treatments deliver measurable health benefits.

Industry Interest in Wellness as a Business Opportunity

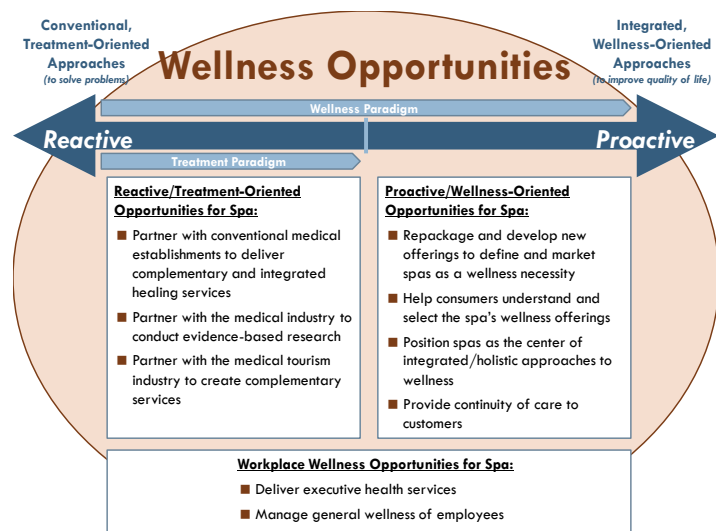
- Eighty-nine percent of industry respondents see wellness as an important future driver for the spa industry.
- Eighty-two percent of industry respondents indicated that they have taken steps to respond to the wellness movement over the last five years, and among this group, 91% also reported that these changes have yielded growth in revenues.
- Nine out of 10 industry respondents plan to make wellness-related investments in the next 5-10 years. Almost all of them believe their business will see growth from these investments, and 70% expect their wellness-related investments to lead to more than 10% revenue growth.

Opportunities for Spas in the Wellness Industry

Spas are already providing wellness, even if they don't recognize it or claim it. The tradition of spa as a place for healing, renewal, relaxation, and “feeling well,” positions the spa industry as one of the most logical sectors to take advantage of (and help lead) the wellness movement. Wellness also provides an opportunity to reshape

the image of spa, to regroup after the global recession, and to position spa as an investment or an essential element in maintaining a healthy lifestyle.

There are a number of business opportunities for the spa industry to pursue along the wellness continuum. While some opportunities will require long-term effort and investment, others simply require spa owners and investors to make small adjustments to their service offerings and reexamine their marketing approaches and customers with a new, wellness-oriented viewpoint.



Tapping into Reactive/Treatment-Oriented Opportunities and Resources

1. **Partner with conventional medical establishments to deliver complementary and integrated healing services to medical patients** (such as massage, hydrotherapy, etc.), delivered at medical centers or through referral networks. Spas can also develop specialized treatment packages tailored for specific patient profiles (such as cancer, diabetes patients, etc.) or package appearance and confidence-enhancing spa and beauty services/products for seriously ill patients, to boost their mood, self-image, and positivity about recovery.
2. **Partner with the medical industry to encourage and conduct evidence-based research**, and explore ways for individual spas to support specific research studies.
3. **Partner with the medical tourism industry to create complementary services for medical tourists** in the pre-op, post-op, and recovery phases; deliver medical tourism services at spas; and create integrated spa, beauty, and wellness packages for the companions traveling with medical tourists.

Tapping into Proactive/Wellness-Oriented Opportunities and Resources

1. **Repackage existing offerings and develop new offerings to define and market spas as a wellness necessity**, especially by drawing upon traditional/culturally-based healing therapies; educating consumers on the therapeutic benefits of these treatments; and placing greater emphasis on partnering services with products that

have therapeutic value, that promote healthy aging and self image, and that can help a client continue to feel and look well after leaving the spa.

2. **Help consumers understand and select the spa's wellness offerings** by utilizing wellness assessment tools to create individually tailored packages of services/products and by reframing spa offerings within the context of the different dimensions of wellness.
3. **Position spas as the center of integrated/holistic approaches to wellness** by creating integrated wellness packages that include spa services, personal training, mind-body services, nutrition counseling, life coaching, healthy aging and self-image-boosting beauty services/products, and so on. Take spa out of its usual "box" or niche – bring spa services into new physical locations, make spa and wellness services accessible to different consumer segments, and develop specialized services that target specific consumer markets.
4. **Provide continuity of care to customers** by building long-term relationships through wellness membership programs or wellness/life coaching services.

Tapping into Workplace Wellness Opportunities and Resources

1. **Deliver executive health services**, such as executive health assessments or executive retreats, and package wellness services and lifestyle counseling with these programs.
2. **Manage general wellness of employees** by developing corporate membership programs or by delivering wellness-related spa services at the workplace.

Recommendations for Moving the Industry Forward

1. **Develop a harmonized understanding of wellness terminology and concepts in relation to the spa industry, to reduce consumer confusion.** Although it is not necessary for all spa stakeholders to define wellness in exactly the same way, we recommend that the industry begin thinking and talking about wellness organized around a few core principles:
 - Wellness is **multi-dimensional and holistic**, incorporating dimensions of physical, mental, emotional, spiritual, social, and environmental wellness.
 - Wellness can be envisioned and explained by the **illness-wellness continuum**.
 - Wellness is **consumer-driven**.

2. **Promote and support ongoing conversations on wellness in the spa industry (and with other wellness sectors) to keep abreast of a rapidly growing and changing wellness market.** The Global Spa Summit and/or other regional/international associations present ideal platforms and can organize ongoing wellness symposiums; invite leading thinkers and organizations in the wellness industry to educate the spa industry; take dialogue and discussion to the regional level; and facilitate dialogue with the beauty/anti-aging, fitness, and conventional medical sectors.
3. **Build a body of evidence-based consumer research that connects spa to wellness.** Consumer research sponsored by regional or country industry associations and focusing on wellness consumers within specific markets and regions would be of benefit to many spa stakeholders.
4. **Facilitate and publicize evidence-based/scientific research on wellness approaches.** For the conventional medical community to widely accept, recommend, and prescribe spa-based treatments, they will need to “see the data” delivered by rigorously designed clinical trials, and then see the data duplicated in additional, similar trials. With the medical community on board, employers, insurers, and public health officials are likely to follow suit, which will offer spas increased access to insurance reimbursement and wellness programs funded by employers and governments. The spa industry can facilitate more scientific research by:
 - Making more accessible the existing evidence-based research studies on the benefits of spa and alternative therapies.
 - Encouraging more clinical studies by reaching out to the medical and research community.
 - Offering a global research award for original research on the health benefits/effects of spa-related treatments.
5. **Support new industry research to raise awareness of and attract investment in wellness opportunities.** Industry research areas that could be supported or facilitated by GSS or other organizations include:
 - Financial benchmarks and metrics for spa and wellness-related sectors.
 - Case studies of successful wellness-oriented business models.
 - Spa industry size and economic impact studies at the regional and country levels.

- 6. Connect with wellness-related public sector tourism and public health organizations to leverage their resources.** The spa industry would be well served by seeking to forge a closer connection and dialogue with government agencies that are overseeing key wellness segments:
 - Building an ongoing dialogue, at the industry level, with global tourism organizations (e.g., WTO, WTTC) about the role of spas in the medical and wellness tourism markets.
 - Reaching out to regional tourism organizations and ministries, to leverage the promotion and brand-building that has been done at the country/regional levels.
 - Making connections with public health authorities, such as government-funded medical research institutions.
- 7. Teach spa therapists to understand and promote wellness.** The GSS and other industry organizations could work with major spa therapist training schools to provide guidance on new curriculum that would address wellness concepts and teach spa therapists how to educate their customers in holistic wellness principles and behaviors.
- 8. Educate spa management on wellness concepts and business savvy.** Industry leaders could work more closely with the handful of spa management training programs/universities that exist to help shape the curriculum to reflect future market needs – for example, incorporating a “wellness theory” component into the coursework; providing additional education on trends and operational approaches in other wellness-related sectors (e.g., fitness, medicine, corporate wellness, healthy aging/beauty, etc.); and providing more extensive coursework on business development, promotion, and marketing.

I. OVERVIEW

Around the world, there is growing interest in changing the way we take care of ourselves – not just our bodies, but also our minds, spirit, society, and planet. In fact, experts urge that such a paradigm shift *needs* to occur if we are to successfully address major problems facing our world in the coming years. They call for a switch from mere reactivity – trying to treat or fix our problems – to a proactive and holistic approach to address and prevent the root causes of our personal and societal ills.

That is what the wellness movement is all about. However, despite growing popularity, wellness concepts have not yet reached mainstream recognition and acceptance. And ironically, as wellness practices are spreading, fundamentally preventable problems like obesity, poor nutrition, and other chronic diseases like heart disease and cancer are growing even more rapidly.

Many in the spa industry dismiss “wellness” as merely a passing fad confined to a small market of Western, affluent consumers. That is not the case. First, wellness as a concept has a long and ancient tradition and body of knowledge behind it. Second, the consumer market for wellness is large and growing, and the potential market is even larger. Third, a paradigm shift in our economy and society toward wellness-oriented approaches will be imperative to the future health and longevity of our population and our planet. Hopefully, this shift is inevitable.

A. Why GSS Is Studying the Wellness Market

At recent Global Spa Summits, the theme of wellness has emerged as one of the most talked-about and important trends shaping the spa industry’s future. The importance of wellness for the industry was underscored in the *2009 GSS Delegate Survey*, which found that delegates perceive the preventive health segment as offering the biggest opportunity for their future business, and that preventive healthcare ranks as one of the two greatest forces influencing their spa businesses moving forward. In this survey, 46% of delegates also reported that, among potential partners, they are most interested in collaborating with the healthcare industry.

The 2010 Global Spa Summit has a theme of “bridges worth building,” focusing on nurturing and capitalizing on the growing linkages across the spa, beauty, medical, and other sectors. In support of this theme, SRI International was commissioned by the Global Spa Summit to conduct an in-depth analysis of the emerging global wellness market and the opportunities it presents for the spa industry. The objectives of this study are:

- To aggregate and synthesize the fragmented and emergent body of research studies and data that currently exists on wellness-related topics, and to present this information in an easy-to-read and usable format for busy spa industry leaders.
- To collect some of the first ever primary data from industry and consumers about their views on wellness – both as a concept and as a trend – with the goal of identifying areas where ongoing research is needed.
- To help spa industry leaders collect and synthesize their own, collective body of experience and knowledge on the topic of wellness, and, through discussion at the industry level, to transform these disparate opinions into a consensus-based set of opportunities and recommendations.
- To provide a rigorous investigation of the market and consumer forces driving the growth of wellness services and products, with the goal of exploring how the spa industry “fits” in relation to the broader wellness market.
- To highlight key areas of opportunity and intersection where the spa industry can take advantage of growth and partnership opportunities in myriad wellness-related sectors.
- To provide recommendations on how spas – both as a collective industry and as individual business owners – can position themselves strategically to capitalize on growing wellness lifestyle trends.

B. Research Methodology for This Study

To develop the analysis for this study, SRI conducted extensive primary and secondary research. We first conducted an extensive literature review of the major studies, reports, data, and qualitative assessments available on market trends in key wellness lifestyle sectors (such as health/medicine, beauty, fitness, etc.), as well as on the broader wellness industry and concept.

Desk research was supplemented by over 30 interviews conducted with industry leaders in the spa industry, industry leaders in other wellness lifestyle sectors, related industry associations and organizations, and leading organizations and “thinkers” on the concept of wellness.

In addition to the interviews, the SRI team, in partnership with GSS, developed two short surveys that were distributed more broadly to spa stakeholders and consumers around the world. The questionnaires queried industry and consumers about their views on wellness – both as a concept and as a trend – in relationship to business planning, purchasing patterns, and lifestyle.

II. WELLNESS AS A CONCEPT

A. History of Wellness

Wellness is a modern word with ancient roots. As a modern concept, wellness has gained currency since the 1950s, 1960s, and 1970s. The writings and leadership of an informal network of physicians and thinkers in the United States have largely shaped the way we conceptualize and talk about wellness today.

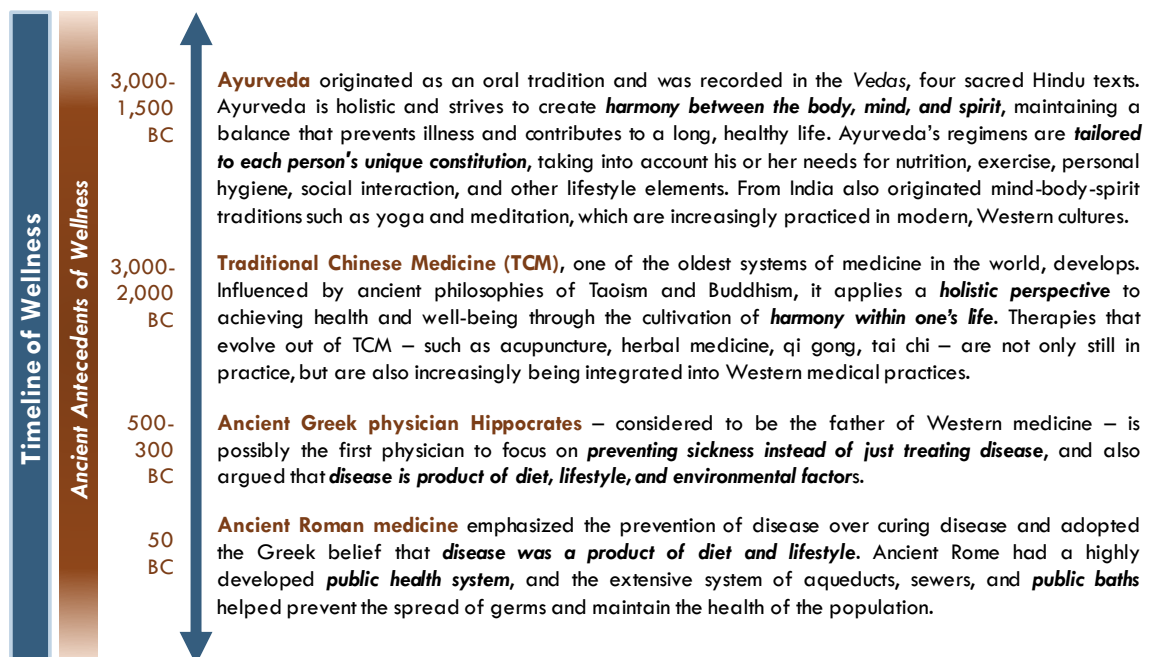
The origins of wellness, however, are much older – even ancient. Aspects of the wellness concept are firmly rooted in several intellectual, religious, and medical movements in 19th century United States and Europe. The tenets of wellness can also be traced to the

According to the Oxford English Dictionary, the first written appearance of the word *wellness* in the English language was in 1654.

ancient civilizations of Greece, Rome, and Asia. Historical traditions have indelibly influenced the modern wellness movement, and details regarding the history of wellness as a concept and as a term are provided in Appendix A.

Ancient Antecedents of Wellness

Modern definitions of wellness typically focus on holistic or integrated approaches to health; staying well (or the prevention of sickness); self-responsibility for one's health and well-being; and the idea that a person's physical, mental, and spiritual aspects should work in harmony. These tenets are clearly not new, and in fact have their



Note: A more extensive version of this timeline, including sources, is provided in Appendix A.

origins in ancient healing practices and medical traditions that date back thousands of years. The ancient cultures of China, India, Greece, and Rome (among others) had a very sophisticated understanding of how to maintain health, and they tended to emphasize a “whole person” or “harmonious” approach to staying well. Today, the concept of wellness appears to be coming full-circle, with modern iterations of ancient practices – such as ayurveda, acupuncture, yoga, meditation, and so on – growing increasingly popular around the world and becoming central components of wellness-oriented approaches to health.

19th Century Intellectual and Medical Movements

In the 19th century, new intellectual movements, spiritual philosophies, and medical practices proliferated in the United States and Europe. A number of alternative healthcare methods that focus on self-healing, holistic approaches, and preventive care – including homeopathy, osteopathy, chiropractic, and naturopathy – were founded during this era and gained widespread popularity in both Europe and the United States. Other new philosophies were more spiritually oriented (such as the “mind-cure movements,” including New Thought and Christian Science) and were instrumental in the modern era in propagating the idea that one of the primary sources of physical health is one’s mental and spiritual state of being.



Note: A more extensive version of this timeline, including sources, is provided in Appendix A.

While a few of the beliefs espoused by the thinkers behind these movements have been discredited or would seem “wacky” today, these movements did popularize ideas about regaining or maintaining one’s health through diet, exercise, and other lifestyle measures. The philosophies embodied in these 19th century movements – that a healthy body is a product of a healthy mind and spirit – are now considered to be precursors to today’s popular wellness and self-help movements. In addition, although these medical approaches fell out of favor with the rise of modern, evidence-based medicine in the mid-20th century, several of them are now regaining favor within the mainstream medical community and the general public.

20th Century Popularization of Wellness

Our modern use of the word “wellness” dates to the 1950s and a seminal – but little known – work by physician Halbert L. Dunn, called *High-Level Wellness* (published in 1961). Although Dunn’s work received little attention at the time, his ideas were later embraced and expanded upon in the 1970s by an informal network of individuals in the United States, including Dr. John W. Travis, Don Ardell, Dr. Bill Hettler, and others. These “fathers of the wellness movement” created their own comprehensive definitions and models of wellness, developed new wellness assessment tools, and wrote and spoke actively on the concept of wellness. Travis, Ardell, Hettler, and their associates were responsible for creating the world’s first wellness center, developing the first



university campus wellness center, and establishing the National Wellness Institute and National Wellness Conference in the United States.

The popularization of the wellness concept during the 1970s and 1980s led to the spread of worksite wellness programs at major corporations, as well as to the development of government-sponsored programs to promote healthier lifestyles in a number of U.S. states and cities. The modern concept of wellness also spread to Europe, where the German Wellness Association (*Deutscher Wellness Verband*, DWV) and the European Wellness Union (*Europäischen Wellness Union*, EWU) were founded in 1990. Although the ideas of the true wellness pioneers (Dunn, Travis, Ardell, Hettler, and so on) still have not reached the mainstream or achieved mass recognition, new theories about healthy-living, self-help, well-being, fitness, diet, and spirituality continue to proliferate today. Many of the medical and self-help experts who promote these ideas in today's popular media (largely in the United States) – ranging from Michael Roizen¹, Mehmet Oz², and Andrew Weil³ to Deepak Chopra⁴ Stephen Covey⁵, and Wayne Dyer⁶ – can be linked to the wellness movement.

B. Defining Wellness

There are a number of rigorous and well-thought-out definitions of wellness, developed over time by the leading thinkers in the field. In particular, each of the “founding fathers of wellness” has developed his own wellness definition and

Wellness is:
The state of being well or in good health.
(Oxford English Dictionary)

model (see *Appendix A for details*). In fact, it was the process of attempting to define, understand, and measure wellness during the 1950s-1970s that initially led to the propagation of the concept in the modern era. As such, this report will not attempt to craft a new definition of wellness for the spa industry, but will instead briefly summarize several of the best-known and most respected definitions, as well as the varying views on wellness across different regions of the world. While recognizing that there are regional variations in the concept of wellness (*discussed in Appendix A*),

¹ American physician, chief wellness officer at the Cleveland Clinic, developer of the “Real Age” concept, and award-winning author.

² Turkish-American surgeon and promoter of alternative medicine, author of a number of award-winning books on health topics, frequent contributor to the *Oprah Winfrey Show*, and host of his own television talk show.

³ American physician known for establishing and popularizing the field of integrative medicine and author of several best-selling books on healthy eating, aging, and related topics.

⁴ Indian-American physician, promoter of alternative and mind-body medicine, and author of over 45 books on New Age spirituality and alternative medicine.

⁵ Author of the best-selling book *The Seven Habits of Highly Effective People*.

⁶ American self-help “guru,” lecturer, and author of over 30 books (such as *The Power of Intention*).

several common threads stand out across the various definitions of wellness. These include:

- **Wellness is multidimensional:** Most of the leading definitions of wellness include a model that presents anywhere from 2 to 14 or more dimensions, which frequently include physical, mental, spiritual, and social dimensions.

Health is:
A state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.
(World Health Organization)

- **Wellness is holistic:** Wellness is a broader concept than physical health or fitness, focusing on the well-being of the whole person. It is not simply the absence of physical disease, but an approach that emphasizes all aspects of a person – body, mind, and spirit – working in harmony.
- **Wellness changes over time and along a continuum:** Wellness is not a static state or an end-point, but rather is often depicted on a continuum representing the optimum levels of wellness that an individual attempts to achieve and maximize throughout his or her life.
- **Wellness is individual, but also influenced by the environment:** Wellness is a process pursued on the individual level, by engaging in healthy behaviors and practices that promote personal well-being. However, personal wellness is also influenced by the conditions or environment in which one lives. With the increasing emphasis today on environmental problems, there is also increasing attention on the environmental, external, cultural, and global aspects of wellness.
- **Wellness is a self-responsibility:** Although sick people typically rely on medical doctors for treatment to fix a problem and return to good health, most advocates of wellness philosophies emphasize each individual's responsibility to take charge of one's own health and to engage in behaviors that will proactively prevent illness and promote a higher level of health and well-being.

There are a number of terms and concepts that are associated or equated with the wellness movement, but which are in fact distinct ideas. These related terms, and brief definitions, are encapsulated in the following box.

Wellness-Related Terms

Health: Is commonly defined as the presence or absence of disease, or the soundness/vigor of body or mind. The World Health Organization's definition (adopted in 1948) – "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity"⁷ – is significant in the fact that it goes beyond just the physical state of freedom from disease and emphasizes a positive state of being that includes mental and social dimensions.

Preventive Medicine: The goal of preventive medicine "is to protect, promote, and maintain health and well-being and to prevent disease, disability, and death. Preventive medicine specialists [are specialists who] have core competencies in biostatistics, epidemiology, environmental and occupational medicine, planning and evaluation of health services, management of health care organizations, research into causes of disease and injury in population groups, and the practice of prevention in clinical medicine."⁸

Integrative (or Integrated) Medicine: Combines treatments from conventional/mainstream medicine and complementary and alternative medicine (CAM) for which there is high-quality scientific evidence of safety and effectiveness.⁹

Holistic Health: Is "an approach to life. Rather than focusing on illness or specific parts of the body, [it] considers the whole person and ... emphasizes the connection of mind, body, and spirit. The goal is to achieve maximum well-being ... [and] people accept responsibility for their own level of well-being."¹⁰

Holistic Medicine: Is "the art and science of healing that addresses care of the whole person – body, mind, and spirit. The practice of holistic medicine integrates conventional and complementary therapies to promote optimal health, and prevent and treat disease by addressing contributing factors."¹¹

Personalized Medicine: Involves the systematic use of information about individual patients – especially genetic and molecular analysis – to optimize the treatment or prevention of disease. The aim is "to achieve optimal medical outcomes by helping physicians and patients choose the disease management approaches likely to work best in the context of a patient's genetic and environmental profile."¹²

⁷ World Health Organization, *Preamble to the Constitution of the World Health Organization as adopted by the International Health Conference*, New York, 19-22 June, 1946; signed on 22 July 1946 by the representatives of 61 States (Official Records of the World Health Organization, no. 2, p. 100) and entered into force on 7 April 1948, <http://www.who.int/about/definition/en/print.html>, accessed March 28, 2010.

⁸ "What Is Preventive Medicine?" American Board of Preventive Medicine Website, <https://www.theabpm.org/aboutus.cfm>, accessed March 31, 2010.

⁹ "What Is CAM?" National Center for Complementary and Alternative Medicine, National Institutes of Health Website, <http://nccam.nih.gov/health/whatiscam/overview.htm>, accessed March 31, 2010.

¹⁰ Suzan Walter, "Holistic Health," *The Illustrated Encyclopedia of Body-Mind Disciplines*, Ed. Nancy Allison, The Rosen Publishing Group, 1999, <http://ahha.org/articles.asp?id=85>, accessed March 28, 2010.

¹¹ "Frequently Asked Questions," American Holistic Medicine Association Website, <http://www.holisticmedicine.org/displaycommon.cfm?an=1&subarticlenbr=5>, accessed March 28, 2010.

¹² "Personalized Medicine 101," Personalized Medicine Coalition Website, http://www.personalizedmedicinecoalition.org/sciencepolicy/personalmed-101_overview.php, accessed April 10, 2010.

Wellness-Related Terms (continued)

Public Health: Is “the science and art of preventing disease, prolonging life, and promoting health through the organized efforts and informed choices of society, organizations, public and private, communities, and individuals.”¹³ Public health efforts typically focus on prevention of disease, health education, and reduction of risk factors at the societal (not individual) level.

Health Promotion: The WHO defines health promotion as “the process of enabling people to increase control over their health and its determinants, and thereby improve their health.”¹⁴ The concept is most commonly applied in the public health or public policy context, but is also now linked with worksite-based health and wellness programs.

Health Education: “Comprises consciously constructed opportunities for learning involving some form of communication designed to improve health literacy, including improving knowledge, and developing life skills which are conducive to individual and community health.”¹⁵

¹³ C.E.A. Winslow, “The Untilled Fields of Public Health,” *Science*, n.s. 51 (1920), p. 23 (as cited in Wikipedia entry on “Public Health,” accessed April 10, 2010).

¹⁴ World Health Organization, *The Bangkok Charter for Health Promotion in a Globalized World*, Geneva, Switzerland: WHO, 2005, http://www.who.int/healthpromotion/conferences/6gchp/hpr_050829_%20BCHP.pdf.

¹⁵ World Health Organization, *Health Promotion Glossary*, Geneva, Switzerland: WHO, 1998, http://www.who.int/hpr/NPH/docs/hp_glossary_en.pdf.

III. WELLNESS AS AN INDUSTRY

A. Drivers of the Growing Wellness Market

Much like the word “spa,” the word “wellness” has seen increasing usage, especially for marketing and advertising purposes, without regard for its deeper meaning. This has led many spa, health, and other professionals to dismiss it as just another passing fad. However, like the word spa, wellness is grounded in a solid historical tradition and body of knowledge, and trends indicate that it is becoming a major societal force. In many ways, the thinkers behind the wellness theories and models developed in the 19th and 20th centuries were merely ahead of their time.

While wellness, as a word and a concept, is only hazily understood by most mainstream consumers, the many challenges society faces today are driving people to explore new wellness-related products and services as they realize a need to find a better way to take care of themselves. Recognition and acceptance of wellness-related theories and practices is growing rapidly, even if these are not formally labeled under the wellness banner.

Below, we summarize three megatrends driving the growth of wellness as an industry. These trends not only directly impact the spa industry and its customers, but are also opening new opportunities for spas to play a leading role in the paradigm shift that the leaders of the wellness movement have recommended over the last several decades.



Increasingly older, unhealthy people

The United Nations describes the aging of our population as “unprecedented.”¹⁶ In the populations of the more developed countries, older people (60 and older)

“It is an older world.”
(Halbert L. Dunn)

began to outnumber children (under 15) in 1998. Worldwide, older people are expected to outnumber children for the first time in 2047. By 2050, the United Nations predict that 22% of the world’s population will be over 60, double the percentage in 2007.¹⁷ Within this population of 60 and over, the fastest growing group is that of 80 and over. With age typically comes decreasing physical health and mounting medical costs.

The increasing number and proportion of the aged within the world’s population foreshadows greater numbers of older and, potentially, sicker people in need of care, as well as fewer younger, able-bodied family members and/or workers available to care for them. Indications are that these numbers and proportions will also start to grow faster in less developed regions, forcing these countries to deal with increased demand for care without the economic resources of the more developed regions. Leading the wave of the aging in the North America, Europe, Japan, and other countries are the famous Baby Boomers,¹⁸ who vocally demand to have their needs met and are willing to experiment with new ways to solve their problems.

“The world has a problem: It is getting hot, flat, and crowded ... How we address these interwoven global trends will determine a lot about the quality of life on earth in the twenty-first century.”
(Thomas L. Friedman)

It is also a sicker world. Although people are living longer, they are more likely to be living with and dying from a chronic illness, frequently caused, in part, by their own behaviors and lifestyles. According to the World Health Organization, in 2005, these chronic diseases were the major cause of death and disability worldwide.¹⁹ Conditions

such as cardiovascular diseases (mostly heart attack and stroke), diabetes, obesity, cancer, and respiratory diseases accounted for almost 60% of the 57 million deaths annually and 46% of the global burden of disease.²⁰ Deaths from these diseases are

¹⁶ United Nations, *World Population Ageing 2007*, <http://www.un.org/esa/population/publications/WPA2007/wpp2007.htm>, p. xxvi.

¹⁷ Ibid.

¹⁸ Baby Boomers are persons born in the post-World War II “baby boom” in both North America and Europe, as well as Japan, Australia, and New Zealand, roughly 1946-1964.

¹⁹ World Health Organization, *Information sheet: Facts related to chronic diseases and the WHO global strategy on diet, physical activity and health*, 2003, http://www.who.int/dietphysicalactivity/media/en/gsf_general.pdf.

²⁰ The WHO global burden of disease (GBD) measures burden of disease using the “disability-adjusted life year” or DALY. This measure combines years of life lost due to premature death and years of life lost due to

expected to increase by 17% over the next 10 years, largely because of the aging population and an increased exposure to risk factors.

As the world has become more industrial and more urbanized, and as food markets have become more global, diets have become less healthy, lifestyles less active, and smoking more prevalent. These behaviors often lead to obesity, high blood pressure, high glucose levels, and high cholesterol, which, either alone or in combination, are the major causes of chronic diseases such as those listed in the table below.

Causes of Chronic Diseases									
Modifiable Risk Factors					Intermediate Risk Factors				Major Chronic Diseases
Smoking	Physical activity	Diet	Stress	Alcohol	High blood pressure	High glucose levels	High cholesterol	Obesity	
■	■	■	■	■	■	■	■	■	Chronic heart disease, stroke
■		■		■				■	Cancer
	■	■			■	■	■	■	Diabetes
■								■	Respiratory disease

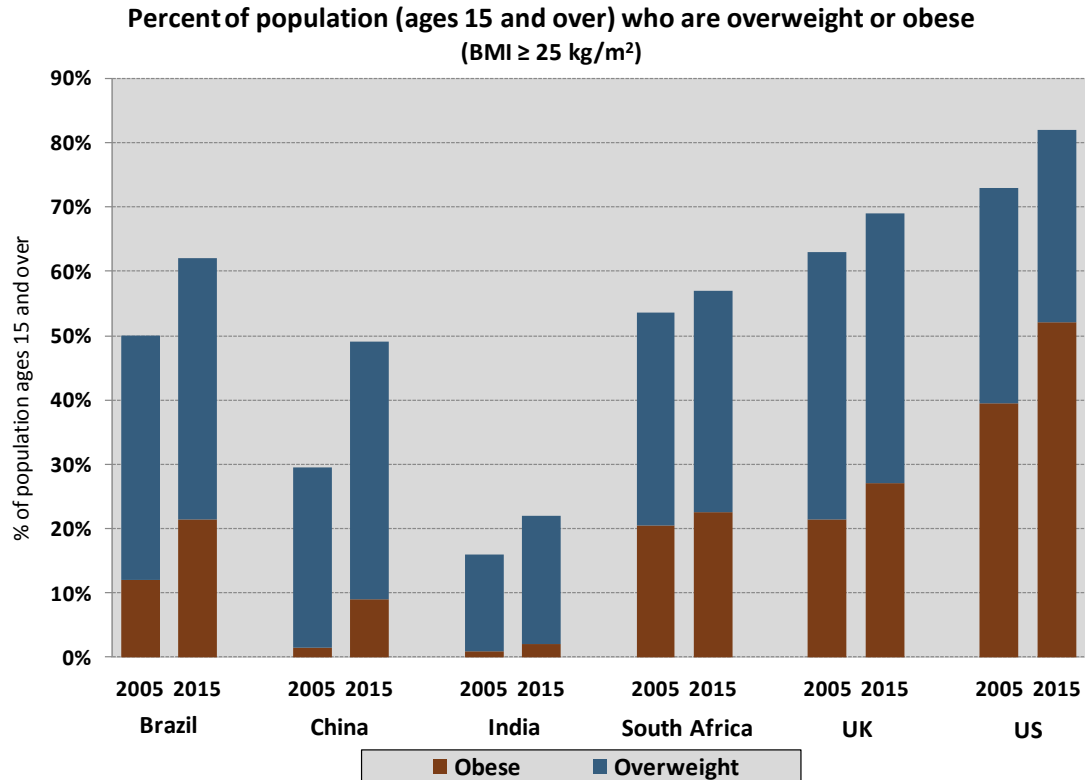
Source: Adapted from WEF/PWC, *Working Towards Wellness*, 2007, <http://www.weforum.org/pdf/Wellness/report.pdf>, Figure 4.

Obesity, which contributes to cancer, heart disease, diabetes, and respiratory disease, is a worldwide problem. More than half the adults in Brazil, the United Kingdom, and the United States are overweight or obese, and rates are expected to increase (see the graph below).

The burden of disease for a chronic illness can be high and long-lasting, as people live for many years in ill-health, requiring extensive medical services, before finally dying. The mind-boggling point, though, is that a well-established body of research demonstrates that these diseases and their costs in suffering and dollars are largely preventable with changes in diet, increased levels of physical activity, and abstinence from smoking. Up to 80% of cases of coronary heart disease, 90% of type 2 (adult-onset) diabetes cases, and one-third of cancers can be avoided by changing to a healthier diet, increasing physical activity, and stopping smoking.²¹

time lived in states of less than full health. The DALY metric was developed in the original GBD 1990 study to assess the burden of disease consistently across diseases, risk factors, and regions.

²¹ WHO, *Information sheet: Facts related to chronic diseases*.



Source: WHO data, adapted from WEF/PWC, *Working Towards Wellness*, Figure 6.

In addition to broader health issues, concerns about “the limits to growth” with regards to energy resources and environmental sustainability have become mainstream, and, in many instances, governments, businesses, and consumers are changing their behaviors to address these. A snapshot of this reaction is captured by the rise of the LOHAS market and the LOHAS consumer.

In addition to growing environmental concerns, today’s consumers are also suffering from the mounting pressures of our modern society: increasingly hectic schedules; a lack of true leisure time; the pressures of being in constant contact with the office, family, and friends by email, mobile phone, or PDA (even while on vacation); a constant barrage of information and external stimulation through multiple media (television, radio, Internet, and so on). These kinds of pressures not only increase stress, but also contribute to unhealthy behaviors, such as poor eating habits, lack of sleep, and lack of exercise – ultimately contributing to the rise of chronic, preventable conditions like obesity. In response, some people are starting to take a step back, reassess how they live their lives, and look for more inner fulfillment and deeper meaning in their lives.

Failing medical systems

Globally, health systems are failing to meet the challenges of caring for a growing number of aging and chronically ill patients. From region to region, specific problems vary but mainly involve widespread problems with cost, availability, and quality of care, as well as an ongoing emphasis on treating rather than preventing sickness. As the world's population grows older and sicker over the long term, medical systems seem less and less able to care for them. Consumers, healthcare providers, and governments are increasingly looking for a better way.

“Conventional approaches are failing, even in the most advanced nations of the world – throughout Europe, Asia, the Middle East, Australia, Canada and the United States.”
(PricewaterhouseCoopers)

“At the current rate of consumption and at the current level of thinking, the healthcare organizations of today will be unable to meet demand in the future. Our health systems will be unsustainable.”
(PricewaterhouseCoopers)

The current healthcare industry model, based on the paradigm of conventional Western medicine, is increasingly seen to be broken – a model that costs too much and delivers too little. A 2007 survey by the Kaiser Family Foundation and Pew Global Attitudes Project, conducted in 47 countries around the world, found that people ranked

concerns about health a close second, behind financial issues, when asked to name the most important problems that they and their families currently face. In one country out of two, personal illness, health-care costs, poor quality care, or other health issues were the top personal concerns of over one-third of the population surveyed.²² And yet, spending on health is increasing. In 2002, the cumulative health spending of 24 OECD countries was \$2.7 trillion; this is expected to more than triple to \$10 trillion by 2020.²³

The World Health Organization's *World Health Report 2008* describes three trends that contribute to problems in what it calls “conventional healthcare,” and what others have dubbed the “sickness industry”²⁴:

1. **Hospital-centrism:** An excessive focus on care delivered in hospitals and by specialists, which is expensive. While high-income countries are most likely to face this issue, middle- and low-income countries are following in their footsteps, with the numbers of medical specialists increasing rapidly.

²² Kaiser Family Foundation and Pew Global Attitudes Project, *A Global Look at Public Perceptions of Health Problems, Priorities, and Donors: The Kaiser/Pew Global Health Survey*, 2007, <http://www.kff.org/kaiserpolls/upload/7716.pdf>, p. 14.

²³ PWC, *HealthCast 2020*, p. 3.

²⁴ Paul Zane Pilzer in *The Wellness Revolution*, and others.

2. **Fragmented and fragmenting care:** Medical specialists are more likely to focus on a narrow section of a patient's health rather than taking a holistic approach to the patient, his or her family, and environment. Public or private programs aimed at preventing or controlling a condition – such as obesity, diabetes, cancer, or heart disease – also focus solely on the issue of choice, to the exclusion of other factors that may contribute to wellness or illness.
3. **Commercialization:** As patients are frustrated with the inability of “official” health systems (i.e., services and facilities provided by governments or reimbursed by insurance), other providers enter the less regulated market for out-of-the-patient's-pocket services. While some providers offer valuable, needed services, others take advantage of less regulation and desperate situations to provide less than effective care at less than fair prices.

In describing these trends, the WHO states, “At the same time, the health sector lacks the expertise to mitigate the adverse effects on health from other sectors and make the most of what these other sectors can contribute to health.”²⁵ Perhaps in reaction to these widespread problems, many industry and thought leaders interviewed for this study referred to a growing sense of “self-responsibility” among individuals with regard to maintaining their own health, stemming from a realization that the current healthcare system is failing them and cannot be trusted to take care of them. This may be driving people to engage in proactive healthy behaviors and to investigate alternative forms of healthcare.

For instance, in the United States, many prominent medical experts, frustrated by the shortcomings of their tools and training, have begun to investigate alternative treatments and preventive techniques and are submitting these methods to the

“Few would disagree that health systems need to respond better – and faster – to the challenges of a changing world.”
(World Health Organization)

rigorous investigation of the scientific method. Meanwhile, in 1991 the U.S. National Center for Complementary and Alternative Medicine was established (as part of the government-funded National Institutes of Health) and in 2010 will spend \$129 million to study the effectiveness of complementary and alternative treatments, including, but not limited to: acupuncture, osteopathy, traditional Chinese medicine and other herbal medicines, massage, tai chi, yoga, meditation, and mindfulness-based interventions.²⁶

Globally, as witnessed by the focus of recent WHO reports mentioned above, governments and public health officials are also seeking better solutions and seeking

²⁵ WHO, *World Health Report 2008*, p. xiv.

²⁶ “About NCCAM,” National Center for Complementary and Alternative Medicine, National Institutes of Health Website, <http://nccam.nih.gov/about/>, accessed April 9, 2010.

to tap into prevention. Employers are also entering the fray, mainly in response to three factors:

- The looming cost increases presented by aging, sedentary, and chronically-ill employees, both in terms of healthcare expenses and lost productivity, threaten to undermine profits.
- The active workforce, especially in the OECD countries, accounts for 54% of the global population and are easier to target, given the amount of time they spend in the workplace.
- Well-documented evidence indicates, conservatively, that workplace wellness programs – if implemented correctly – yield a return on investment of as much as 3:1 or more.²⁷

Globalization and connection

As the costs and time needed to move people, products, and information continue to shrink, we are all exposed to more of everything. With regards to health and wellness, this contraction of the globe has both negative and positive effects.

“It is a shrinking world.”
(Halbert L. Dunn)

On the negative side, the World Health Organization talks about a worldwide “nutrition transition,” whereby more people around the world are eating diets high in total energy, fats, salt, and sugar, brought about, in part, by increased production, promotion, and marketing of processed foods.²⁸ In developed countries, a growing number of consumers – who tend to be highly educated and wealthy – have begun to reject this transition and to return to healthier ways of eating. These consumers’ habits are not mainstream, although they may presage a coming global trend.

Immigration and migration to cities is leading to more urban lifestyles, accompanied by fewer opportunities for exercise and less time to prepare healthy food. For the educated elite, these transitions can lead to increased business travel and the endless business day, where the worker is expected to be “on call,” in multiple time zones, accessible by cell phone and PDA.

On a more positive note, the contraction of time and space inherent in more connection opportunities leads to a greater exposure for different approaches to healthcare and to wellness. Aspiring scientists, physicians, and nurses from less-developed countries

²⁷ WEF/PWC, *Working towards Wellness*, p. 16.

²⁸ WHO, *Information sheet: Facts related to chronic diseases*.

come to more developed countries to study, bringing about a cross-pollination as they bring their health and wellness traditions with them, and returning to their home countries with Western knowledge and expertise. Travelers are exposed to local practices, and immigrants living in new countries bring the healing tools of their culture. Moreover, a patient may travel to India from the West to receive cheaper “traditional” cardiac care, perhaps from an Indian physician trained in the United States, and be introduced to ayurveda and yoga while there.

It is also easier than ever to find and share information via the media, especially over the internet. When a person is diagnosed with a health condition, copious information – both legitimate and questionable (or even false) – is at one’s fingertips. Unbounded by geographical boundaries, individuals who share medical conditions can easily join digital communities to exchange information on treatments and providers and to provide mutual support and coping techniques. For those considering elective surgery, in many countries the success rates of various hospitals are easy to find, if not prices. And information on surgeons and hospitals in foreign medical tourism destinations are also available at the click of a mouse.

Added to this mix is the all-pervasive media. There are a growing number of television celebrities and self-help experts – people like Oprah, Dr. Phil, Mehmet Oz, Stephen Covey, Deepak Chopra, Tony Robbins, Jack Canfield, Jamie Oliver, and many others – who tout concepts like self-actualization, living your best life, improving your self-image, living and eating better, and the like. Although these figures have emerged largely in the American market, the American media undoubtedly has a pervasive influence globally, and many of these personalities enjoy widespread popularity not only in North America, but in countries around the world. Their impact on spreading wellness-related concepts among the mainstream public is significant.

B. Defining the Wellness Industry

In the fields of economics and business, there is no clearly defined wellness industry, although there is an emerging sense that such an industry does exist and is growing rapidly. One of the first – and only – people to talk and write specifically about wellness as an industry, rather than a concept, is economist and entrepreneur Paul Zane Pilzer, who in 2002 published the first edition of his book, *The Wellness Revolution*. Pilzer presents a simple and easy way to understand what the wellness industry is and to differentiate it from the conventional healthcare sector (which he calls the “sickness industry”):

- The **wellness industry is proactive**. It provides products and services to healthy people, with the goal of making them feel even healthier and look better, slowing the effects of aging, and/or preventing sickness from developing. People voluntarily become customers of the wellness industry.
- The **sickness industry (conventional medicine) is reactive**. It provides products and services to people with an existing disease, to either treat the symptoms or eliminate the disease. People become customers of the sickness industry by necessity, not choice.²⁹

Pilzer also suggests that the wellness industry encompasses the following sectors:

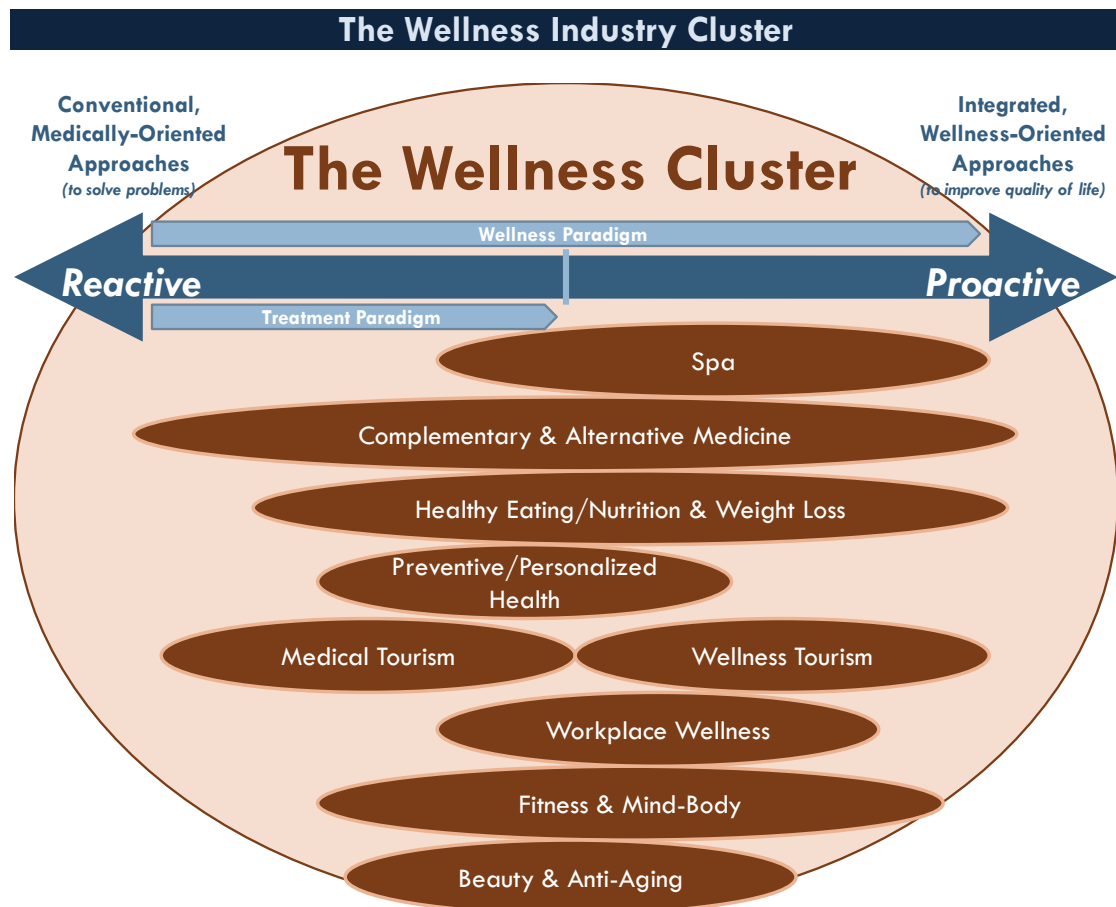
Vitamins, nutritional supplements, skin care products and services, cosmetic plastic surgery, voluntary eye surgery (LASIK, radial keratotomy), cosmetic dermatology, genetic engineering (sex selection and fertility enhancement), cosmetic and reconstructive dentistry (caps, implants), preventative medicine, health savings accounts, high-deductible (wellness) health insurance, fitness clubs (including trainers), fitness and athletic equipment, voluntary pharmacy (Viagra, Rogaine), health food products, health food restaurants, [and] weight loss products.³⁰

With the goal of helping the spa industry understand the scope and size of wellness market opportunities, SRI has developed specifically for this study a model of the wellness industry cluster.³¹ The industry model depicted here may vary slightly from the industry definition of Pilzer or others working in this field, mainly because the goal here is to **develop a model of the wellness industry cluster that shows the position of the spa industry vis-à-vis other wellness sectors**. The sectors included in the wellness cluster are those that have direct market interactions with – or that collaborate or compete with – the core spa industry. These sectors present high-potential opportunities for the spa industry to pursue new wellness-oriented business ventures, investments, and partnerships beyond the menu of products and services traditionally offered at spas (to be discussed in greater detail in Section VI of this report).

²⁹ Paul Zane Pilzer, *The New Wellness Revolution*, Hoboken, NJ: John Wiley & Sons, Inc., 2007, p. 4-5.

³⁰ Ibid, p. 30.

³¹ The industry cluster methodology has been widely used since the 1980s by industry and government leaders around the world. The industry cluster concept is recognized as a useful analytical and organizing mechanism for high-level strategic planning, advocacy, and investment resource planning. The cluster concept is powerful because it links together a broad cross-section of businesses and organizations that are interconnected economically to relate to each other within a coherent framework. Such an approach allows industries to organize resources, structure their collaboration, speak as one voice to policymakers and consumers, and conduct advocacy and public relations efforts more effectively and efficiently.



We have depicted the wellness cluster on a continuum (which is adapted from Dr. John W. Travis' wellness-illness continuum, detailed in Appendix A) because this model provides an easy way to understand how and why various sectors fit within the wellness cluster. On the left-hand side of the continuum are **reactive** approaches to health and wellness – that is, mechanisms to treat or address existing illnesses or conditions. Conventional medicine would fall on the left-hand side of the continuum (although it is not specifically included within the wellness cluster, as explained further below). Addressing problems and curing diseases brings a person only to the middle, or neutral point, of the continuum. To the right-hand side are **proactive** approaches to health and wellness – that is, things that enhance quality of life, improve health, and bring a person to increasingly optimum levels of well-being.

Each sector within the wellness cluster is positioned in the diagram according to where it falls along the continuum. The sub-sectors of wellness are defined and explained below.

- **Spa:** Includes all parts of the core spa industry, as defined in the *Global Spa Economy 2007* report – i.e., all types of spa operations, as well as spa-related education; spa-branded products; spa consulting; spa media, associations, and events; and spa capital investment. The spa sub-cluster falls mostly on the right-hand side of the continuum, as it generally provides *proactive* services to help healthy people feel even better. However, some spas (such as medical spas) do serve patients with specific skin problems or other conditions, and some spa treatments are therapeutic, so spa does also overlap the left-hand, *reactive* side of the continuum.
- **Complementary and alternative medicine (CAM):** Encompasses diverse medical, health care, holistic, and mentally or spiritually-based systems, practices, and products that are not generally considered to be part of conventional medicine or the dominant health care system (e.g., homeopathic, naturopathic, chiropractic, traditional Chinese medicine, ayurveda, energy healing, meditation, herbal remedies, etc.). CAM is used for both treatment and wellness-enhancing goals, so it covers both sides of the wellness continuum.
- **Preventive/personalized health:** Includes medical services that focus on treating “well” people, preventing disease, or detecting risk factors – for example, routine physical exams, diagnostic/screening tests, and so on. We also include here approaches that fall outside of what has typically been done by conventional medical providers. In particular, personalized health is a key part of this sector, which focuses on using sophisticated information and data for individual patients (including genetic/molecular/environmental screening, analysis, and diagnostics; disease management services; electronic health records; and remote patient monitoring) to provide tailored approaches for preventing disease, managing risk factors, or treating conditions.
- **Medical tourism:** Refers to persons traveling to another country (or another city/region within their country) in order to receive medical, surgical, or dental care, including invasive, diagnostic, and therapeutic procedures – primarily because the care is more affordable, of higher quality, or more accessible. The medical tourism sector includes any providers of services to medical tourists during their trips – such as the hospital/clinic/doctor, the hotel or place where they stay during the trip, food, shopping, and so on. Medical tourism falls on the *reactive*, treatment-oriented side of the continuum.
- **Wellness tourism:** Comprises healthy persons traveling to another country (or another city/region within their country) to pursue holistic, preventive, or lifestyle-based services that enhance their personal well-being. This sector includes providers of a wide range of services to wellness tourists – essentially, anything

included in the definition of the wellness cluster, but specifically targeting wellness tourists, along with the lodging, food, shopping, and other services supporting these tourists. In contrast to medical tourism, wellness tourism is on the *proactive* side of the continuum.

- **Healthy eating/nutrition and weight loss:** Includes vitamins and supplements; functional foods/nutraceuticals; health foods; natural and organic foods; weight-loss and diet service providers and advisory services; diet and weight-loss foods and meal services; and anti-obesity prescription and over-the-counter drugs. Healthy eating/nutrition is primarily a *proactive* approach to health and wellness (on the right side of the continuum), but since changes in eating habits and nutrition are also pursued in response to specific diseases and physical conditions (e.g., high blood pressure, diabetes), it also crosses over to the left-hand, *reactive* portion of the continuum. In addition, weight-loss and dieting fall on the *reactive* side of the continuum, as they address the chronic health problem of obesity.
- **Fitness and mind-body exercise:** Includes gyms/health clubs; personal training; yoga, pilates, tai chi, and other mind-body practices; fitness and exercise clothing; fitness and exercise equipment. Like nutrition, fitness is primarily a *proactive* activity, but can also be pursued *reactively*, in response to physical ailments.
- **Beauty and anti-aging:** Includes beauty/salon services; skin/hair/nail care services and products; cosmetics, toiletries, and other personal care products; dermatology; prescription pharmaceuticals for skin care; as well as products and services that specifically address age-related health and appearance issues, such cosmetics/cosmeceuticals for skin/face/body care, hair care/growth, and pharmaceuticals/supplements that treat age-related health conditions. This sector crosses both sides of the continuum, because it is partly *reactive* (i.e., done to address or cover up perceived flaws in appearance or to respond to and treat perceived or real problems related to getting older), but can also be pursued in a wellness-oriented way to enhance self-image.
- **Workplace wellness:** Includes programs offered by companies and businesses aimed at improving the health and wellness of employees, in order to reduce costs and enhance productivity and performance. These programs raise awareness, provide education, and offer incentives that address specific health risk factors and behaviors (e.g., lack of exercise, poor eating habits, stress, obesity, smoking) and encourage employees to adopt healthier lifestyles.

It should be noted that several health-related concepts are not included in the wellness industry cluster. These areas and the reasons they are not included are:

- **Conventional medicine** is not included here as part of the wellness cluster. This is because the wellness industry is typically differentiated from the conventional medical industry (or “sickness industry”) as being a complement or reaction to the deficiencies in conventional medicine as it is practiced today. In many ways, the wellness cluster has emerged as an alternative, proactive way of living, in direct contrast to the reactive, sickness-focused nature of conventional medicine. A couple of “niche” areas within the field of medicine – including preventive/personalized health and complementary and alternative medicine – are included in the wellness cluster because they encompass the kinds of holistic, individualized, prevention-focused approaches that fit with the central tenets of wellness.
- **Public health and health education** could easily be considered part of the wellness cluster. However, they are not included here because they are primarily public sector-funded and managed activities. While they may not provide traditional marketing opportunities for the spa industry, they may be of increasing interest to the industry in terms of philanthropic endeavors.
- The terminology “mind-body-spirit” is used widely and is often equated with the concept of wellness. However, the “**spirit**” part of this equation is for the most part left out of the wellness cluster in this report. We have included spirit-based activities that may or do have connection with spas (such as yoga and meditation) under the headings of other sectors (such as fitness/mind-body and CAM). Although these practices are rooted in deep spiritual traditions, they have grown increasingly secularized and physically/mentally-oriented as they have grown increasingly popular in the West. Truly spirit-based approaches – such as religion – are not a logical “fit” or collaborative opportunity for the spa industry, so are not included here in the cluster.

Some Key Characteristics of the Wellness Industry³²

- The wellness movement began in the United States but has been expanding rapidly internationally.
- Wellness is primarily a grass-roots movement, driven by individuals, entrepreneurs, and small businesses.
- The aging “Baby Boomer” generation has played a major role in driving the growth of wellness products and services.
- Some companies that have been traditionally associated with the “sickness industry” (e.g., food companies, retailers, restaurants) are “switching sides” and are starting to sell and promote wellness goods and services – or at least present some of their products as part of wellness.
- The conventional medical industry (or “sickness industry”) has not yet fully joined the wellness movement, but some parts of it are taking preliminary steps to embrace certain concepts or adopt certain practices.
- Given that many of the world’s leading health problems (obesity, cardiovascular disease, etc.) are on the rise globally, the untapped market of persons who need wellness-related products and services will continue to grow rapidly.

C. Measuring the Wellness Industry

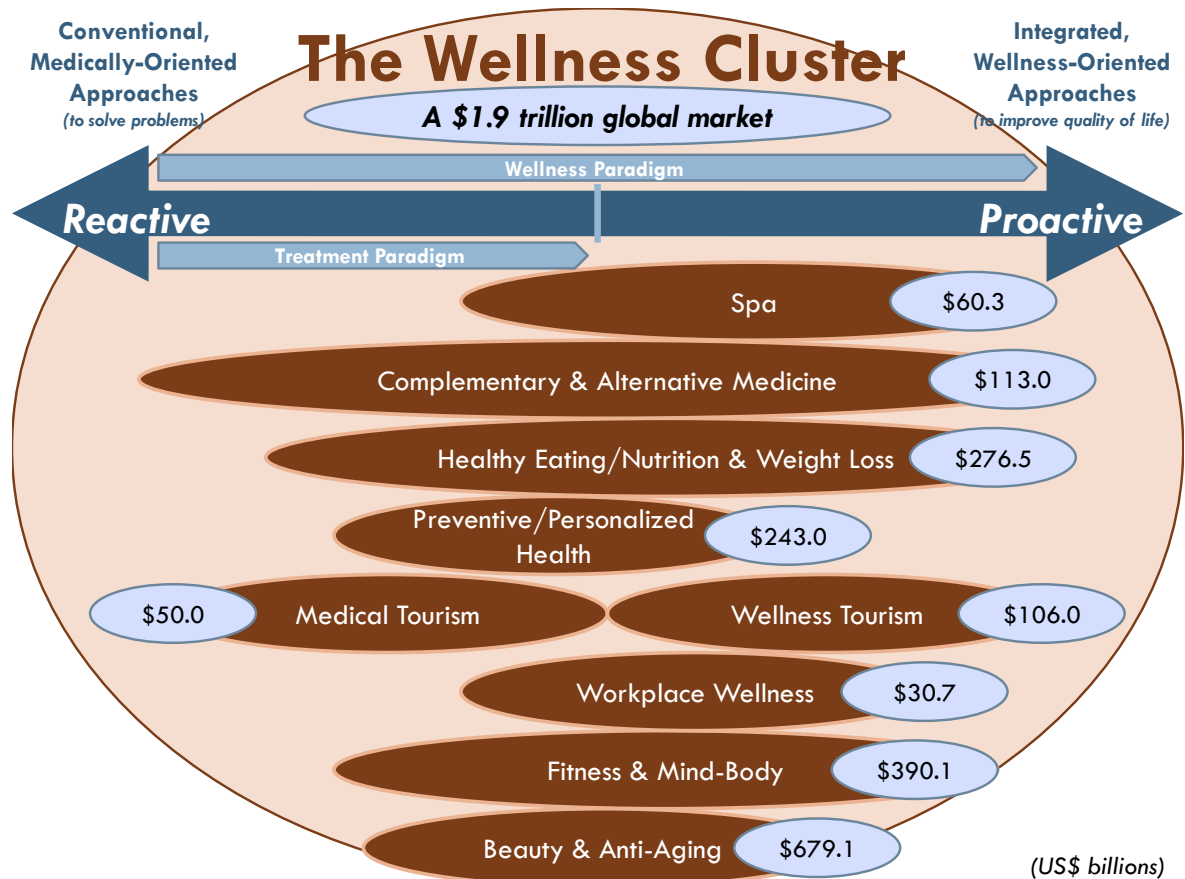
The only widely available and frequently cited statistic for the size of the overall wellness industry is from Pilzer’s book. Pilzer estimates that the wellness industry *in the United States* was valued at \$200 billion in 2002 and \$500 billion in 2007, and he predicts that the industry will grow to \$1 trillion in 2012 (a growth rate of 15% annually over five years). The figure presumably covers the sectors listed in the previous section; however, Pilzer does not provide a breakdown of industry size by sector, nor does he provide any information about how he arrived at this estimate.

SRI estimates conservatively that the wellness industry cluster (as defined in the previous section) represents a market of nearly \$2 trillion dollars globally.³³ The sizes of each of the sectors that comprise the wellness cluster are presented in the diagram below.

³² Adapted from Pilzer, pp. xiii-xviii.

³³ Overall cluster and sub-sector market sizes were estimated by SRI by extrapolating from consumer spending and industry size data from a wide variety of secondary reports and sources across the sub-components of each sector, as defined above. Key data sources include: Nutrition Business Journal, IHRSA, Markets and Markets, Euromonitor, Global Industry Analysts, LOHAS/NMI, Kaiser Family Foundation, PWC, and Deloitte, and others. Where market data was only available for selected countries and regions, or where the data did not match the sector definitions outlined above, the SRI team made estimations and adjustments using standard economic parameters.

Estimated Global Market Size of the Wellness Industry Cluster



Estimated Global Market Size of the Wellness Industry Cluster	
Sector	Estimated Global Market Size (US\$ billions)
Spa	\$60.3
Complementary & Alternative Medicine	\$113.0
Healthy Eating/Nutrition & Weight Loss	\$276.5
Preventive/Personalized Health	\$243.0
Medical Tourism	\$50.0
Wellness Tourism	\$106.0
Workplace Wellness	\$30.7
Fitness & Mind-Body Exercise	\$390.1
Beauty & Anti-Aging	\$679.1
Total Wellness Industry Cluster	\$1,948.7

IV. THE WELLNESS CONSUMER

As compared to more well-established industry segments and markets, research focusing on wellness consumer trends and behaviors is both relatively new and relatively scarce. The consumer research that does exist tends to be focused primarily on health- and wellness-related packaged products and goods (e.g., healthy/functional/natural/organic foods, vitamins, etc.), and not on wellness-related services. This fact alone is a good indication that there is not yet a clearly-defined sense of the wellness industry within the business/economic research field or within the market itself. In addition, the wellness consumer research that does exist tends to focus exclusively on the U.S. market. ***Additional research in this area is much needed, to understand in greater depth the profiles and motivations of wellness consumers, and especially to develop a better understanding of wellness consumers globally.***

Existing studies on wellness consumers (and consumers in related/crossover sectors) do provide us with a base-level understanding of key segments, behaviors, and trends. Characteristics of wellness consumers are elaborated below.

A. Wellness Consumer Segments

Like the wellness industry, wellness consumer segments can also be depicted on a continuum

Broadly speaking, the wellness consumer tends to fall into one of two profiles, when viewed from the perspective of the spa industry:³⁴

- ***Wellness-focused, moderate-to-active spa goers:*** Includes people who have a genuine interest in living a healthy lifestyle and enhancing/maintaining their level of personal fitness, health, or wellness. These consumers tend to be relatively affluent and educated, and their profile in many ways parallels that of the typical spa-goer. They are open to new and different approaches to health, exercise, and beauty; they have the time and disposable income to spend on such things; they do not necessarily view spa and other wellness services as “luxuries;” and many are also motivated by the effects of aging (both on their appearance and their health).
- ***Sickness reactors, not active spa-goers:*** Includes people who are suffering from a disease or health condition and who are seeking new and alternative approaches to treat their condition or relieve their symptoms. These consumers may be

³⁴ Consumer profiles adapted by SRI from information gathered through extensive industry interviews, as well as from: Barnes, Patricia M., et al, “Complementary and Alternative Medicine Use Among Adults and Children: United States, 2007,” CDC National Health Statistics Reports No. 12 (December 10, 2008), <http://nccam.nih.gov/news/2008/nhsr12.pdf>.

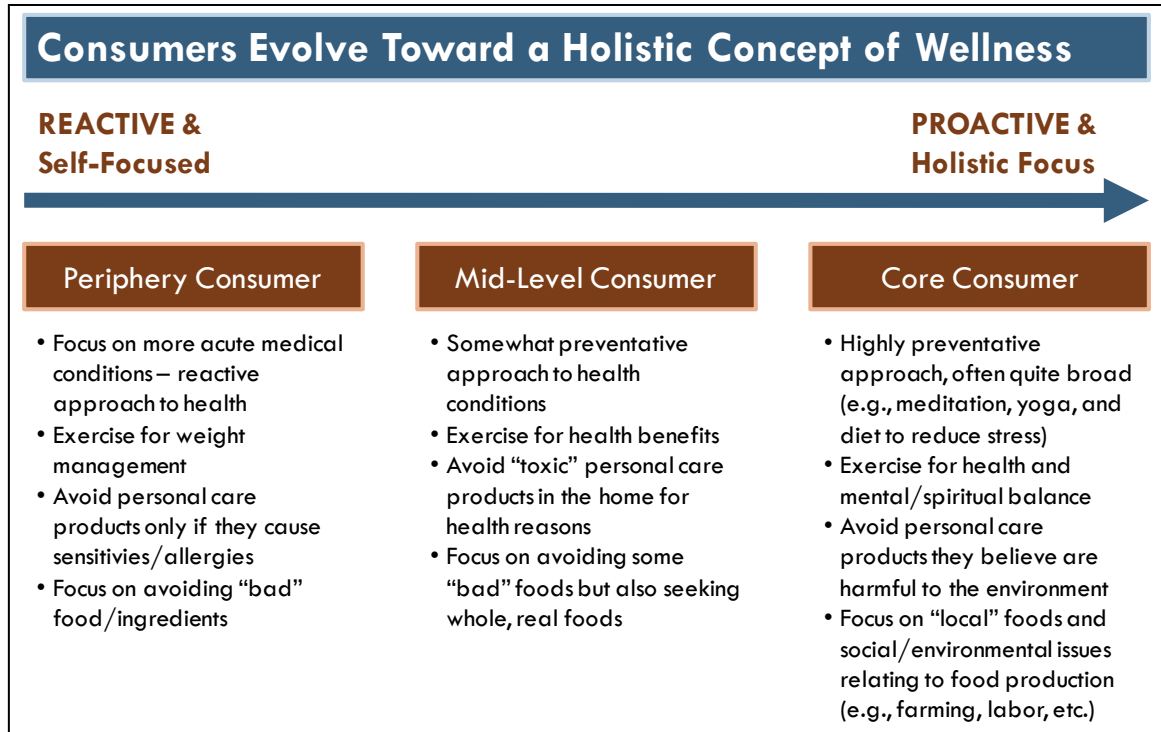
frustrated with the inability of the conventional medical system to fix their problem and, as a result, explore alternative, non-mainstream approaches. This segment represents a potentially much larger segment of the population, and it also represents a large base of people who are not necessarily dedicated or even casual spa-goers. In fact, going to a spa for a massage or facial (or using another more mainstream wellness service such as a gym or personal trainer) may provide these consumers an entree into other less mainstream wellness approaches and forms of complementary and alternative medicine.

The Global Market Development Center (GMDC), a trade association representing health, beauty, wellness, and general merchandise industries, has conducted one of the most comprehensive market surveys of consumer behaviors related to health and wellness (focusing on the U.S. market). GMDC defined three segments of health and wellness consumers, which overlap with the consumer profiles presented above.

Health and Wellness Consumer Segments		
<i>Sickness reactors, not active spa-goers</i>	<i>Wellness focused, moderate-to-active spa-goers</i>	
Periphery	Mid-level	Core
• “Entry level” health and wellness consumers • Aspire to be more involved in health and wellness, but their behaviors do not yet follow their aspirations • Are mostly “reactive” rather than “proactive” when it comes to matters of health and wellness	• Moderately involved in a health and wellness lifestyle • Tend to follow some of the trends set by the Core • Purchase large amounts of both conventional and health and wellness-specific products • Still somewhat concerned with price and convenience, but also driven by knowledge and experience	• Most involved in a health and wellness lifestyle • Serve as trendsetters for other consumers • Health and wellness is a major life focus for them • Driven by sustainability, authenticity, and local sources
Source: GMDC and The Hartman Group, <i>Consumer Shopping Habits for Wellness and Environmentally Conscious Lifestyles Study: Insights for Health, Beauty and Wellness</i> , September 12, 2009, http://www.pacific.edu/Documents/school-pharmacy/acrobat/Consumer%20Shopping%20Habits%20for%20Wellness%20-%20Presentation.pdf .		

GMDC also presents the three health and wellness consumer segments on a continuum, evolving from reactive, sickness-oriented approaches to health (the Periphery consumers) to a proactive, highly prevention-focused approach to health (Mid-level and Core consumers). On the left-hand side of the continuum, the Periphery consumers tend to be self-focused – they are oriented toward their own specific health problems and do not necessarily draw connections among different aspects of staying well (e.g., how exercise, natural products, and good nutrition can all work together to promote

well-being). On the right-hand side of the continuum are the Core wellness consumers, who embrace holistic and integrated approaches to health, as well as environmental and sustainability issues, recognizing that personal, social, and planetary well-being are all interconnected. Over time, many consumers in the Periphery group will evolve toward more proactive, holistic approaches, moving into the Mid-level and Core health and wellness segments.



Source: GMDC and The Hartman Group, Consumer Shopping Habits for Wellness and Environmentally Conscious Lifestyles Study: Insights for Health, Beauty and Wellness, September 12, 2009.

B. Baby Boomer-Driven Market

“Baby Boomers” from Western/Industrialized countries currently represent the core consumer segment for wellness, but this is changing

Anecdotal evidence – from leading stakeholders and thinkers in the spa industry and the broader wellness cluster – suggests that the “Baby Boomer” generation has been and is currently the core consumer group driving the growth of the wellness industry. Starting in the 1960s and 1970s, the Baby Boomers were the first generation to become more open to alternative, complementary, and non-Western modalities of health, wellness, energy, mind-body systems, and so on, and it was during this time that practices such as yoga and traditional Chinese medicine were introduced into the mainstream culture in the United States and Europe. The birth and growth of the modern wellness movement (as elaborated in Section II) also dates from this era.

During the growth of the wellness industry over the last ten years or so, Baby Boomers have continued to be among the largest purchasers of health- and wellness-related products and services, and this trend is expected to continue to increase. As this generation grows older and seeks to mitigate the effects of aging, they are also driving the exponential growth of the beauty and anti-aging markets, in such areas as cosmetic surgery and dentistry, dermatology, and voluntary eye surgery. This same demographic has traditionally represented – and will continue to represent – a major customer base for the spa industry, the health club industry, and other similar sectors.

The importance of the Baby Boomer generation among wellness consumer segments is corroborated by data collected on the use of complementary and alternative medicine (CAM) in the United States by the 2007 *National Health Interview Survey*. This survey shows that persons in the 40-49, 50-59, and 60-69 year old age brackets – those corresponding to the Baby Boomer generation – are more likely than other age groups to use CAM approaches (such as mind-body therapies, alternative medicine, massage, chiropractic, herbal remedies, energy healing, and so on). However, those in the younger age brackets (18-29 years and 30-39 years) are also significant users of CAM, indicating that there is also a large and growing younger generation of consumers interested in wellness products and services.³⁵

³⁵ Patricia M. Barnes, et al, “Complementary and Alternative Medicine Use Among Adults and Children: United States, 2007,” *National Health Statistics Reports* No. 12 (December 10, 2008), <http://nccam.nih.gov/news/2008/nhsr12.pdf>. The statistics in this report were drawn from 2007 survey of a nationally representative sample of the U.S. population (23,393 interviews completed with sample adults aged 18 years and older). This study represents largest and most reliable representative study available for consumer usage of complementary and alternative approaches to health and wellness. Although the study focuses on a specific set of 36 types of CAM therapies, and it does not include all of the sectors defined in this report as part of the wellness cluster, conclusions from this study can be reasonably inferred to represent the best available assessment of consumer trends in the broader wellness market.

Percent of U.S. adults in each age group who used CAM in the past 12 months 2007 and 2002			
Age Bracket	% who used CAM		% change from 2002-2007
	2007	2002	
Total U.S. adult population	38.3%	35.1%	9.1%
18-29 years	36.3%	32.9%	10.3%
30-39 years	39.6%	37.8%	4.8%
40-49 years	40.1%	39.4%	1.8%
50-59 years	44.1%	39.6%	11.4%
60-69 years	41.0%	32.6%	25.8%
70-84 years	32.1%	25.1%	27.9%
85 years and over	24.2%	14.9%	62.4%
Source: Barnes, et al (2008), Table 7, p. 14 and Barnes, et al (2004), Table 4, p. 10.			

This analysis does not imply that there is not a large consumer base for wellness in other countries and regions of the world, but rather that consumers in other countries have not been well-studied or -documented, and that these consumers have not yet been identified under the label of “wellness consumers.” Throughout Asia, for example, there is clearly a long tradition of wellness-focused and holistic practices and therapies that are practiced by a large share of the population within each country and that are closely integrated into each country’s culture and mindset – things such as ayurveda in India, reiki in Japan, traditional Chinese medicine, and many others. Just as traditional, culturally-based spa-like establishments in Asia (such as Japanese onsen, Indian ayurvedic centers, and Korean bathhouses) have not typically been defined as part of or integrated into the modern spa industry³⁶, in the same way these practices in Asia have also not been integrated into a broader wellness industry (even though they are already considered to be part of the burgeoning wellness industry in the West).

There is, without question, a large local/regional market for health- and wellness-related services and products in countries throughout Asia, Latin America, and other regions, even though that market has not yet been incorporated under the wellness banner. As a definition and understanding of a true wellness industry becomes more solidified – and as providers of traditional and culturally-based therapies modernize and upgrade their offerings to serve increasingly savvy and sophisticated regional customers – it is likely that a better understanding of the wellness consumers in these regions will also develop.

³⁶ The Global Spa Summit’s *Global Spa Economy 2007* study was the first attempt to measure and incorporate these types of establishments within the broader spa industry.

C. A Large, Growing Set of Consumers

Wellness consumers are not a niche market – their number is already large and growing

SRI estimates conservatively that there are about 76 million wellness consumers in the United States, representing about 25% of the adult U.S. population.³⁷ These consumers include people who have a strong or moderately strong interest in and motivation to purchase wellness goods and services. If we apply the wellness consumer segmentation ratio for the United States to other developed countries around the world (which could safely be assumed to follow consumption patterns similar to those of the United States), ***we estimate that there are about 289 million wellness consumers in the world's 30 most industrialized and wealthiest countries.***

These figures represent an educated, but necessarily preliminary, estimate by SRI of the size of the wellness consumer market, based on extrapolation from U.S. consumer data collected for segments that are similar to or overlap with the wellness market.

As a comparison (or counter) to the SRI estimates presented above, below are some additional estimates by other researchers and organizations for consumers segments that are related to wellness:

- GDMC and The Hartman Group estimate that in the United States there are 40 million core health and wellness consumers and 190 million mid-level health and wellness consumers.³⁸
- LOHAS and the Natural Marketing Institute estimate that there are 54 million “Naturalite” consumers in the United States who have a serious interest in personal health, natural/organic products, and related environmental issues. There are also 36 million LOHAS consumers in the United States who are dedicated to environmentally friendly and healthy products and services. An estimated 17 million adults in Japan are also LOHAS consumers.³⁹

³⁷ SRI's estimate of the number of wellness consumers in the United States is based on close study of consumer market data for other, overlapping consumer segments. Specifically, we reviewed estimates of the health/wellness market, the LOHAS market, CAM users, spa-goers, and health club members and extrapolated from these figures to arrive at a “best guess” estimate of the U.S. wellness consumer market (some of the specific data we reviewed are provided in Appendix B). We then applied the estimated wellness consumer-to-population ratio for the United States (25%) to 30 other countries that are either OECD members or have a high GDP per capita (over \$30,000).

³⁸ GMDC and The Hartman Group, *Consumer Shopping Habits for Wellness and Environmentally Conscious Lifestyles Study: Insights for Health, Beauty and Wellness*, September 12, 2009, <http://www.pacific.edu/Documents/school-pharmacy/acrobat/Consumer%20Shopping%20Habits%20for%20Wellness%20-%20Presentation.pdf>.

³⁹ Steve French and Gwynne Rogers, “Understanding the LOHAS Consumer: The Rise of Ethical Consumerism - A Strategic Market Research Update from The Natural Marketing Institute (NMI),” *LOHAS Journal*, <http://www.lohas.com/journal/consumertrends.htm>, accessed April 1, 2010.

- The U.S. Center for Health Statistics estimates that 96 million U.S. adults and children used complementary and alternative therapies/medicine in 2007 (representing about 32% of the total U.S. population). Comparable CAM data is not available for other regions, but the rate of CAM usage in the population is likely to be higher in places where such approaches are more widely accepted or are part of cultural traditions (such as in Asia). The World Health Organization estimates that 70-80% of the population in industrialized countries has used some form of CAM.⁴⁰ Other international studies suggest that 20%-65% of the population in European countries, 49% of the population in Australia, and 66% of adults in Japan have used CAM (however, most of these studies are somewhat out-of-date).⁴¹
- An International Spa Association (ISPA) survey of consumers in 11 countries around the world⁴² estimated that there are about 200 million active spa-goers just within these 11 countries – indicating that, on average, active spa-goers represent about 25% of the population in these countries.
- The International Health, Racquet, and Sportsclub Association (IHRSA) estimates that there were 117.5 million health club members worldwide in 2008 (about 1.8% of the world's population). This figure, of course, captures only people with the disposable income to spend on ongoing health club memberships, and not the broader rate of interest and participation in exercise through other mechanisms (e.g., non-gym exercise classes and facilities, exercising at home, etc.). For example, an estimated 33% of adults in the United States (or 100 million Americans) participate in regular physical activity or exercise.⁴³

Tables with additional information about these estimates are provided in Appendix B.

⁴⁰ "Traditional Medicine," *Fact Sheet No. 134*, World Health Organization Website, 2008, <http://www.who.int/mediacentre/factsheets/fs134/en/>, accessed April 12, 2010. WHO also estimates that in some Asian and African countries, 80% of the population depends on traditional medicine for primary health care – but these people do not necessarily represent a core market for health and wellness because they are primarily poor and underserved populations who lack access to conventional medicine and high-quality medical care.

⁴¹ Europe data based on studies from 1994, 1997, and 2000, as cited in: E. Ernst and A. Fugh-Berman, "Complementary and Alternative Medicine: What Is It All About?" *Occupational and Environmental Medicine* 59 (2002): p. 140. Australia data from a 1996 study, Japan data from a 2002 study, as cited in: Nobutaka Suzuki, "Complementary and Alternative Medicine: A Japanese Perspective," *Evidenced-based Complementary and Alternative Medicine* 1.2 (2004), <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC516460/pdf/neh029.pdf>, p. 117.

⁴² Australia, Austria, Canada, France, Germany, Italy, Japan, Singapore, Spain, United Kingdom, United States. ISPA, 2008 *Global Consumer Study*, p. 4; calculations by SRI using population data from the World Bank.

⁴³ Pleis, J.R., J.W. Lucas, and B.W. Ward. *Summary health statistics for U.S. adults: National Health Interview Survey*, 2008. National Center for Health Statistics. *Vital Health Statistics* 10.242 (2009), p. 11.

D. Strong Consumer Interest in CAM Therapies

Consumer use of many CAM therapies – including massage, acupuncture, naturopathy, and ayurveda – has been growing rapidly

The U.S. 2007 National Health Interview Survey provides additional data about consumer profiles of CAM users, as well as about the types of therapies that are most used or that are experiencing the greatest rates of growth in the United States. Again, while this data does not extend to all wellness cluster segments (such as fitness or beauty/anti-aging), and while it covers only American consumers, it does provide some useful insights into wellness consumer behaviors.

- CAM use is most prevalent among:
 - Women,
 - Adults ages 30-69,
 - Adults with higher levels of education,
 - Adults who are not poor,
 - Former smokers, and
 - Adults who were hospitalized in the last year.⁴⁴
- CAM usage is positively associated with a person's number of health conditions and number of doctor visits over the past 12 months. However, about 20% of U.S. adults with no health condition, and 25% of U.S. adults with no doctor visits in the last year, use CAM therapies.⁴⁵
- People are more likely to use CAM when their worries about the costs delayed their accessing conventional medical care.
- In 2007, the CAM therapies most commonly used by U.S. adults were natural products, deep breathing exercises, and meditation.

The most commonly-used CAM therapies accessed in the United States are described in the following table.

⁴⁴ Barnes (2008), p. 4.

⁴⁵ Barnes (2008), p. 5.

Most Commonly-Used CAM Therapies by U.S. Adults (2007)		
	U.S. adults ages 18 years and older who used this therapy in the last 12 months	
	Percent	Number
Nonvitamin, nonmineral, natural products	17.7%	39 million
Deep breathing exercises	12.7%	28 million
Meditation	9.5%	21 million
Chiropractic or osteopathic manipulation	8.6%	19 million
Massage	8.3%	18 million
Yoga	6.1%	13 million
Diet-based therapies	3.6%	8 million
Progressive relaxation	2.9%	6 million
Source: Barnes, et al (2008), Table 1 (p. 10).		

The CAM therapies that experienced the highest growth rates of use in the United States from 2002 to 2007 included massage, acupuncture, naturopathy, ayurveda, and meditation, as shown in the table below.

Fastest-Growing CAM Therapies Used by U.S. Adults (2002-2007)			
	Number of U.S. adults ages 18 years and older who used this therapy in the last 12 months		Average Annual Growth Rate 2002-2007
	2002	2007	
Massage	10,052	18,068	12.4%
Acupuncture	2,136	3,141	8.0%
Naturopathy	498	729	7.9%
Ayurveda	154	214	6.8%
Meditation	15,336	20,541	6.0%
Biofeedback	278	362	5.4%
Yoga	10,386	13,172	4.9%
Qigong	527	625	3.5%
Deep breathing exercises	23,457	27,794	3.5%
Guided imagery	4,194	4,866	3.0%
Source: Barnes, et al (2008), Table 1 (p. 10).			

It is interesting to note that massage (a core spa offering) was among the top 5 CAM therapies most used by U.S. adults in this survey, and massage also experienced the highest rate of growth from 2002-2007. The list of other fast-growing CAM therapies – including acupuncture, naturopathy, ayurveda, meditation, biofeedback, yoga, and so on – may be of interest to spa businesses that are looking to expand their wellness offerings into new types of services.

V. SURVEY OF INDUSTRY AND CONSUMER VIEWS ON WELLNESS

A. Survey Background and Methodology

The SRI team, in partnership with GSS, developed two short surveys that were distributed to spa stakeholders and consumers around the world. These surveys queried industry and consumers about their views on wellness – both as a concept and as a trend – in relationship to business planning, purchasing patterns, and lifestyle.

Wellness Survey Methodology

Consumers and spa-/wellness-related businesses were invited to participate in the two online surveys through an email invitation that was distributed via the business and consumer databases of GSS board members and other spa industry stakeholders, as well as through related industry association databases. Due to the nature of the distribution mechanisms the research team had access to, these surveys were not designed to be scientific or representative surveys – they utilized a convenience sampling technique and the results cannot be assumed to be representative of the entire industry or consumer population. This kind of sampling technique is useful and valid in conducting an exploratory or pilot study, with the goal of collecting basic data and trends information. However, its drawback is that certain populations are underrepresented in the survey sample – for example, the responses were heavily weighted toward North America, Europe, and to a lesser extent, Asia, while responses from Latin America, Middle East, and Africa were underrepresented. Additional survey work is certainly needed to collect more detailed information – especially from consumers – about wellness preferences and trends; however, such surveys should be conducted on a more narrow scale (e.g., focusing on just one country or region) in order to employ a more scientific approach.

The **industry survey** collected 319 responses, with North America (136), Europe (101), and Asia-Pacific (49) accounting for the vast majority of results. With few exceptions, there was little evident variation across responses from different regions or from different types of businesses. For this reason, all survey results in this section will be presented for the aggregate set of responses and will not be broken down by region or type of business.

Table 1.

Industry Survey Respondents			
Region	Responses	Business Type	Reponses
North America	136	Spa Industry Services / Products ⁴⁶	148
Europe	101	Spa Facilities ⁴⁷	140
Asia-Pacific	49	Other (non-spa) ⁴⁸	31
Latin America-Caribbean	11		
Middle East	11		
Africa	8		
Did not specify	3		
Total – Industry Survey	319	Total – Industry Survey	319

One thousand seventy-seven responses were collected for the consumer survey. The majority (63%) were from North America, with Europe trailing at 20% and Asia-Pacific at 15%. While the number of respondents is not large enough to provide a representative sample of consumers of spa services, it is large enough to provide useful insights into how spa consumers are thinking and acting with regard to wellness. We can also assume, given the distribution methods used, that respondents fall within the core, mid-level, and periphery of spa customers. For that reason, answers may be indicative of this population, but the responses are also probably more positive and interested than would be a group of respondents who were selected from the population at random.

Table 2.

Consumer Survey Respondents	
Region	Responses
North America	680
Europe	210
Asia-Pacific	160
Latin America-Caribbean	8
Middle East	7
Africa	6
Did not specify	6
Total – Consumer Survey	1,077

⁴⁶ “Spa Industry Services / Products” includes persons working in spa consulting, spa media, spa products, spa equipment and supplies, spa education, spa associations, and spa management.

⁴⁷ “Spa facilities” includes persons working in any type of spa, including hotel/resort spas, day/club spas, medical spas, or other spas.

⁴⁸ “Other (non-spa)” respondents include persons working in massage, salons, wellness centers, medicine, investment, tourism, and wellness-related education.

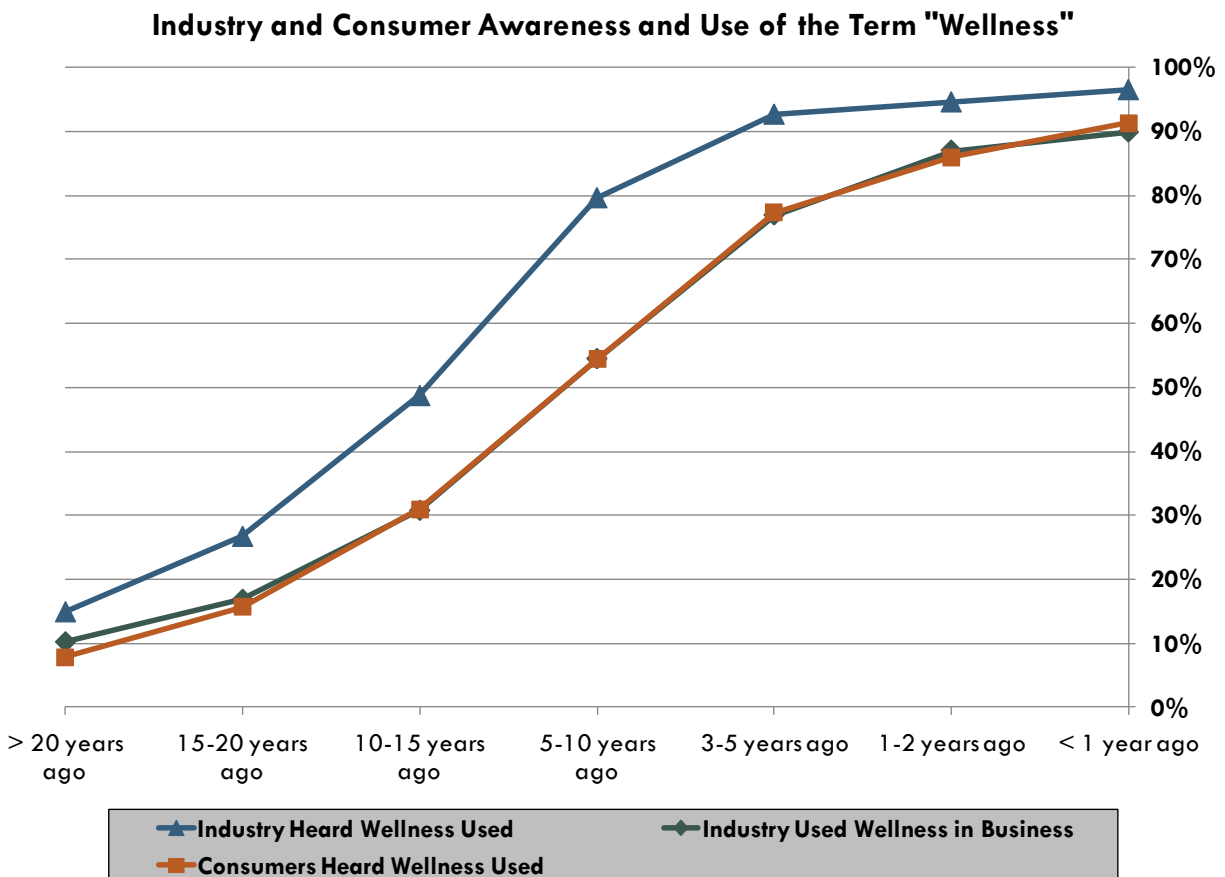
B. Industry and Consumer Awareness and Definitions of Wellness

Almost all industry respondents are using the term wellness, and almost all consumer respondents are aware of it

More than 96% of spa industry respondents reported they have heard the term “wellness” and nearly 90% reported they use the term in relation to their business. Figure 1 illustrates the significant growth of both awareness of and use of the word “wellness” within the spa industry, as well as growing consumer awareness of the word. As of 10-15 years ago, a majority of respondents had heard the term, and 5-10 years ago, a majority of respondents had begun to use the term in relation to their business. It is interesting to note that growing consumer awareness of the word “wellness” over time almost identically tracks the increasing use of the word in business. It is possible that use of the word in marketing and business contexts is having an awareness-building impact among consumers about wellness (although it is not possible to infer a direct cause-and-effect relationship from these surveys alone).

Figure 1.

When did you first hear the word “wellness” used? When did you first start using the word “wellness” in your business?



Industry and consumers define wellness in similar ways, but with some minor differences

Both industry and consumer respondents were asked to define wellness in an open-ended question, using their own words. To synthesize and interpret the responses, we compiled the answers from each group and ran them through visualization software to create a “word cloud.” In the graphic, the size of a word indicates the frequency with which it was used in the survey responses. As a result, commonly used words float to the front of one’s field of vision.

In the industry graphic (*shown on the following page*), note that “health,” “mind,” and “body” jump out, but that “spirit” is harder to find. Both “health” and “healthy” are quite large. Each word is similar, but with slightly different implications. “Balance” and “physical” are also prominent, as well as “life,” “state,” and “well.”

For consumers, “health” and “body” jump out, but “mind” is slightly less prominent and “spirit” is much smaller than in the industry cloud. Both “health” and “healthy” are again quite large, as well as “physical” and “good.” The words “mental,” “feeling,” and “well” also show up a bit smaller, but still prominent.

In a separate question, the surveys asked both industry and consumer respondents to choose five words or phrases (from a list of 25) that they most associate with wellness. Both sets of responses are presented together in Figure 4 (ranked according to consumer responses). Some interesting similarities and differences emerge.

When looking at the ten most frequently cited phrases for both industry and consumers, there is significant overlap, with eight terms appearing for both groups. Both industry and consumers rate “quality of life” first, and “balance” also appears at the top of both lists. Consumers tend to rate “physical fitness” and “happiness” higher than industry; on the other hand, industry tends to rate “emotional balance” higher than consumers. It is also interesting to note that “spa” appears on both lists.

Table 3.

Top 10 terms most frequently associated with “wellness”	
By Consumers	By Industry
Quality of life	Quality of life
Physical fitness	Balance
Happiness	Emotional balance
Balance	Holistic health
Relaxation	Physical fitness
Emotional balance	Spa
Mental health	Relaxation
Stress reduction	Spiritual health
Spa	Happiness
Medical health	Stress reduction

Figure 2.
How do you define wellness? – Tag cloud generated from industry respondents' open-ended answers

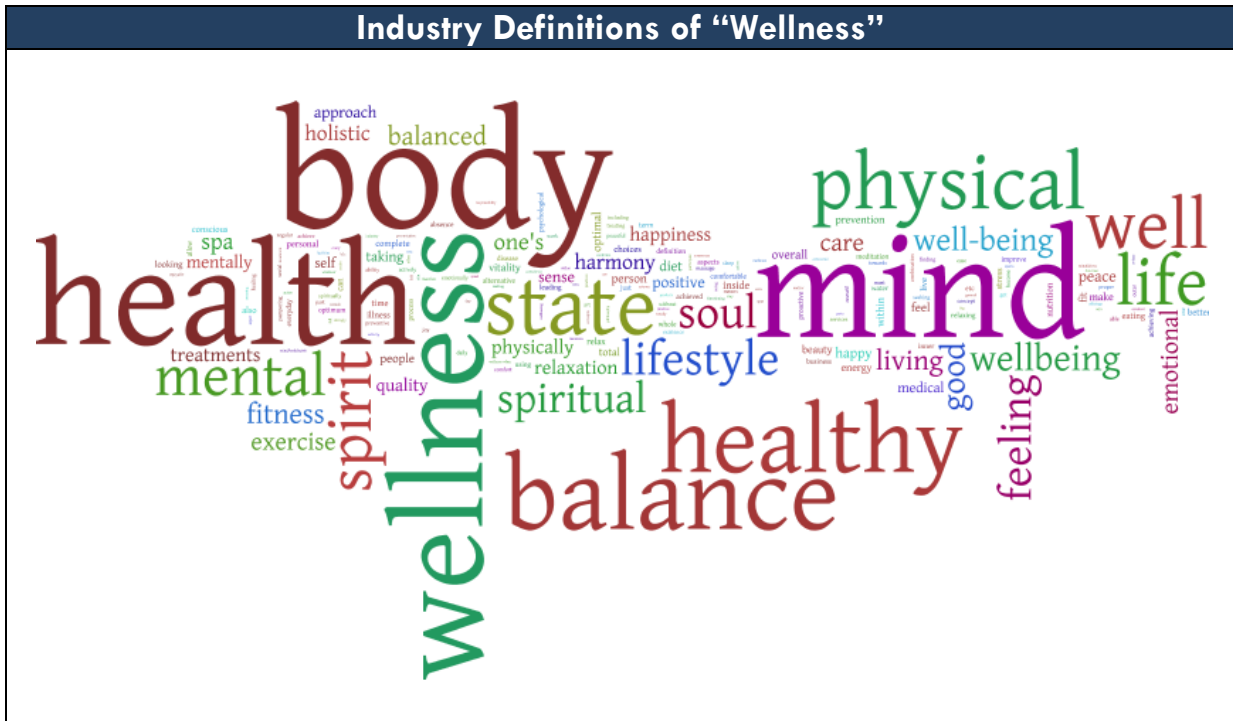
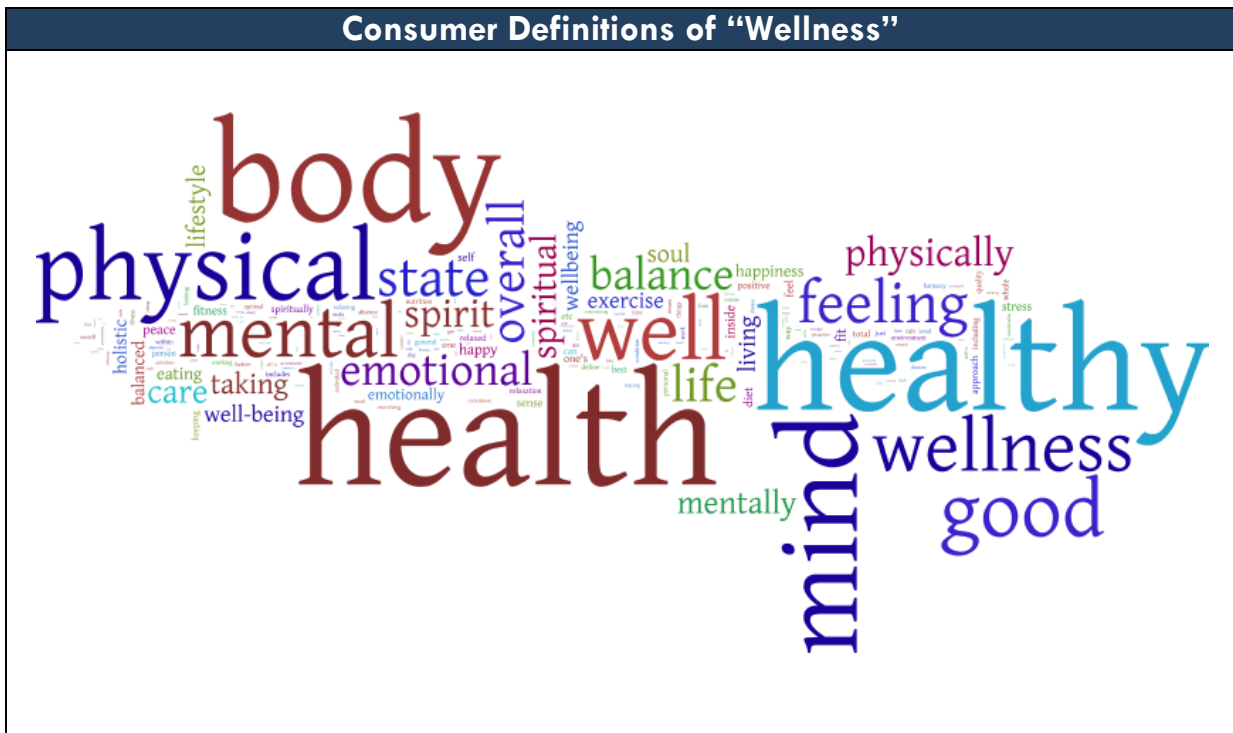


Figure 3.
How do you define wellness? – Tag cloud generated from consumer respondents' open-ended answers

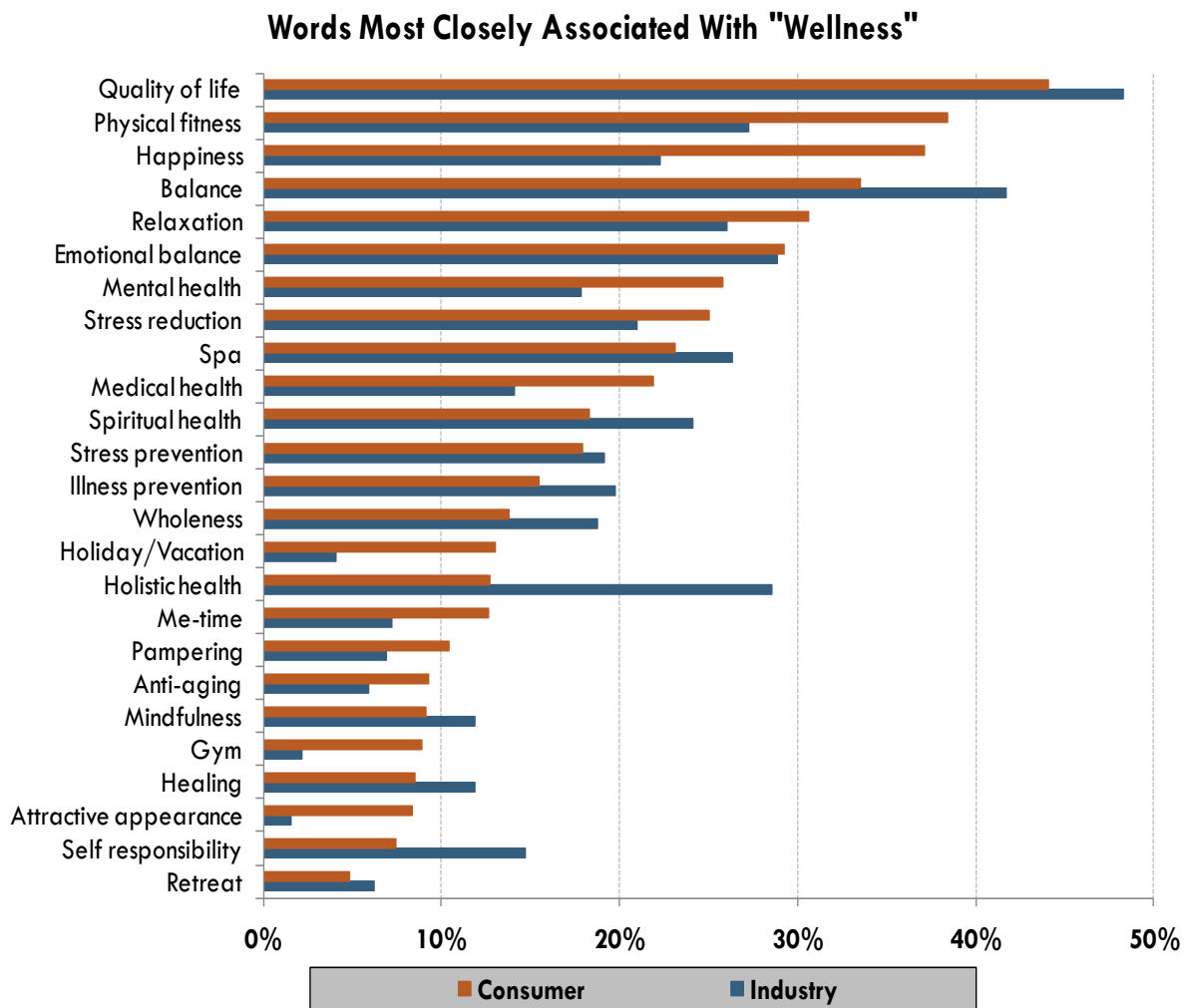


There are two significant differences across the two groups. For consumers, “mental health” and “medical health” rank among the top ten terms associated with wellness, while these rank significantly lower for industry. On the other hand, industry ranks “holistic health” and “spiritual health” significantly higher than do consumers. In particular, the difference in perception of “holistic health” may indicate that consumers have less of a grasp of this concept.

The similarities and differences in use of terminology across the two groups may point to opportunities for aligning marketing language and business development approaches with consumer interests and perceptions.

Figure 4.

Which of the following words do you most closely associate with wellness (top 5)?



Both industry and consumers emphasize the physical and emotional dimensions of wellness, but emphasis on other wellness dimensions varies

A question addressed only to spa directors or managers (107 respondents) asked them to list the dimensions of wellness that their spa currently addresses through its services and products. Figure 5 demonstrates that most spas in the survey respondent group address the physical and emotional elements of wellness through their service and product offerings. Only about half of respondents stated that their businesses address the spiritual, environmental, or mental dimensions of wellness. Most spas focus less on the social or occupational dimensions.

Figure 5.

Industry: Which of these dimensions of wellness does your spa currently address through its services and products?

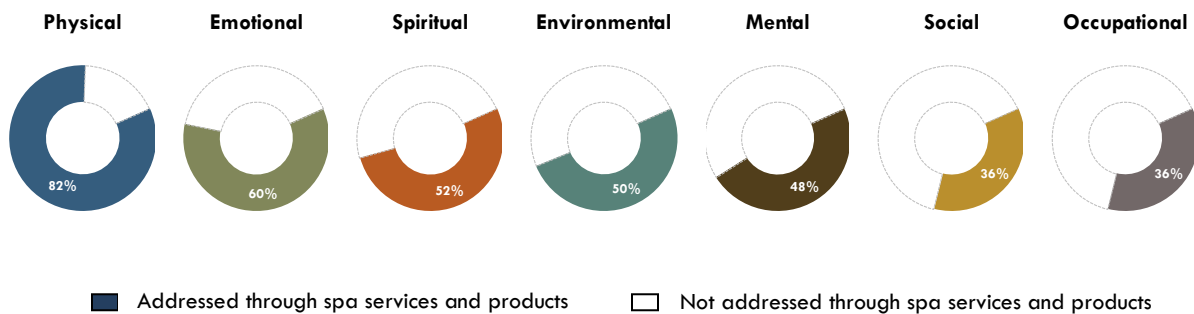
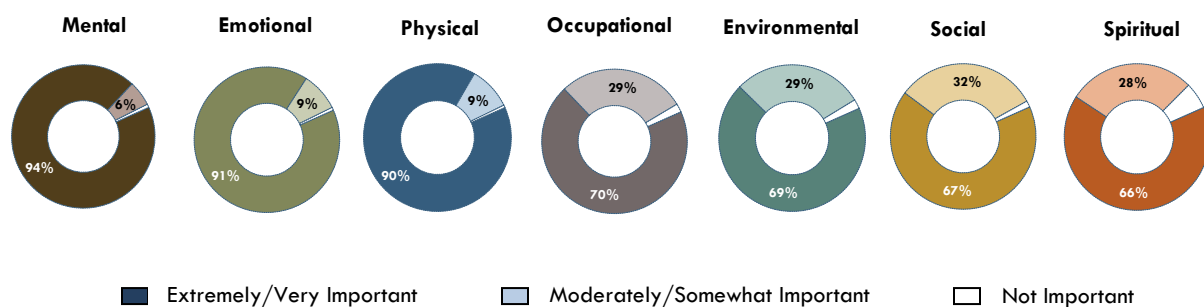


Figure 6.

Consumers: Rate the following types of wellness in terms of their importance to you personally



As a comparison, a question in the consumer survey asked respondents to rank each dimension of wellness on a five-step scale in terms of personal importance, ranging from “extremely important” to “not important” (see Figure 6). Two of the top-ranking dimensions by consumers – physical wellness and emotional wellness – correspond with the dimensions emphasized by spa industry respondents. However, consumers placed a

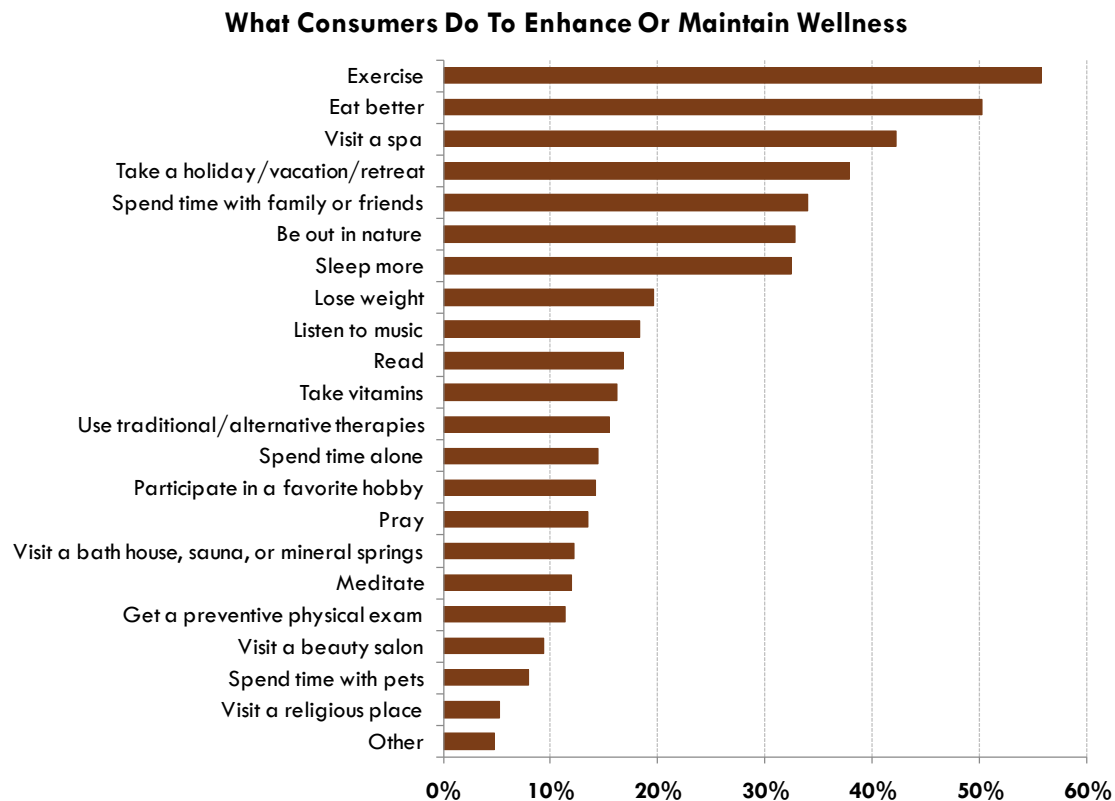
significantly higher importance on mental wellness and occupational wellness as compared to the extent to which these dimensions are addressed by spas. On the other hand, spas tend to emphasize spiritual wellness offerings to a greater extent than consumers' ranking of spiritual wellness in terms of its personal importance.

Consumers seeking to enhance their wellness are most likely to exercise, eat better, and visit a spa

When asked what activities they do when looking to enhance or improve their wellness, consumers most frequently mentioned exercise and eating better, followed by visiting a spa. Obviously, spa's high ranking indicates good news for the spa industry. Close behind visiting a spa, consumers also emphasized taking a holiday, vacation or retreat, which has positive implications for resort and hotel spas. The placement of exercise and eating better at the top of the list indicates an opportunity for spas to add or enhance their service offerings in the areas of fitness and nutrition.

Figure 7.

When you are looking to enhance or maintain your personal wellness, what are you most likely to do (top 5)?



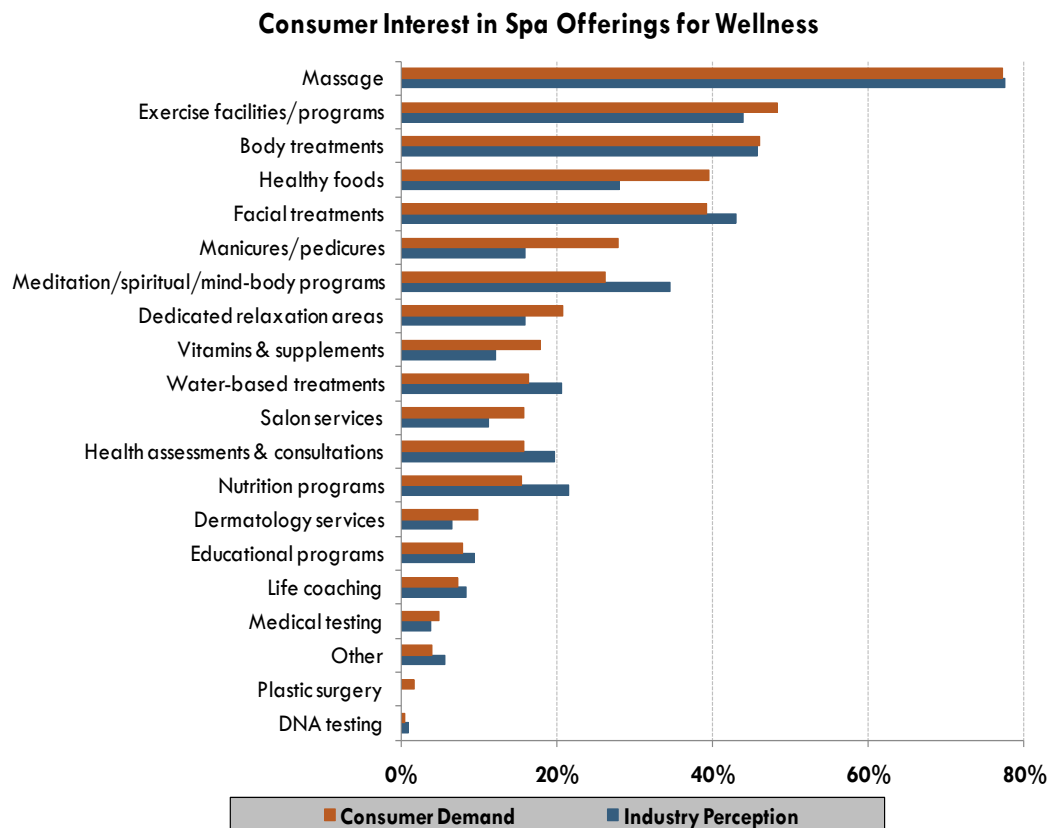
Industry respondents already have a good perception of the wellness-related offerings that most interest consumers at spas

The industry survey asked spa managers and directors to list the top five spa services, treatments, or facilities they *think their customers* are most interested in when looking to enhance or maintain wellness. We then compared the industry answers to consumer responses on a similar question – asking consumers to select the top five spa offerings they would consider when looking to enhance or maintain wellness. The answers given by spa managers and directors were strikingly in line with what consumers listed, and the top three selections were the same across both groups.

Not surprisingly, “massage” was the most frequently selected response by both consumer and industry respondents. Next in frequency were “exercise facilities/programs,” “body treatments,” and “facial treatments.” “Healthy foods” rounded out the top five for consumers, while “meditation/spiritual/mind-body programs” rounded out the top five for industry perception of consumers. Note that exercise and healthy food were both associated with spa by consumers in the context of this question.

Figure 8.

Consumers (Industry): When you (your customers) are looking to enhance or maintain your personal wellness, what specific spa services, products, and/or facilities, if any, are you (they) most interested in (top 5)?



C. Industry Interest in Wellness as a Business Opportunity

Most industry respondents see wellness as an important future driver and as good for business

As shown in Figure 9, nearly all industry respondents feel that the concept of wellness is and will continue to be very important for the spa industry. Eighty-two percent have made changes in the last five years in response to the wellness trend. Ninety-five percent expect growing interest in wellness to impact their businesses over the next ten years, and 83% use the word “wellness” when talking to clients or the media or in marketing materials.

Figure 9.
Importance of wellness to the spa industry

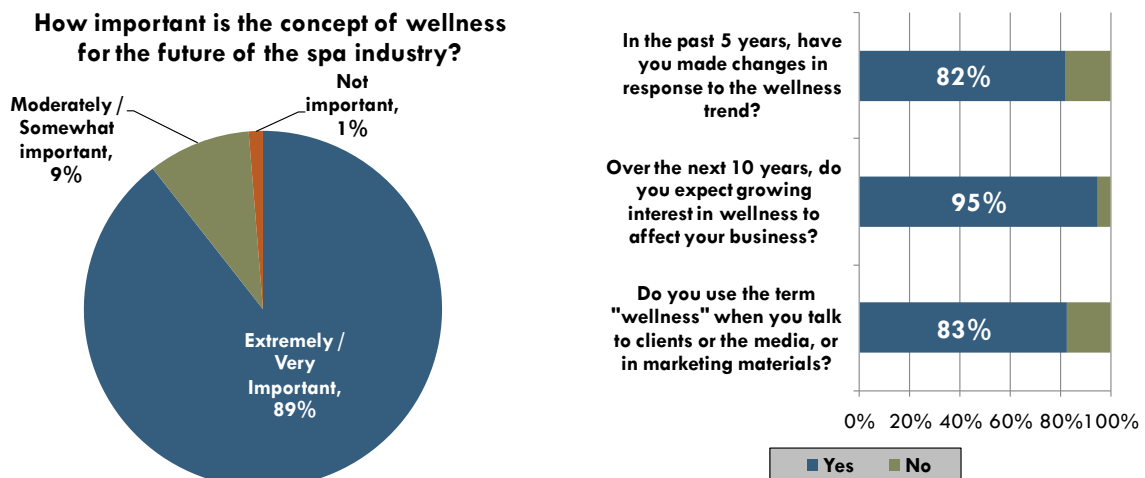
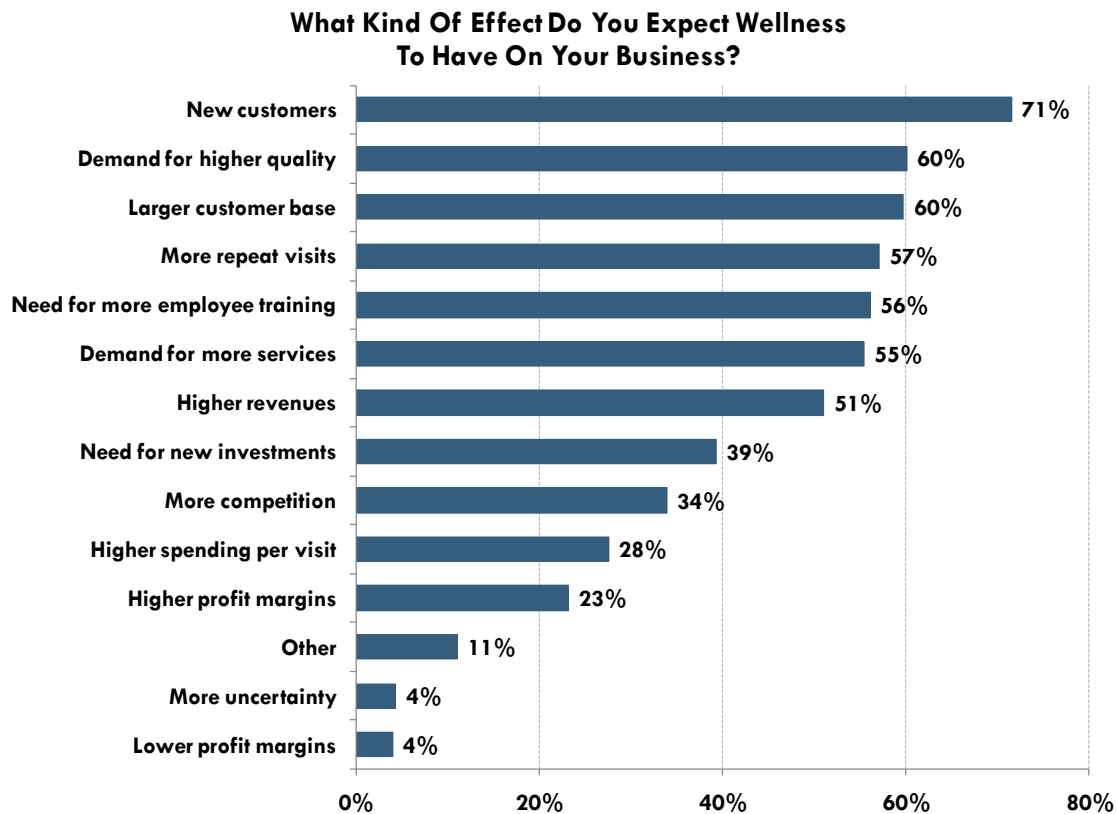


Figure 10 demonstrates the expected impact of wellness trends on respondents' businesses over the next ten years. While 71% of respondents stated that they believed the wellness trend would generate new customers, 57% expect more repeat visits, and 51% believe that it would translate into higher revenues, a large majority of them also believed that much of the revenue generated would be needed to support better quality services and more employee training. Indeed, only 23% of respondents believed the wellness trend would create higher profit margins. However, respondents seemed optimistic, with only 4% reporting they believed it would decrease their profit margins or create more uncertainty.

Figure 10.

What kind of effect do you expect the growing interest in wellness will have on your business over the next ten years?



Most industry respondents have responded to wellness and seen revenues increase

Eighty-two percent of industry respondents indicated they have taken steps to respond to the wellness movement over the last five years, and among this group, 91% also reported that these changes have yielded growth in revenues. The majority of these businesses reported a 5-10% or 10-20% impact on revenue growth (see Figure 12).

Figure 11 illustrates the various changes that have been made by industry respondents in response to the wellness trend. Three out of four respondents said they had introduced new services or products in response to the wellness trend, and a little more than half reported a change in their marketing strategy. Almost half the respondents said they had developed new partnerships, targeted new customers, and/or trained employees in response to the wellness trend. A smaller, but substantial portion of respondents indicated they had made capital investments as a result of the wellness trend – around one-third built new facilities (34%) or renovated existing facilities (28%).

Figure 11.

What changes have you made in the last five years in response to the wellness trend?

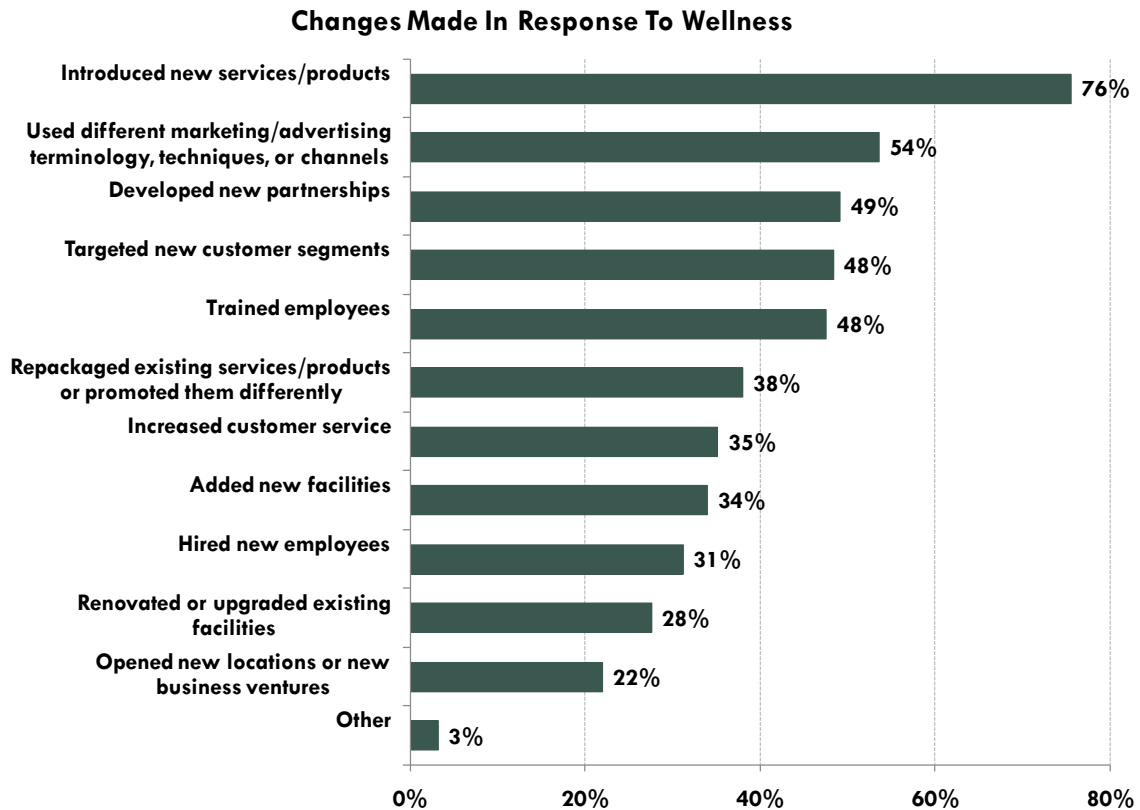
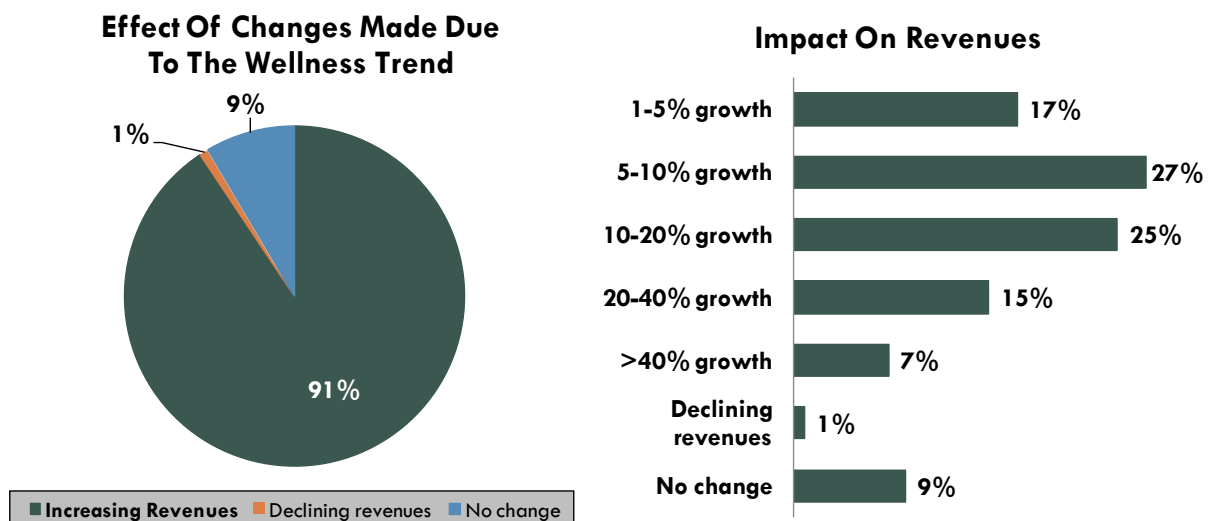


Figure 12.

Impact on revenue of changes that businesses have made in response to wellness

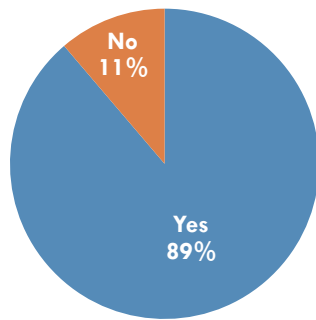


Industry respondents plan further responses to wellness, in anticipation of further revenue growth

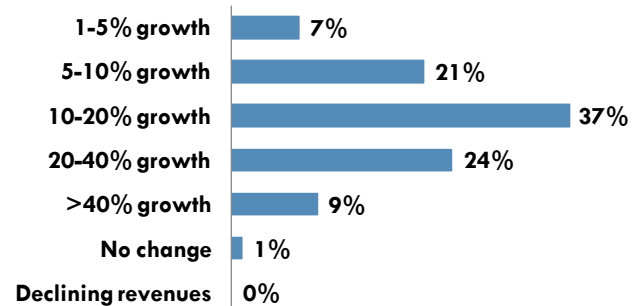
As shown in Figure 13, most industry respondents expect to increase investments in wellness-related services, products, partnerships, or ventures over time, with 9 out of 10 respondents stating they plan to make investments in the next 5-10 years. Respondents seem optimistic about their plans – almost all of them believing their business will see growth – and 70% expect their wellness-related investments to lead to more than 10% revenue growth.

Figure 13.
Expected effect of future investments to address the wellness market

Do you plan to invest in any new wellness-related services, products, partnerships, or ventures in the next 5-10 years?



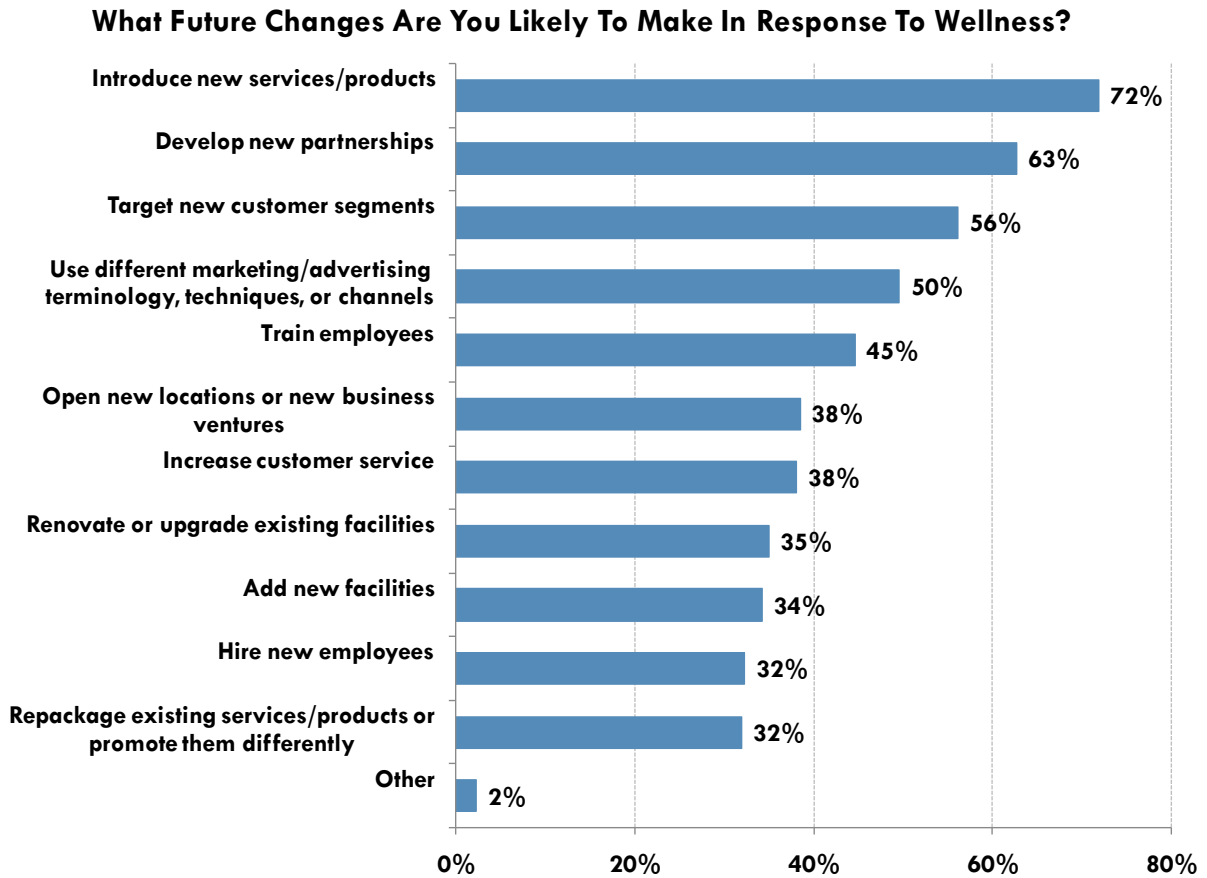
Expected Revenue Growth From Future New Wellness-Related Offerings



Future investments by the respondents are likely to consist primarily of adding new services or products, developing partnerships, and targeting new customer segments (see Figure 14). Similarly to Figure 11, many of the changes are related to business strategy and not structural. Only one-third of the respondents reported plans to add new facilities or employees.

Figure 14.

What new wellness-related services, products, partnerships, or ventures are you most likely to invest in during the next 5-10 years?



VI. OPPORTUNITIES FOR SPAS IN THE WELLNESS INDUSTRY

This section highlights the business opportunities for the spa industry along the wellness continuum. While some opportunities will require long-term effort and investment, others simply require spa owners and investors to make small adjustments to their service offerings and to reexamine their marketing approaches and customers with a new, wellness-oriented viewpoint.

Spas provide wellness, even if they don't recognize or claim it

The spa industry already sits solidly within the burgeoning wellness industry. The tradition of spa as a place for healing, renewal, relaxation, and “feeling well,” positions the spa industry as one of the most logical sectors to take advantage of (and help lead) the wellness movement. In addition, the core customer base for wellness almost directly overlaps with the primary customer market for spas. Thus, it is not surprising that ***in the survey of over 1,000 consumers conducted for this study, 81% stated that they are extremely or very interested in improving their personal wellness.***

In spite of the logical fit between the spa sector and broader wellness industry, most spa stakeholders have not yet successfully articulated a concept of wellness or its meaning within the context of spa, and, thus, have not realized its full potential for their business. There are diverse opinions in the spa industry about the value of the actual word “wellness” as a marketing technique, a selling point, or a label for spa offerings. Many in the industry feel that the term is amorphous, overused, and misunderstood by most consumers. In particular, this concern arises from the fact that, as it has become popularized, the term “wellness” is frequently used (and misused) in a casual way – to label anything from true wellness services and products to cleaning products and pet food. At the same time, in the industry survey conducted for this study, 83% of industry respondents stated that they currently use the term “wellness” when talking to clients or the media, or in their marketing materials. The decision of whether or how to use the word “wellness” in marketing is probably best left to individual businesses to decide, based on their own business strategy and customer base.

Wellness is an opportunity to reshape the perception of spa

Many in the spa industry see wellness as an opportunity for spa to re-shape its image, to regroup after the global recession, and to move away from the perception of spa as merely a provider of luxurious pampering and beauty services for the wealthy. This thought bears special attraction in today's economy, when many consumers have less disposable income to spend on luxury or non-essential products and services, and those who still do are reluctant to consume conspicuously. In our interviews, we heard

repeated concern over the “anti-AIG” backlash, and a sense that consumers are re-centering and focusing inward to reestablish their values, a transition from mindless spending to mindful spending.

Placing spa within the context of wellness can raise awareness that massage and other spa services offer real therapeutic benefits beyond pampering. Educating consumers about how spa can enhance a person’s overall health and quality of life – or how it can effectively treat real ailments and conditions – will help consumers to view their spa spending as an investment or an essential element in maintaining their health. To illustrate this idea, we found, in the consumer survey conducted for this study, **71% of respondents said they would be “much more likely” or “somewhat more likely” to visit a spa if they learned that a series of research studies demonstrated that spa treatments deliver measurable health benefits.**

On the other hand, focusing on wellness opportunities does not, by definition, exclude pampering and indulgence. In fact, pampering can be a healthy thing and is considered by many thinkers in the wellness movement to be an important component of wellness. Most offerings across the range of typical spas services – massages, body treatments, hydrotherapy, facials, beauty services, anti-aging services, and so on – would be considered wellness services if provided with the intent of helping a person feel more well (physically or mentally) via curative touch, addressing a specific ailment or condition, or improving a person’s self image and sense of well-being.⁴⁹

Opportunities for spa in wellness cluster span the entire wellness spectrum

The opportunities for spa in the wellness industry cluster span the range of the many types of consumers and sectors that fall within the cluster.

- On the **reactive/treatment-oriented side** of the wellness continuum, spas can bring new, wellness-oriented, and more holistic approaches to the conventional medical sector. In essence, the areas in which the conventional medical industry is struggling have created opportunities for spas.
- On the **proactive/wellness-oriented side**, spas can link with other sectors to help enhance people’s health and quality of life. By forging partnerships and collaboration across these sectors and by bringing new, complementary services

⁴⁹ There is considerable debate among experts concerning the role in the wellness industry for beauty-related services and procedures in the medical/cosmetic/dermatologic/dentistry area, such as botox and laser treatments. Some feel that these services do not fall within the wellness arena and may, in fact, undermine development of a wellness outlook and natural aging. Others argue that any service or procedure that improves appearance and self-confidence falls within the wellness arena. What is clear is that there is a strong and growing consumer demand for these services, and their role in the wellness industry may come down to the purpose for or intent with which they are performed.

into the spa arena, spas can facilitate a movement toward more proactive and integrated approaches toward health and wellness.

- Within the realm of **workplace health and wellness**, the spa industry can capitalize on the trend of employers taking seriously the need to improve the health and wellness of their senior executives and their employees in general. Many services and products developed by the spa industry in the two previous arenas can be delivered in the workplace context.

These opportunities are elaborated in the following sections and summarized in the graphic below.



A. Tapping into Reactive/Treatment-Oriented Opportunities and Resources

1. Partner with conventional medical establishments to deliver complementary and integrated healing services

In a number of countries, leading medical establishments are seizing the opportunity to provide additional services to their patients. As mentioned previously, a growing number of patients suffer from chronic diseases and are increasingly disenchanted with their medical treatment. A common complaint is that they are not treated as a whole person. The Baby Boomers, especially, are complaining loudly and trying to change the system. A significant group of these patients are cardiac and cancer patients, who face great stress, a series of difficult and invasive medical procedures, and, post-treatment, a life that will require significantly changed behaviors. As a result, a number of medical centers that treat cancer and heart disease are in the forefront of experimenting with alternative therapies to support conventional ones. In the United States, for example, the Cleveland Clinic, Harvard, Stanford, and Duke Universities, and about 20 others have also started alternative or complementary medicine programs that, in some combination, provide alternative care services to patients and conduct research on the efficacy of these treatments.⁵⁰ In Asia, major hospitals that are medical tourism destinations are also adding on wellness centers. In Bangkok, for example, Bumrungrad International Hospital features the VitalLife Wellness Center, and Piyavate Hospital features Tria Integrative Wellness.

Spas interested in developing services that help treat the seriously and chronically ill should look for opportunities to collaborate with complementary health centers. Individual spa business actors could reach out to medical providers experimenting with complementary and alternative treatments to explore the provision of services, the most obvious being massage and hydrotherapy. Other alternative and complementary services offered include acupuncture, meditation, life and health and nutrition coaching, which many spas are either providing already or experimenting with as well. Appearance and confidence-enhancing beauty-related services and products could also be packaged for medical patients to boost their mood, self-image, and positivity about recovery. Delivery mechanisms could be various. For example, the Mayo Clinic, Cleveland Clinic, and other centers have massage therapists, nutritionists, and acupuncturists on staff. Many medical centers and physicians offices maintain lists of additional service providers (such as psychotherapists, herbalists, acupuncturists, or nutritionists) to whom they refer patients.

Spas may also want to consider developing packages of treatments for specific patient profiles. Massage, personal fitness, and nutrition counseling for women

⁵⁰ Consortium of Academic Health Centers for Integrative Medicine, <http://www.imconsortium.org/members/home.html>.

undergoing and recovering from breast or other cancers, or for men and women recovering from heart surgery – if designed appropriately, perhaps in collaboration with local medical or advocacy experts – would, at the very least, be targeting a growing demographic. Other health conditions to address could include pregnancy, infertility, and stroke, or perhaps a series of treatments designed to relax anxiety before a given surgery and to speed recovery post-surgery. Diabetes patients could perhaps benefit from a package designed, with medical input, for maintenance of foot health.

Many stakeholders interviewed for this study, especially those in the hotel and hospitality industry, expressed concern about the impact of very sick patients having a negative impact on the spa environment, which is designed to be relaxing and carefree. Outside of the medical tourism industry, this is unlikely to be an appropriate market for hotel spas. The sickest patients could perhaps be cared for in the hospital, or, perhaps by a business in which specially trained therapists make home visits.

2. Partner with the medical industry to conduct evidence-based research

Conventional medical providers rely on data – results from medical studies – to convince them of the value of procedures and medications for their patients. This model of medical research is elaborate, hierarchical, and slow-moving, but can have powerful influences on medical practice. When the Mayo Clinic began to experiment with massage for cardiac patients, they designed (and are still designing) trials to measure the impacts of massage and other therapies and submitted them for publication in peer-reviewed medical journals, as is the common practice with new methods and treatments. After more than 100 studies published in peer-reviewed journals documented the effectiveness of the Pritikin weight loss program, the U.S. Congress recently passed legislation allowing Medicare to reimburse patients' participation in the program.⁵¹ Research of this type is unlikely to be within the realm of possibility for an individual spa, but the conventional medical community is increasingly interested in conducting clinical (i.e., involving patients) research on the impacts of complementary and alternative treatments. Individual spas may find they can provide therapists for research efforts.

3. Partner with the medical tourism industry to create complementary services

Spas can leverage the growing medical tourism sector by developing complementary services and products that target the same client base. There are significant opportunities for the spa industry to work with medical establishments to provide therapeutic spa services for hospital patients during both the pre-op and post-op phases. Spa-based packages that provide recuperation, recovery, and relaxation to

⁵¹ The Nathan Pritikin Research Foundation, <http://www.pritikinresearchfoundation.org/>, accessed April 23, 2010.

patients after a procedure can be a value-added service that complements the patient's medical treatment and also extends the patient's stay and spending in the country.

Some elective and less-invasive procedures could potentially be provided within a spa itself (most likely a medi-spa or dental spa with an on-site physician). The European medi-spa model presents an interesting potential model for spas in other regions that are interested in serving medical tourists. There are also opportunities to create integrated spa, beauty, and wellness packages – especially aimed at relaxation and stress relief – for the caregivers who accompany their loved ones to seek medical treatment in another country.

B. Tapping into Proactive/Wellness-Oriented Opportunities and Resources

1. Repackage and develop new offerings to define and market spas as a wellness necessity

Existing spa services – such as massage, body treatments, and even facials and some beauty services – do contribute to personal wellness by helping people feel better, unwind and de-stress, and develop a better self image. The easiest way for spas to target wellness consumers is to adjust the marketing language and packaging they use to promote these services, focusing on the ways in which these services can provide more than just pampering, but also positive benefits for one's physical, mental, and emotional well-being.

Spas are increasingly tapping into ancient, culturally-based healing and wellness traditions to develop new services and products – and especially to develop unique offerings that reflect the country or region in which they operate. There is rapidly growing consumer interest in many therapies that typically fall under the heading of complementary and alternative medicine – including ayurveda, traditional Chinese medicine, energy healing/reiki, homeopathy, and so on – and there is a small, but growing, body of scientific evidence demonstrating that such approaches do have real therapeutic value. Other related opportunities include developing specialized types of massages or treatments that target the needs of specific consumer segments (e.g., sports massage; anti-stress treatments for business executives; facial, body, and beauty treatments that enhance the self esteem of aging women; and so on), and placing greater emphasis on partnering services with products that have therapeutic value, that promote healthy aging and self image, and that can help a client continue to feel and look well after leaving the spa.

Spas can increasingly repackage and/or develop new kinds of specialized, therapeutic treatments – especially those that draw upon traditional/culturally-based therapies and approaches – but also should focus on educating consumers about the tangible value these kinds of treatments can have for one’s health and wellness. Developing a strong body of customer testimonials and evidence – for example, expert/scientific testimonials or evidence showing how spa contributed to customers’ wellness in specific ways – can be a powerful tool in this context.

2. Help consumers understand and select the spa's wellness offerings

In parallel, spas should provide guidance to consumers on how spa services contribute to wellness and healing in general, as well as to each consumer’s individual concerns. Sometimes, a large list of spa services can be confusing and intimidating, especially to those who are not regular spa-goers. The customer may wonder, how is a shiatsu massage different from a Swedish or Thai massage? If I am experiencing neck and shoulder tension, which will provide me with the greatest relief? What other services could I combine with a massage to alleviate stress or combat the symptoms of aging? To address customer confusion and provide a higher level of guidance, spas could employ wellness assessment tools to help customers better understand the areas of their life in which they are “out of balance” (for example, specific aspects of physical wellness, mental wellness or stress, emotional wellness, self image, and so on). After taking a wellness personal inventory or assessment, the customer could then be guided to a personally-tailored package of services and products that would address their individual needs and concerns.⁵²

As an accompaniment to this approach, spas could also rethink and reframe their offerings within specific dimensions of wellness. For example, which services and products will address specific areas of physical wellness? Which would help a customer address emotional or mental or spiritual wellness? How can the spa’s beauty-related offerings (e.g., facials, skin care products, etc.) support different aspects of wellness? This approach could then help spas guide customers to the specific services that will meet their individual needs. In addition, looking at the spa menu in this context could highlight opportunities for spas to develop new service offerings. For example, a spa may discover that it is not currently providing services to address the emotional dimension of wellness, and then add meditation sessions or related services to provide a more well-rounded package of wellness services to its customers.

⁵² There are a number of wellness assessment tools that have already been developed and that could be adapted by spas for this purpose. There are also a handful of spas already utilizing this kind of approach – for example, a few destination spas are utilizing the *Wellness Inventory*, one of the first and oldest assessment tools developed by Dr. John W. Travis (one of the founders of the wellness movement). The Murad Inclusive Health Centers have developed an Inclusive Health Evaluation tool that evaluates various aspects of a customer’s health and well-being. There are certainly other spas out there using this kind of approach, but it is not yet common practice in the industry.

3. Position spas as the center of integrated/holistic approaches to wellness

While many different industry sectors offer services and products aimed at elevating health and well-being, there is still little collaboration or partnering across the core wellness sectors. In many ways, wellness providers are competing with one another for a share of the consumer wellness dollar. For example, an especially wellness-oriented consumer may belong to a gym, go to a separate studio for weekly yoga or pilates classes, occasionally visit a spa for a massage, and visit a separate beauty salon every couple of months for hair services. He or she may also seek out an acupuncturist or chiropractor to address an issue with back pain (which may or may not be coordinated through a health plan or insurance) and may seek guidance on healthy eating over the Internet.

This is a very fragmented and piecemeal approach to personal wellness and health, and it requires a relatively high level of interest and time on the part of the consumer to seek out and schedule each of these services. A less motivated or “peripheral” wellness consumer is unlikely to spend the time and money on all of these separate services. There are opportunities to bridge the gaps across these sectors and deliver a more integrated package of wellness services to a broader range of customers. In fact, this kind of comprehensive approach is starting to appear in some gyms and health clubs, and also in some medically-based wellness centers, but these facilities do not typically include anything more than basic spa services (such as massage) in their offerings. In the spa arena, only destination spas and some medi-spas (mostly in Europe) have really pursued this kind of integrated approach – it has not yet been pursued by the broader spa industry.

The challenge for the spa industry is to take spa out of its usual “box” or niche - taking spa services into new physical locations; making spa and wellness services accessible to different consumer segments; and developing specialized services that target specific consumer markets. This will be especially critical to capture the interest of the large and growing number of “peripheral” wellness consumers.

Using wellness as a business development and marketing concept, spas can start with incremental steps (such as adding a nutritionist to the spa’s staff, or offering mind-body therapies like yoga, qigong, or pilates within the spa facility). They could evolve toward the development of an integrated or holistic spa/wellness facility that combines spa services, personal training, mind-body services, nutrition counseling, life coaching, healthy aging and self-image-boosting beauty services/products, and other compatible wellness services, all under one roof. They could also evolve toward the development of increasingly specialized spa/wellness centers that provide holistic services targeting the needs of specific consumer segments (e.g., middle-aged women, sports-oriented young adults and teens, cancer survivors, and so on). These kinds of

integrated and specialized approaches could be pursued by any type of spa (day spas, club spas, medical spas, etc.) and could serve both a local customer base as well as wellness tourists.

4. *Provide continuity of care to customers*

Whether spas are repackaging existing services, developing new types of spa treatments that focus on various aspects of wellness, or developing integrated offerings and collaborations with related sectors, they will need to communicate the concept of wellness to the customer – why it is important; and how specific treatments, therapies, and approaches can contribute to each consumer's personal health and wellness. The most effective person to communicate this message is the spa therapist, who can discuss with customers before and after treatments various ways to improve their wellness, how the treatment at hand fits in a broader context of wellness lifestyle approaches, and/or possibly cross-sell other spa services and products that can complement the treatment. To ensure that the message is communicated effectively would require a stepped-up level of education for the spa therapist.

Another opportunity is to build longer-term customer relationships and provide continuity of care through ongoing wellness membership or coaching programs at the spa. For example:

- A spa/wellness membership program could enroll customers on a monthly or annual basis in a wellness lifestyle program that would package spa treatments with other wellness-enhancing programs and services. For a monthly fee, a customer might receive regular group seminars or webinars on wellness-related topics, periodic newsletters or educational materials, and other related services. A package of regular massage or body treatments, a set number of personal training or individualized fitness sessions, access to spa facilities (e.g., steam room/Jacuzzi/hydrotherapy areas, relaxation areas, etc.), and other services could also be packaged or discounted along with the wellness membership.
- Wellness and lifestyle coaching is another service that spas can add in order to build longer-term customer relationships (and that is already being recognized by a growing number of spas as an opportunity). Regular coaching – either individually or in group settings – could be provided in person, by phone, or even as an extension service, bringing coaching (and spa services) to people's homes or the workplace.

C. Tapping into Workplace Wellness Opportunities and Resources

With healthcare costs rising in the double digits, there is a growing movement among corporations to promote employee wellness and disease prevention in order to improve productivity and lower costs. One study conducted by Harvard economists found that medical costs fall by about \$3.27 for every dollar spent on workplace wellness programs, while absenteeism costs fall by about \$2.73 for every dollar spent.⁵³ Many large employers now offer some type of wellness program to cut costs and improve worker productivity. While larger corporations may build their wellness programs and services into their company infrastructure, smaller companies often look to service providers or corporate memberships for assistance.

Programs tend to take two main tracks. The first focuses on the management of specific diseases of high prevalence among the company's workforce, such as diabetes or heart disease. A company with a high proportion of women of child-bearing age might focus on healthy pregnancy. The program would help employees understand and manage their risk factors. A second, more general, program focuses on managing behaviors that may lead to ill health (known as risk factor reduction). Topics are usually smoking, lack of exercise, and diet. Many companies also have an executive program tailored to the specific risk factors of senior management (which has spawned the market for executive physicals and executive health retreats at large medical centers and select destination spas), along with a broader approach for other employees. Few employers need convincing about the need to reduce smoking or to encourage weight loss – it is merely a matter of choosing the most cost-effective services to change employee behavior. A study by PricewaterhouseCoopers found that most companies focus on healthy eating and physical exercise.⁵⁴

1. Deliver executive health services

Many major medical centers and a few spas (such as Canyon Ranch and Cooper Clinic in the United States, Lanserhof in Austria, and the Kurotel in Brazil) offer executive physicals. These are typically one- to three-day sessions where high-level company executives (and, increasingly, anyone willing to pay out-of-pocket) are run through a series of medical consultations and tests. Executive physicals in spa settings are still carried out with fully-accredited medical physicians, but tend to include a larger assortment of wellness consultations and services, which can range from massage to nutrition and personal fitness training to psychotherapy and meditation classes.⁵⁵

⁵³ Katherine Baicker, et al, "Workplace Wellness Programs Can Generate Savings," *Health Affairs* 29.2 (2010): 304-311, <http://content.healthaffairs.org/cgi/content/abstract/hlthaff.2009.0626>.

⁵⁴ WEF/PWC, *Working Towards Wellness*, p. 15.

⁵⁵ Neal Santelmann, "How the Wealthy Get Healthy," *Forbes*, http://www.forbes.com/2004/07/21/cx_ns_0721feat.html, accessed April 13, 2010.

Recently, executive physicals have come under fire for submitting patients to costly tests that do not have a proven track record of preventing disease. This may provide an opportunity for increased focus on some of the lifestyle counseling and wellness services that could be offered by spas.⁵⁶ Some experts interviewed for this study also foresee a trend toward using spa settings for more cost-effective executive retreats, which would combine corporate planning with wellness counseling.

2. Manage general wellness of employees

There are opportunities for spas to provide wellness-related services and programming to companies that are interested in offering wellness programs for employees but do not have in-house capability to deliver them. The U.S. franchise, Massage Envy, for example, offers corporate memberships and claims to have thousands of employers enrolled to provide discounted access to massage, working off the model of a corporate gym membership.⁵⁷ Other opportunities might be delivered by spas at the work-site, ranging from sessions on meditation, yoga, pilates, nutrition counseling or life coaching, to chair or full-body massage.

⁵⁶ Scott Hensley, "Doctor Says Executive Physicals Are Bad Medicine," *WSJ Health Blog*, October 1, 2008, <http://blogs.wsj.com/health/2008/10/01/doctor-says-executive-physicals-are-bad-medicine/tab/article/>, accessed April 13, 2010.

⁵⁷ Massage Envy Corporate Massage Therapy Wellness Program, <http://www.massageenvy.com/corporate-wellness-program.aspx>, accessed April 13, 2010.

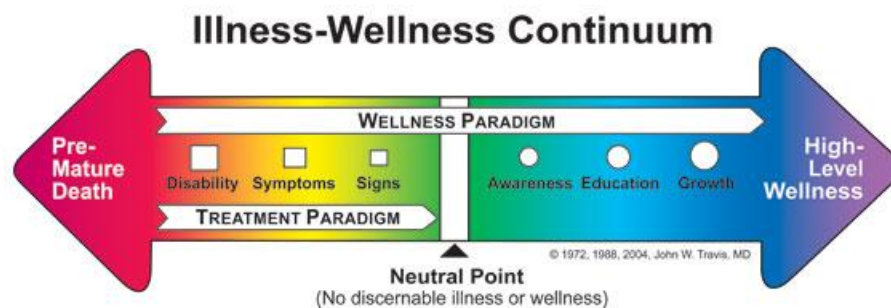
VII. RECOMMENDATIONS FOR MOVING THE INDUSTRY FORWARD

This section outlines a number of industry-level initiatives that could be pursued by the Global Spa Summit, regional industry associations, and other industry organizations in order to launch spas toward the forefront of the wellness movement.

1. *Develop a harmonized understanding of wellness terminology and concepts in relation to the industry*

Although it is not necessary for all spa stakeholders to define wellness in exactly the same way, it would help reduce consumer confusion if, at the industry level, spas started thinking about and talking about wellness in a more coherent and harmonized manner. We recommend a few core principles:

- We recommend embracing the idea of wellness as being **multi-dimensional and holistic**, incorporating dimensions of physical, mental, emotional, spiritual, social, and environmental wellness. This interpretation resonates with both the traditional and modern intellectual thinking regarding wellness; provides flexibility to various segments of the spa industry to pursue ventures under the wellness banner; and supports regional variations and interpretations.
- We recommend embracing the concept of the **illness-wellness continuum**, developed by wellness pioneer Dr. John W. Travis.⁵⁸ This model has been used as a framing concept for the wellness industry in this report, and it can be an



© John W. Travis, <http://www.thewellspring.com/wellspring/introduction-to-wellness/357/key-concept-1-the-illnesswellness-continuum.cfm>

effective tool in helping people “get” wellness. It also allows individual spa entrepreneurs to map their customers and their product and service offerings along the continuum. One spa might decide to target healthy core wellness users, while another might find a niche in providing healing services to breast cancer survivors. Each customer is at a very different place on the spectrum, but the goal of any

⁵⁸ See the more detailed explanation of Dr. John W. Travis’ definition and models of wellness in Appendix A, Section B.

wellness provider will be to move that client to the right, to the highest level of wellness that customer can achieve.

- Recognize that wellness will be **consumer-driven**. The theoretical wellness leaders emphasize self-responsibility as a core component of wellness – that each individual must take charge of his or her own health, wellness, and behaviors. This aspect, combined with the growing trend for conventional healthcare to be consumer-driven, indicates that entrepreneurs within the spa industry would do well to approach wellness with enough flexibility to allow their customers to personalize their treatments.

2. Promote and support ongoing conversations on wellness in the spa industry, as well as with other wellness sectors

Wellness opportunities are growing rapidly and will continue to change as they are shaped by societal and economic forces. This study is only a starting point in terms of helping the spa industry understand and position itself in relation to these opportunities. Ongoing discussion, education, and awareness-building throughout the industry will be important to help spa stakeholders understand and take ownership of the wellness concept, and also to keep abreast of wellness-related trends. These kinds of activities are best pursued in a forum provided by industry-wide organizations like the Global Spa Summit.

- The GSS or other regional/international industry associations could sponsor **ongoing wellness symposiums** for the spa industry – even perhaps forming a “global wellness institute” – which might include periodic seminars, working groups, or education courses to facilitate conversation and learning about the various facets of wellness, as well as how different spas (or businesses in other wellness sectors) are interpreting the concept and bringing it to life.
- These events will provide the forum to **bring in leading thinkers and organizations in the wellness movement**. To name a few, Dr. John W. Travis, Don Ardell, Dr. Bill Hettler, the National Wellness Institute, and the German Wellness Association, among others, have all dedicated significant efforts to thinking and talking about wellness, and they have a wealth of knowledge and insights on the topic that the spa industry could – and should – tap into. The GSS and other industry associations could bring these thought-leading people and organizations to speak at key events or even to lead symposiums and workshops for industry members, with the objective of building the industry’s understanding of what wellness is and what role spa should play in the wellness movement.
- Wellness events and symposiums could be especially effective if **taken to the regional level** (e.g., Europe, Asia, Latin America, etc.), providing the opportunity to

spotlight regionally-based wellness traditions and explore regional/cultural variations in wellness practices and consumer interests. For example, Asian experts could inform Western audiences on ancient healing traditions such as ayurveda and traditional Chinese medicine, while Western experts could inform non-Western audiences on advances in diagnostic techniques and genomic testing.

- Another valuable area of ongoing debate will be opportunities for the spa industry to ***collaborate with the beauty and anti-aging*** industry around wellness. In our interviews, we found wide disagreement about which elements of beauty and anti-aging should be considered as “wellness.” Perhaps efforts could focus on the areas where all can agree. All else equal, a “well” person is more beautiful, and effectively younger. Regardless of whether cosmetic dermatology products and services, or cosmetic surgery, fall under the “wellness banner,” they will be more effective and longer-lasting if the consumer is practicing other wellness lifestyle behaviors. Eating well and exercising will enhance the effects of liposuction. Adequate hydration and sunscreen use will prolong the effects of anti-aging skin treatments. Following this rationale, beauty and anti-aging products and services can also serve as a point of entry for peripheral consumers into the wellness industry.
- Yet another opportunity is to facilitate ***dialogue with the conventional medical industry*** by inviting medical doctors to experience spa facilities and programs, with the goal of introducing them to the idea of how these kinds of establishments can support consumers in making the lifestyle changes that doctors often recommend.

3. Build a body of evidence-based consumer research that connects spa to wellness⁵⁹

There is a dearth of research on consumer segments, interests, and preferences for purchasing wellness-related offerings, and much of the research that does exist tends to focus only on the United States. In-depth consumer and marketing research – such as consumer surveys, focus groups, and so on – can be expensive and difficult for all but very large spa businesses to pursue. A critical mass of public sentiment and customer testimonials stating that an approach or treatment “works” – or makes consumers feel better, feel younger, or look better – can send a powerful message for potential new wellness consumers, especially if partnered with scientific studies (see below). Consumer research could be sponsored by regional/country industry associations, focusing on wellness consumers within specific markets and regions, and would be of benefit to many spa stakeholders, both within the region and beyond.

⁵⁹ Further elaboration on how this and other research-oriented recommendations fit within the broader context of the various types of research that could be useful in the spa industry can be found in Appendix C.

4. Facilitate and publicize evidence-based/scientific research on wellness approaches

Research in the conventional, Western medical and bioscience community follows well-established protocols and procedures, focused around what is known as the “scientific method.” For the conventional medical community to widely accept, recommend, and prescribe spa-based treatments, they will need to “see the data” delivered by rigorously designed clinical trials, and then see the data duplicated in additional, similar trials. With the medical community on board, employers, insurers, and public health officials are likely to follow suit, which will offer spas increased access to insurance reimbursement and wellness programs funded by employers and governments. Recognition by any and all of these opinion-leaders, in turn, has a positive influence on consumers.

This type of research is high-priced, moves very slowly, and must be driven by the conventional medical community. However, there is growing interest by the medical community, and efforts are beginning. Some research of this nature is already taking place, but only on a limited scale.

Organizations like GSS can support increased evidence-based scientific research on wellness-related and complementary/alternative therapies in several ways:

- First, GSS could serve as a conduit for compiling, summarizing, and **making accessible the existing evidence-based research studies** that have been conducted on the benefits of spa and alternative therapies. A GSS-hosted digital clearinghouse that lists existing reputable studies, and summarizes study findings in language that is accessible to a mainstream consumer and spa professionals, would help consumers inform themselves and help spa professionals market their therapies. An example of a similar clearinghouse for higher level clinical studies on a broad range of conditions, the Cochrane Reviews, was cited by several medical experts.⁶⁰ Funding for such an initiative could be sought from major corporations in the spa, hospitality, beauty/products, fitness, and other wellness sectors that could benefit from publicizing such research.
- Second, GSS could reach out to the medical and research community to **encourage more clinical studies** that investigate the modalities used most widely by consumers.
- Finally, GSS could consider offering **a global research award** or prize for original research on the health benefits/effects of massage and other spa treatments (perhaps with prize monies gathered through GSS member organizations). Such an award could help expand the body of peer-reviewed research available and also

⁶⁰ <http://www2.cochrane.org/reviews/en/subtopics/>. Search by the subtopic of Complementary Medicine Field to see summaries of high level, systematic reviews of complementary medicine.

generate increased research momentum on such topics at universities, hospitals, and other public/private research organizations.

***There is a lack of scientific, evidence-based studies
on complementary and alternative therapies***

The U.S. National Library of Medicine's journal database, PubMed^a, identified only 40 systematic scientific reviews (the highest level of medical study) of acupuncture, massage therapy, naturopathy, or yoga published from 2002 to 2007. Only 10 of these reviews found sufficient evidence to conclude that the therapy was effective for a specific condition, such as the following: acupuncture, yoga, and massage therapy for back pain; acupuncture for knee pain (including osteoarthritis); and acupuncture for nausea or vomiting (including postoperative, chemotherapy-induced, and pregnancy-induced).

In addition, the attention paid by the scientific community to certain CAM modalities does not necessarily correspond with their prevalence of use among the general public. For example, the U.S. Institute of Medicine identified 79 systematic reviews of acupuncture and 38 studies of homeopathy (making them the 3rd and 4th most studied modalities), but the 2007 U.S. National Health Interview Survey found that less than 1.5% of the adult U.S. public uses these therapies in a given year. The CAM therapies that tend to be less frequently used by the public (e.g., biofeedback, hypnotherapy, acupuncture) tend to have the highest level of acceptance and referral by physician groups, including pediatricians. Additional communication is needed between the scientific community and the public to encourage more research focus in CAM modalities that are most attractive to mainstream public users of them.

^aPubMed comprises more than 19 million citations for biomedical articles in the fields of medicine, nursing, dentistry, veterinary medicine, the health care system, the preclinical sciences, and other life sciences.

Source: Patricia M. Barnes, et al, "Complementary and Alternative Medicine Use Among Adults and Children: United States, 2007," *National Health Statistics Reports* No. 12 (December 10, 2008), <http://nccam.nih.gov/news/2008/nhsr12.pdf>.

5. Support new industry research to raise awareness of and attract investment in wellness opportunities

Additional research is needed at the industry level to help spa business owners, investors, and others understand and pursue wellness industry opportunities. It can also help the spa industry tap into larger pools of investment dollars, tap into government and public sector programs and funding, and become more confident in taking advantage of wellness trends.

Industry research areas that could be supported or facilitated by an organization like GSS include the following:

- Establish better **benchmarks and metrics** to report and track the financial performance of spa (and other wellness-related sectors and businesses like yoga, CAM, and so on). It continues to be difficult to attract institutional investors to wellness-related sectors because of the lack of data, the difficulties in establishing standardized performance indicators, and the resulting challenges in demonstrating what the opportunities are. Establishing better metrics for spa and other wellness sectors would facilitate higher levels of investment and attention, leading to increased consolidation and specialization in the wellness industry.
- Sponsor the development of Harvard-style **case studies** that explore examples of successful approaches and business models for developing, marketing, and selling wellness offerings through spas. This kind of research could raise awareness among spa business owners and investors about how the spa industry is already tapping into wellness trends, what kinds of financial returns or other results are being achieved, and also encourage creativity in exploring new wellness-oriented business models for the spa industry. Such case studies could also be employed as educational tools within spa management and hospitality management educational programs.
- Sponsor studies on **spa industry size and economic impact at the regional and country levels**. Country-based and regional spa industry associations will find that they have better traction in talking with public sector agencies (e.g., for potential collaboration with tourism boards, health departments, and so on) if they can articulate clearly the size and importance of the spa industry in their region/country, as well as its impact on the regional economy and society (e.g., creating jobs, improving health outcomes for consumers, and so on).

6. Connect with wellness-related public sector organizations to leverage their resources

Several key sectors within the wellness cluster – including tourism as well as segments related to health and medicine – are actively promoted and managed by public sector agencies at the regional and national level. The spa industry has not traditionally had close connections with the public sector, and it often suffers from a lack of recognition by the public sector as an industry that provides valuable jobs and services. The spa industry would be well served by seeking to forge a closer connection and dialogue with government agencies that are overseeing key wellness segments. For example:

- At the industry level, leading stakeholders from the GSS could meet with and develop ongoing connections with **global tourism organizations**, such as the World Tourism Organization (WTO) and World Travel and Tourism Council (WTTC), with the goal of sharing information about the spa industry and exchanging ideas

about the role that spas play within the wellness and medical tourism markets. Such exchanges would help raise the profile of spa among tourism industry leaders and present ongoing opportunities for collaboration.

- At the country/regional level, spa industry leaders could reach out to ***tourism and medical tourism organizations*** to better understand their own region's wellness/medical tourism promotion/branding strategies, customer segments being targeted, and marketing channels and techniques being used, so they can effectively leverage the promotion and brand-building that has been done at the country/regional levels. Spa associations and businesses should also participate in group delegations to major tourism trade fairs and promotional events as a cluster of wellness tourism providers.
- Opportunities to make connections with ***public health authorities*** in various countries will vary according to the structure of the country's healthcare delivery system. Beneficial relationships can be made with government-funded medical research institutions, such as the National Center for Complementary and Alternative Medicine in the United States. In making these connections, the spa industry should increasingly draw on all available research and studies that address questions such as the following: What is the impact of the spa industry – on the economy, on people's health and wellness, on treatment of specific conditions? How can spa treatments and wellness approaches facilitate better quality of life? What evidence-based research supports these claims? These kinds of studies tend to resonate well with the public sector, and more studies of this nature should not only be facilitated by the spa industry, but also should be put to use proactively by spa industry leaders in communicating with governments.

7. Teach spa therapists to understand and promote wellness

Spas that seek to develop more holistic and wellness-oriented service offerings for their customers will most likely require a stepped-up level of education and awareness on the part of their spa therapists. Essentially, spa therapists will need to learn to “talk the talk” – that is, they must understand the deeper principles and broader context of wellness beyond the spa industry, as well as how spa fits within wellness-enhancing approaches, and then be able to communicate these ideas to their clients. The GSS and other industry organizations could work with major spa therapist training schools to provide guidance on new curriculum that would address wellness concepts and teach spa therapists how to educate their customers in holistic wellness principles and behaviors.

8. Educate spa management on wellness concepts and business savvy

According to many spa stakeholders, one reason the spa industry has not yet actively pursued wellness market opportunities is that spa management, business owners, and investors are not necessarily well-attuned to wellness trends and/or do not yet have the business savvy to grow their business into these kinds of opportunities. Since spa is still a relatively new industry, it has not yet reached the level of managerial/entrepreneurial professionalization that exists in other, more mature industries (such as the hotel/hospitality sector), and many spa managers come from a therapeutic background and not a business background. Industry leaders, working through GSS or other channels, could work more closely with the handful of spa management training programs/universities that exist to help shape the curriculum to reflect future market needs – for example, incorporating a “wellness theory” component into the coursework; providing additional education on trends and operational approaches in other wellness-related sectors (e.g., fitness, medicine, corporate wellness, etc.); and providing more extensive coursework on business development, promotion, and marketing.

Recognizing that wellness is a vast and multi-faceted concept and market, we present the preceding recommendations as activities that could be executed by the Global Spa Summit or by regional groups and associations for the greater good of the spa industry as a whole. We hope that this study will generate ongoing and productive discussion to propel the industry forward.

Appendices

APPENDIX A: DETAILS ON THE HISTORY AND DEFINITIONS OF WELLNESS

A. A Timeline of the Evolution of Wellness

Ancient Antecedents of Wellness	
3,000-1,500 BC	Ayurveda – possibly the world's oldest healthcare system – originated as an oral tradition and was originally recorded 2,000-4,000 years ago in the Vedas, four sacred Hindu texts. Ayurveda “is entirely <i>holistic</i> . Its adherents strive to <i>create harmony between the body, mind, and spirit</i> , maintaining that this <i>balance</i> prevents illness, treats acute conditions, and contributes to a long and healthy life.” Ayurveda’s “regimens are <i>tailored to each person’s unique prakriti (Ayurvedic constitution)</i> , taking into account his or her needs for nutrition, exercise, personal hygiene, social interaction, and other lifestyle elements.” ⁶¹ From India also originated mind-body-spirit traditions such as yoga and meditation, which are increasingly practiced in modern, Western cultures.
3,000-2,000 BC	Traditional Chinese Medicine (TCM) , as it is practiced today, has evolved from one of the oldest systems of medicine in the world. Influenced by the ancient philosophies of Taoism and Buddhism, TCM “focuses on achieving health and well-being through the <i>cultivation of harmony within our lives...</i> TCM not only identifies and treats illness and prevents disease but, just as importantly, <i>optimizes health, well-being, and sustainability in our lives and in our world.</i> ” TCM’s holistic perspective “is applied to everything affecting our health and well-being; from our diet, exercise, and how we handle stress; to <i>how we interact with our family and friends, our community, and our environment.</i> ” ⁶² TCM emphasizes individualized treatment, and therapies that have evolved from this tradition – such as acupuncture, herbal medicine, qi gong, tai chi – are not only still in practice but are also increasingly being integrated into Western medical practices.
500 BC	Ancient Greek physician Hippocrates – considered to be the father of Western medicine – is possibly the first physician to focus on <i>preventing sickness instead of just treating disease</i> (this concept is captured in the modern Hippocratic Oath: “I will prevent disease whenever I can, for prevention is preferable to cure.”). Hippocrates argued that <i>disease is a product of diet, lifestyle, and environmental factors</i> , not “a punishment inflicted by the gods.” ⁶³ The principles espoused in Hippocrates’ many famous aphorisms (“Walking is man’s best medicine.” “Let your food be your medicine, and your medicine be your food.” ⁶⁴) resonate closely with modern principles of staying well.
50 BC	Ancient Roman medicine emphasized the <i>prevention of disease</i> over curing disease. Adopting the practices of Greek medicine, the Romans believed that <i>disease is a product of diet and lifestyle</i> . Ancient Rome had a highly developed <i>public health system</i> , and the extensive system of aqueducts, sewers, and <i>public baths</i> helped prevent the spread of germs and maintain the health of the population. ⁶⁵

⁶¹ Amala Guha, “Explore Healing Practices: Ayurvedic Medicine,” *Taking Charge of Your Health*, University of Minnesota’s Center for Spirituality and Healing and the Life Science Foundation Website, <http://takingcharge.csh.umn.edu/explore-healing-practices/ayurvedic-medicine>, accessed March 21, 2010.

⁶² Christopher Hafner, “Explore Healing Practices: Traditional Chinese Medicine,” University of Minnesota Center for Spirituality and Healing and the Life Science Foundation Website, <http://takingcharge.csh.umn.edu/explore-healing-practices/what-traditional-chinese-medicine>, accessed March 21, 2010.

⁶³ “Hippocrates,” *Wikipedia: The Free Encyclopedia*, Wikimedia Foundation, Inc., <http://en.wikipedia.org/wiki/Hippocrates>, accessed March 21, 2010.

⁶⁴ James Strohecker, “A Brief History of Wellness,” Wellness Inventory Website, 2006, <http://www.mywellnesstest.com/certResFile/BriefHistoryofWellness.pdf>.

⁶⁵ “Medicine in Ancient Rome,” *Wikipedia: The Free Encyclopedia*, Wikimedia Foundation, Inc., http://en.wikipedia.org/wiki/Roman_medicine, accessed March 21, 2010.

19 th Century Intellectual and Medical Movements	
1790s	Homeopathy was developed by German physician Samuel Christian Hahnemann (1755-1843) in the 1790s, partly out of <i>frustration with the failures of the mainstream medicine of the day</i> . It treats patients by giving them very small doses of highly diluted substances that produce similar symptoms in healthy people, to stimulate the body's <i>self-healing response</i> . Homeopathic remedies are derived from <i>natural substances</i> (plants, animals, minerals), and <i>treatments are individualized</i> based on a person's health history, body type, and symptoms. Homeopathy was later introduced in the United States in the 1820s and 1830s, and homeopathic schools and practitioners proliferated throughout the U.S. and Europe through the mid- to late-19 th century. In fact, by 1900 the United States had 22 homeopathic colleges and 15,000 practitioners (representing one-sixth of the U.S. medical profession).
1860s	German Priest Sebastian Kneipp (1821-1897) founded his own holistic healing system, known as the "Kneipp Cure," which <i>combined a form of hydrotherapy with other practices such as herbal medicines, exercise, nutrition</i> (a healthy, low-protein diet of whole grains, fruits, and vegetables), <i>and spirituality</i> (emphasizing that a healthy mind leads to a healthy person). Kneipp was especially known for his system of preventive and curative hydrotherapy, which involved systematic application of water through various methods, temperatures, and pressures. Kneipp is also recognized as one of the founders of naturopathic medicine. The New Thought Movement – a spiritual movement that arose in the 19th century United States and drew upon the ideas of Ralph Waldo Emerson and the transcendentalists – emphasized the <i>relationship between spirituality and health, and that disease is mental in origin</i>. The "father" of the New Thought movement, Phineas Quimby (1802-1866), developed his own theories about <i>mentally-aided healing</i> and in 1859 opened a clinic in Portland, Maine, that treated over 12,000 patients/
1870s	Mary Baker Eddy (1821-1910), founder of Christian Science, was a patient of Phineas Quimby and explored his ideas within the context of her own study and understanding of the healing ministry of Jesus Christ. Eddy began practicing <i>spiritual healing</i> and published a book entitled <i>Science and Health</i> in 1875, and she spent the remainder of her life to establishing her church and promoting her spiritually-based healing methods. Osteopathy, a medical approach that emphasizes the role of the musculoskeletal system in health and disease, was founded in the United States in 1874 by Andrew Taylor Still (1828-1917). Osteopathy is a <i>noninvasive, holistic approach</i> that uses manual techniques to <i>balance all the systems of the body</i> and provide overall health and well-being. Still's philosophy of medicine was based on ideas that date back to Hippocrates, focusing on the unity of all body parts. Still also recognized the body's self-healing capabilities and stressed <i>preventive medicine, eating properly, and keeping fit</i>.
1880s	Swiss physician Maximilian Bircher-Benner was a pioneer in nutritional research and is best known as the inventor of muesli cereal. At the sanatorium he operated in Zurich, Bircher-Benner advocated a healthy diet of fruits, vegetables, and nuts as a means for healing, along with physical exercise, and active gardening work – espousing harmony between man and nature. The Young Men's Christian Organization (YMCA), originally founded in 1844 in London, may be one of the world's oldest wellness organizations. Originally founded as a Christian organization, the YMCA increasingly began to promote physical health and sports as it spread throughout the United States in the mid- to late-19th century. In the 1880s, the YMCA adopted its triangle logo inscribed with the words "spirit," "mind," and "body" (a logo still used to this day).
1890s	Horace Fletcher (1849-1919) was a Victorian-era health-food faddist who believed that disease could be avoided by "proper mastication" – that is, chewing food until it turned to liquid before swallowing would prevent overeating and improve a person's overall health. Fletcher also advocated a <i>low-protein diet</i>. Although the "Fletcherism" doctrine lost popularity, Fletcher's <i>concept that health is a consequence of one's own actions</i> has evolved and endured. Fletcher's ideas about mastication also endure today in the macrobiotic diet, which espouses chewing food thoroughly before swallowing (at least 50 times) for good digestion and absorption of nutrients. Chiropractic, which focuses on the relationship between the body's structure (especially the spine) and its functioning, was founded in the 1890s in the United States by Daniel David Palmer (1845-1913). Palmer believed that the body has a <i>natural healing ability</i>. Chiropractic was developed and popularized in the United States through the early-20th century by Palmer's son, B.J. Palmer (1881-1961).

19 th Century Intellectual and Medical Movements	
1900s	John Harvey Kellogg (1852-1943) was raised as a Seventh Day Adventist, believing in a religious obligation to lead a healthy lifestyle. In 1876, Kellogg was appointed director of a small medical facility run by the Seventh Day Adventists Church in Battle Creek, Michigan, which he later enlarged and renamed the Battle Creek Sanitarium in 1903. Under Kellogg, Battle Creek Sanitarium grew to be one of the most famous medical facilities of its time – famous patients included Will Mayo (founder of the Mayo Clinic), George Bernard Shaw, Henry Ford, and Theodore Roosevelt. The sanitarium's treatments encouraged a low-fat, low-protein diet with an emphasis on vegetables, whole grains, and fiber-rich foods, along with daily exercise, fresh air, hydrotherapy, and abstinence from tobacco and alcohol. It was known as a “place where people learn to stay well.” Many of Kellogg's views on diet and fitness have influenced the modern-day wellness movement. Kellogg also experimented with food processing techniques, and with his brother W.K. Kellogg, developed corn flakes, peanut butter, granola, soymilk, and soy-based meat substitutes.
	Naturopathy is a holistic medical approach that originated in Europe (especially Germany) in the 19th century and has its roots in Europe's “Nature Cure” movement (which promoted a wholesome diet, exercise, and fresh air). It promotes the body's ability to heal itself through use of dietary and lifestyle changes along with herbs, massage, and joint manipulation. The emphasis is on supporting health rather than combating disease. Naturopathy was introduced and popularized in the United States by Benedict Lust, who advocated hydrotherapy treatments, homeopathy, herbal medicine, and also introduced in America the Indian practices of ayurveda and yoga.
	Austrian philosopher Rudolf Steiner developed the spiritual movement of anthroposophy, which grew partly out of the European transcendentalism movement. Starting in the early-1900s, Steiner developed his holistic and wellness-focused system of anthroposophical medicine, which focuses on self-determination, autonomy and dignity of patients, and enhancing a patient's capacity to heal (working in combination with conventional medical approaches). Steiner also developed a pharmaceutical company called Weleda, which still sells natural medical and personal care products around the world.
	Austrian F.X. Mayr, as a medical student, decided to specialize in treatment of the abdomen and digestive system. Mayr developed his own detoxification and therapeutic dietary modification program (known as “Mayr Therapy”), which is still practiced (especially in Europe) today.
1910	In 1910, the Carnegie Foundation published the Flexner Report, a study of North America's system of medical education. The report – which criticized medical schools for their lack of scientific rigor, low standards, and poor instructional quality – had a wide impact on the practice of medicine in North America and shaped the medical education system and profession to this day. Flexner also questioned the scientific validity of all forms of medicine other than biomedicine, resulting in the decline of many forms of alternative medicine in the United States (including homeopathy, naturopathy, and so on), and courses in these fields were dropped from mainstream medical education. Interestingly, only osteopathy was able to maintain its place in mainstream medicine by adapting its medical schools to Flexner's recommendations for a scientific, evidence-based approach. The Flexner Report, combined with the advent and growth of the pharmaceutical industry in the mid-20th century, were largely responsible for the decline of holistic, alternative, and wellness based health approaches and the rise of disease-oriented, drug-based medicine in the 20th century.

19th Century Intellectual and Medical Movements

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20th Century Popularization of Wellness

1950s	Author and publisher J.I. Rodale was one of the first advocates of organic farming in the United States. In 1950, he began publishing Prevention magazine, a pioneering publication in promoting alternative/preventive health. <i>Prevention</i> presented systematic ways people could try to prevent illness and disease, rather than wait for the need to cure it – a concept that went against the conventional thinking of the time. Rodale, Inc. is still a leading publisher of health and wellness books, magazines, and websites.
1950s-1960s	Physician Halbert L. Dunn (1896-1975) served as head of the U.S. National Office of Vital Statistics from 1935-1961 and spent much of his career documenting health trends. Dunn first presented his idea of " high level wellness " in a series of 29 lectures held at a Unitarian Universalist Church in Arlington, VA, in the 1950s. Dunn's talks were published in 1961 in a book called High-Level Wellness , in which Dunn defined wellness as: "an integrated method of functioning which is oriented to maximizing the potential of which an individual is capable, within the environment where he is functioning." Dunn is known as the " father of the wellness movement ," and he emphasized the mental and spiritual dimensions of wellness in addition to the physical dimension. His work subsequently caught the attention of – and was further developed by – several other physicians and intellectuals.
1970s	Dr. John W. Travis , who was enrolled in a preventive medicine residency program at Johns Hopkins University, was influenced by Dunn's writings. Based on Dunn's work, in 1975 Travis founded the world's first wellness center , the Wellness Resource Center, in Mill Valley, CA. Travis emphasized individual responsibility for one's own wellness. He developed a 12-dimension wellness assessment tool (the Wellness Inventory , 1975), and he wrote and published The Wellness Workbook in 1977. Both are still in use today as foundational tools for wellness development. The Wellness Resource Center was later closed in 1979 (due to financial difficulties), Ironically, the same year, a high profile television interview with Dan Rather made Travis a national figure in the U.S. and heightening public awareness of the wellness concept. Travis has since established a non-profit and is leading efforts dedicated to transforming the medical culture, focusing on parenting and infant wellness, and promoting full-spectrum wellness (which encompasses adult and child wellness along with global and environmental wellness issues).
	Also influenced by Dunn's work around this time was Don Ardell , who was a Ph.D. candidate in a self-directed doctoral program focusing on positive health. In 1977, Ardell published <i>High Level Wellness: An Alternative to Doctors, Drugs, and Disease</i> , borrowing the title and concepts from Dunn. Ardell's book was a best seller, and he later wrote 12 other books, including <i>14 Days to a Wellness Lifestyle</i> and <i>Die Healthy</i> . Like Travis, Ardell emphasizes self-responsibility for wellness, but he focuses on the physical and mental aspects of wellness (while downplaying or rejecting the spiritual aspect). He has been a leading figure in the wellness movement for over three decades , speaks at numerous health and wellness conferences, and publishes a weekly newsletter, the <i>Ardell Wellness Report</i> .

20 th Century Popularization of Wellness	
1970s	In the early-1970s, the University of Wisconsin-Stevens Point (UWSP) began focusing on helping students live their lives as well as prepare for a career. Mary Fleishauer, a nurse in the student health services center at UWSP, attended a workshop by Dr. John W. Travis at the Wellness Resource Center. She then initiated the university purchasing and utilizing wellness materials from Travis, including the <i>Wellness Inventory</i>, and UWSP started the first university-based campus wellness center. Campus wellness programs became popular and spread throughout the United States in the 1970s and 1980s, and these were influential in the spread of the wellness movement. Dr. Bill Hettler, one of the staff physicians at (and later director of) the USWP health services center, built on Dr. John W. Travis' materials and created his own <i>Lifestyle Assessment Questionnaire</i>, as well as a six-dimensional model of wellness. Hettler's wellness assessment tool has been widely used for campus wellness programs and is now marketed as <i>TestWell</i>. Along with his colleagues at UWSP, Hettler organized the National Wellness Institute in 1977 and the first National Wellness Conference in 1978. Over 250 people attended the conference in 1978, and it has been held annually since then, with typically over 1,000 attendees from around the world each year.
Late-1970s & Early-1980s	As the wellness movement spread, businesses in the United States began developing workplace wellness programs , which support services aimed at enhancing employees' health. One of the pioneers of workplace wellness was Sentry Insurance , which is headquartered in Stevens Point, Wisconsin, near UWSP. Sentry Insurance began using Don Ardell's book <i>14 Days to a Wellness Lifestyle</i> as part of its employee wellness program. Workplace wellness program continued to expand throughout the 1980s and 1990s, and leaders in this arena have included: Kimberly Clark, Xerox, Conoco, Johnson & Johnson, Tenneco, Johnson Wax, Pepsi, and General Foods.
1990	Wellness concepts began to spread to Europe, and the German Wellness Association (<i>Deutscher Wellness Verband</i> , DWV) and the European Wellness Union (<i>Europäischen Wellness Union</i> , EWU) were the first organizations founded in Europe to officially represent and promote the wellness movement.
1990s-2000s	Most of the foundational thinking about (and defining of) wellness took place in the 1950s-1970s; however, the movement has continued to evolve and spread in recent decades. As chronic health problems have proliferated, and as the failings of our medical system have become evident, greater attention is being paid to proactive approaches to health and well-being. For example, the fitness and health club industry began expanding rapidly in the 1990s, and the spa industry saw significant growth beginning in the early-2000s. Adoption of workplace wellness programs has continued to grow rapidly in recent years, expanding outside the United States and also expanding among smaller companies. Numerous television celebrities and self-help experts have arisen over the last decade or two, touting concepts like self-actualization, living your best life, improving your self-image, living and eating better – and helping bring wellness-related concepts to a more mainstream audience. However, all of these developments have occurred in a relatively fragmented manner and have not yet coalesced under the banner of the wellness movement or wellness industry.

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B. Definitions of Wellness

1. Definitions from the Founding Fathers of the Wellness Movement

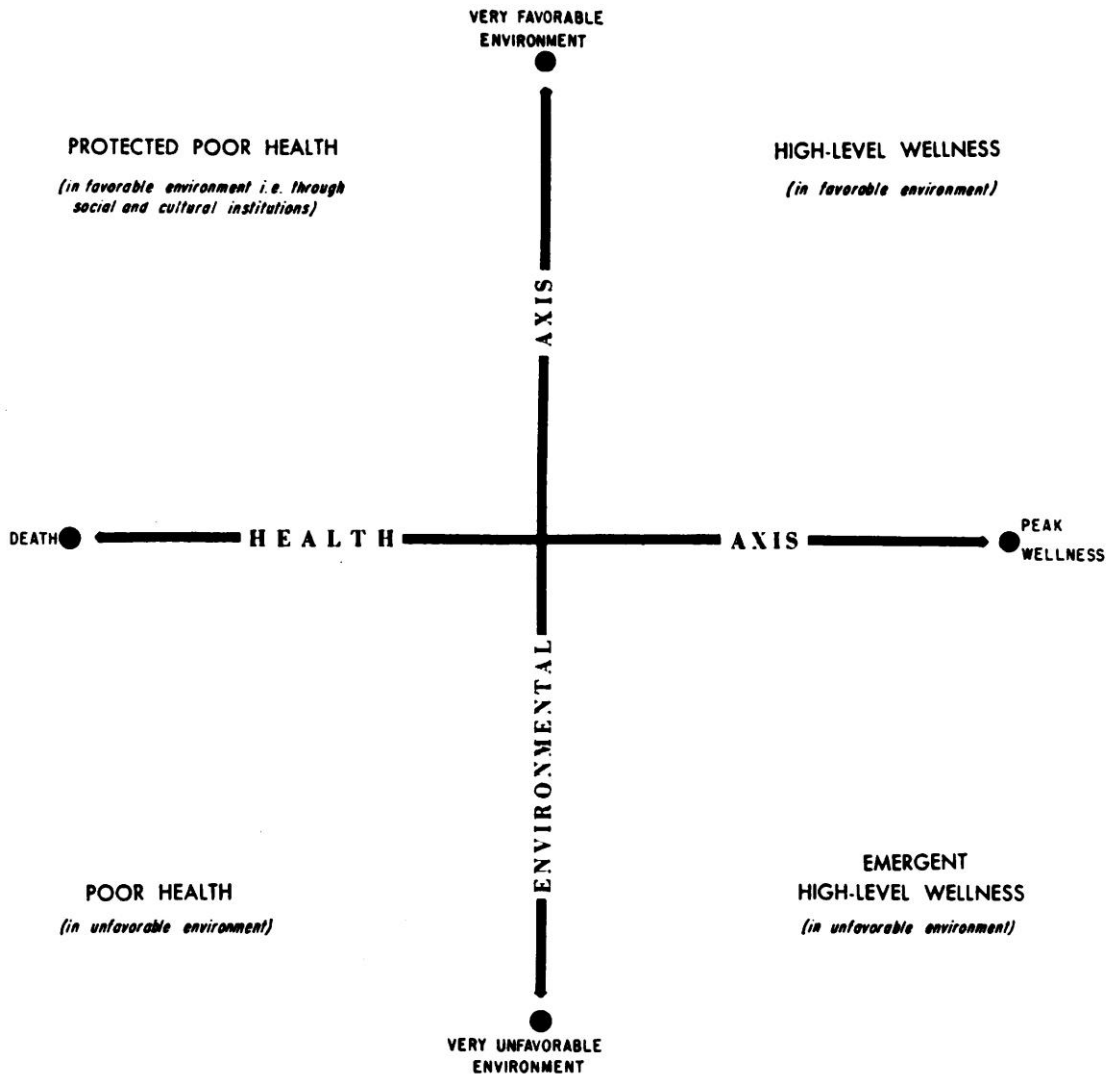
Halbert Dunn's Definition and Model of Wellness (1961)

In his book, *High-Level Wellness*, Halbert Dunn defined wellness as: **“an integrated method of functioning which is oriented to maximizing the potential of which an individual is capable. It requires that the individual maintain a continuum of balance and purposeful direction within the environment where he is functioning.”**⁶⁶ Dunn viewed wellness not as a static state of being “unsick,” but rather as an ongoing process or a “direction in progress toward an ever higher potential of functioning.”

Dunn's model of wellness is summarized in his health grid (*shown on the following page*), which depicts health on the horizontal axis (ranging from death and severe illness on the left to “peak wellness” on the right) and environment on the vertical axis (depicting physical and socioeconomic factors). The four quadrants in the grid represent different levels of wellness along these two continuums: (A) poor health in an unfavorable environment; (B) “protected poor health” in a favorable environment; (C) “emergent high-level wellness” in an unfavorable environment; and (D) “high-level wellness” in a favorable environment.

⁶⁶ Halbert L. Dunn, *High Level Wellness*, Arlington, VA: Beatty Press, 1961, pp. 4-5.

Halbert Dunn's Health Grid



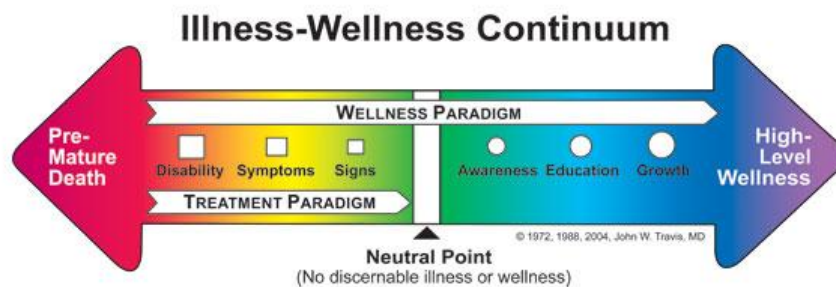
Halbert Dunn, "High-Level Wellness for Man and Society." American Journal of Public Health 49.6 (1959): 788.

Dr. John W. Travis' Definition and Model of Wellness (late-1970s)

John W. Travis drew upon Hal Dunn's work to create his own definition and model of wellness, and he altered Dunn's health grid, changing it to a two dimensional wellness continuum. Left of center (or the "neutral point") is a progressively worsening state of health, resulting in premature death, while to the right of center are increasing levels of health and well-being. The "treatment paradigm" (e.g., drugs, surgery, psychotherapy, etc.) brings one only to the neutral point (being disease-free), while the "wellness paradigm" helps one move beyond neutral to higher levels of wellness.

John W. Travis' Definitions of Wellness:⁶⁷

- Wellness is a choice—a decision you make to move toward optimal health.
- Wellness is a way of life—a lifestyle you design to achieve your highest potential for wellbeing.
- Wellness is a process—a developing awareness that there is no endpoint, but that health and happiness are possible in each moment, here and now.
- Wellness is a balanced channeling of energy—energy received from the environment, transformed within you, and returned to affect the world around you.
- Wellness is the integration of body, mind, and spirit—the appreciation that everything you do, and think, and feel, and believe has an impact on your state of health and the health of the world.
- Wellness is the loving acceptance of yourself.



© John W. Travis, <http://www.thewellspring.com/wellspring/introduction-to-wellness/357/key-concept-1-the-illnesswellness-continuum.cfm>

Travis has also developed the "Iceberg Model of Health and Disease," which posits the illness and health are only the "tip of the iceberg" – to understand their causes, one must look below the surface at lifestyle/behavioral, psychological/motivational, and spiritual factors. Travis' "Wellness Energy System" model depicts 12 dimensions of wellness and emphasizes that "efficient flow of energy is essential to wellness."⁶⁸

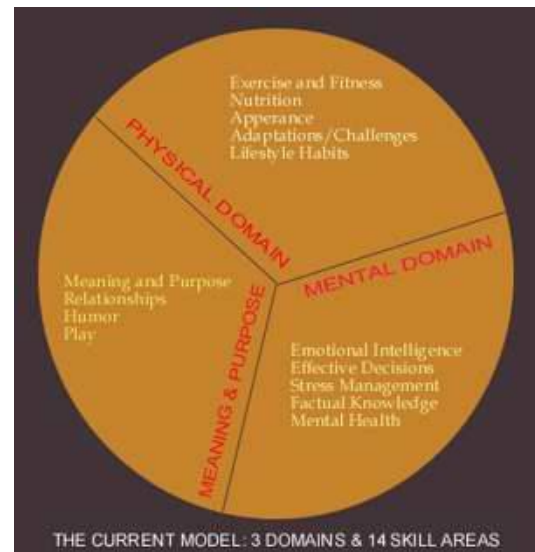
Like Dunn, Travis emphasizes that wellness is a process, and not a static state, and that it is not simply the absence of disease: **"Wellness extends the definition of health to encompass a process of integration characterized by awareness, education, and growth."**

⁶⁷ John W. Travis and Regina Sara Ryan, *The Wellness Workbook*, 3rd edition, Celestial Arts, 2004. Available online at: <http://www.thewellspring.com/>.

⁶⁸ For more information on Travis' models and theories of wellness, see: <http://www.thewellspring.com/flex/articles/2430/personal-wellness.cfm>.

Don Ardell's Definition and Model of Wellness (late-1970s)

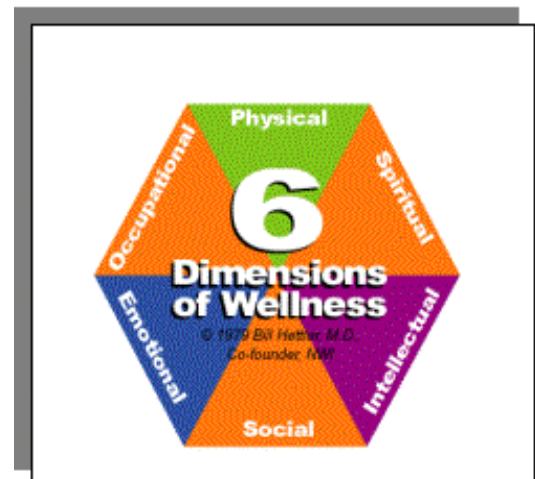
Don Ardell states that **“Wellness is first and foremost a choice to assume responsibility for the quality of your life. It begins with a conscious decision to shape a healthy lifestyle. Wellness is a mindset, a predisposition to adopt a series of key principles in varied life areas that lead to high levels of well-being and life satisfaction.”**⁶⁹ Ardell's circular model of wellness has evolved several times since it was first introduced in 1977, and the current version of the model depicts three domains and 14 dimensions of wellness. Unlike some of the other predominant models, Ardell does not include a spiritual dimension to wellness, and instead focuses on the mental, physical, and social aspects.



© Donald B. Ardell, http://www.seekwellness.com/wellness/articles/wellness_models.htm

National Wellness Institute / Dr. Bill Hettler's Definition and Model of Wellness (late-1970s)

The National Wellness Institute (NWI) utilizes a definition of wellness that was developed by founder Bill Hettler: **“Wellness is an active process through which people become aware of, and make choices toward, a more successful existence.”**⁷⁰ NWI has one of the most widely-recognized and applied models of wellness, with six interdependent dimensions: physical (the combination of good exercise and eating habits), spiritual (our search for meaning and purpose in human existence), intellectual (one's creative, stimulating mental activities), social (contributing to one's environment and community), emotional (awareness and acceptance of one's feelings), and occupational (personal satisfaction and enrichment in one's life through work).



© Bill Hettler, NWI, http://www.nationalwellness.org/index.php?id_tier=2&id_c=25

⁶⁹ Donald B. Ardell, “What is Wellness?” *Seek Wellness*, October 2000, http://www.seekwellness.com/wellness/articles/what_is_wellness.htm, accessed March 28, 2010.

⁷⁰ “Defining Wellness,” National Wellness Institute Website, http://www.nationalwellness.org/index.php?id_tier=2&id_c=26, accessed March 28, 2010.

2. The Evolving Definitions and Use of the Word “Wellness” Today

Over the last decade or so, as the concept of wellness has started to gain popular recognition, use of the term has evolved and fragmented. On the one hand, the word has moved away from the holistic approach suggested by Dunn, Travis, Hettler, and other “founding fathers,” with a growing focus on just the physical aspects of wellness. In many contexts today, wellness is associated only with good health or physical fitness. On the other hand, wellness has also come to be associated with popular New Age, self-help, and spiritual philosophies. With its popularization, the word wellness has also been co-opted as marketing lingo, used to sell products and services that bear little relationship to the origins of the word. As an illustration of this phenomenon, when searching for the word “wellness” in the Google search engine, the first search result to appear is a wellness-branded pet food company.

The increasingly widespread use of the word wellness in a fragmented and meaningless way has led to a level of confusion among both consumers and professionals in wellness-related fields. In response, some professionals in the health field have started to distance themselves from the term. In a 2001 article for the *Research Digest* of the President’s Council on Physical Fitness and Sports, noted academics Charles Corbin⁷¹ and Robert Pangrazi⁷² proposed the development of a uniform definition of wellness, stating that “lack of a clear definition makes it all but impossible to develop a sound body of scientific knowledge related to wellness” and that “the lack of a sound body of knowledge can result in quackery and misinformation concerning wellness.”⁷³ Corbin and Pangrazi have proposed the following definition of wellness: **“a multidimensional state of being describing the existence of positive health in an individual as exemplified by quality of life and a sense of well-being.”** They encourage professional organizations that represent wellness-related activities to develop and endorse their own uniform definition of wellness, in the hope that such organizations will eventually work together to create a harmonized definition across different wellness sectors and activities.

3. Wellness Definitions in a Regional Context

The use and understanding of the word wellness varies across different regions of the world, based on the varying cultural and historic traditions of each region. In many

⁷¹ Charles B. Corbin is Professor Emeritus in the Department of Exercise and Wellness at Arizona State University and is author of some of the most widely adopted college and secondary school texts in the area of fitness and wellness.

⁷² Robert P. Pangrazi is Professor Emeritus in the Department of Exercise Science and Physical Education at Arizona State University and is a best-selling author of numerous books on physical fitness and physical education.

⁷³ Charles B. Corbin and Robert P. Pangrazi, “Toward a Uniform Definition of Wellness: A Commentary,” *President’s Council on Physical Fitness and Sports Research Digest* 3.15 (December 2001): 1-8, <http://www.fitness.gov/publications/digests/pcpfsdigest1201.pdf>.

countries, there is no good translation of the word “wellness” into the local language, and many countries have simply adopted the English word “wellness” into common usage.

In Europe, the word “wellness” and the theories and models behind it have largely been borrowed from the United States. However, the Europeans also have a much longer cultural tradition of spa-going, bathing, “taking the cure,” and visiting sanatoriums and health resorts for both preventive and curative purposes. In Europe, the word wellness also tends to be associated more directly with these kinds of activities, including spas, health resorts, thalassotherapy, and the types of non-medical treatments offered at such facilities.⁷⁴ As compared to the United States, wellness in Europe also tends to be more associated with beauty, spas, and physical activities, rather than with alternative medicine and health.⁷⁵

The German Wellness Association (*Deutscher Wellness Verband*, DWV) and the European Wellness Union (*Europäischen Wellness Union*, EWU) were the first organizations founded in Europe (in 1990) to officially represent and promote the wellness movement. These organizations define wellness as follows:

Wellness describes an active and self responsible strategy towards complete health that enables the subject to live healthy and productive as a result of scientifically proven actions, methods, and techniques thus being widely immune against chronic illness and disease as well as living in the pursuit of happiness. ~German Wellness Association⁷⁶

Wellness...stands for a practical philosophy of life, whose goal is the greatest possible physical and mental/spiritual well-being of the individual. A carefully cultivated environment is one of the major conditions: harmonious personal relations, personal integration in the economic and social life, and careful ecological behavior. ~European Wellness Union⁷⁷

In Asia, many ancient spiritual traditions and healing practices – including yoga, ayurveda, traditional Chinese medicine, reiki, meditation, and so on – are deeply ingrained in the culture and integrated into everyday life. However, although these practices tend to be associated with the wellness movement in the West, there is not necessarily a mainstream recognition and use of the word “wellness” in Asia as

⁷⁴ James William Miller, “Wellness: The History and Development of a Concept,” *Spektrum Freizeit* 27 (2005): 84-106, http://www.fh-joanneum.at/global/show_document.asp?id=aaaaaaaaaabdjus&download=1.

⁷⁵ “The Origins of Wellness: Spa Guests Attracted by Shorter Breaks,” *Tourism-Review.com*, March 29, 2010, <http://www.tourism-review.com/article/2119-history-of-wellness-shorter-breaks-now-more-popular-in-europe>, accessed April 1, 2010.

⁷⁶ German Wellness Association, http://www.wellnessverband.de/download/english_text.pdf.

⁷⁷ European Wellness Union, <http://www.optipage.de/ewu/html/methode.html>, translated using Google Translate and Yahoo Babel Fish.

compared to the United States and Europe. In fact, the modern word “wellness” is still a relatively new concept in Asia, although the theories behind it are not.

In Latin America, use of the word “wellness” is also a relatively recent phenomenon and not yet a mainstream concept. The region also does not have the ancient wellness traditions that can be found in Asia (the spiritual focus of ancient civilizations in Latin America tended to be directed toward construction of elaborate edifices and periodic sacrifices in honor of various gods as a means to promote the health, welfare, and longevity of individuals and society as a whole). However, parts of Latin America do have a bathing tradition – similar to the “cure” tradition in Central and Eastern Europe – with many hot springs (or “termas”) in the Andes region developed into sanatoriums and public bathing centers during the 19th century. Similar to the development of the spa industry in the region, the development of wellness in Latin America has tended to be associated more with beauty and medical esthetics rather than a broader sense of health and well-being.

APPENDIX B: ESTIMATES OF THE SIZE OF WELLNESS-RELATED MARKETS

GDMC and The Hartman Group Estimates of Health and Wellness Consumer Segments in the United States (2009)		
	Number of U.S. Health and Wellness Consumers	U.S. Health and Wellness Consumers as a % of Population
Periphery	77 million consumers	25%
Mid-level	190 million consumers	62%
Core	40 million consumers	13%
TOTAL	307 million consumers	100%
Source: GDMC and The Hartman Group, <i>Consumer Shopping Habits for Wellness and Environmentally Conscious Lifestyles Study: Insights for Health, Beauty and Wellness</i> , September 12, 2009, http://www.pacific.edu/Documents/school-pharmacy/acrobat/Consumer%20Shopping%20Habits%20for%20Wellness%20-%20Presentation.pdf . See tables above for definitions and explanation of each segment.		
Note: In Section IV.C. of this report, we have presented our own estimates of the number of wellness consumers in the United States and globally. We have used these estimates from GDMC/The Hartman Group as a reference point; however, we believe these figures are too large (given that they characterize the entire population of the United States as “wellness consumers”). We have also incorporated estimates of other, related consumer segments (as presented in tables below) in coming up with our own wellness consumer estimates for this study.		

Natural Marketing Institute Estimates of LOHAS and Naturalite Consumer Segments in the United States (2007)		
	Number of U.S. Consumers	Description of Consumer Segment
LOHAS segment	36 million consumers (12% of population)	LOHAS stands for “lifestyles of health and sustainability.” These consumers tend to be dedicated to personal and planetary health, make environmentally friendly purchases, and they also take action – they buy green products, support advocacy programs, and are active stewards of the environment.
Naturalite segment	54 million consumers (18% of population)	These consumers are zealous about their own personal health, and they focus on natural and organic consumer packaged goods. They tend to be more into personal health related motives rather than environmental issues when making purchase decisions, and they are also highly attracted to mind/body/spirit philosophies. They are the most likely segment to pray (three-quarters do regularly), and the second most likely segment to meditate (27 percent).
Source: Steve French and Gwynne Rogers, “Understanding the LOHAS Consumer: The Rise of Ethical Consumerism - A Strategic Market Research Update from The Natural Marketing Institute (NMI),” <i>LOHAS Journal</i> , http://www.lohas.com/journal/consumertrends.htm , accessed April 1, 2010.		

**U.S. National Center for Health Statistics Estimates of
U.S. Users of Complementary and Alternative Medicine (CAM)
(2007)**

	Number of U.S. CAM Users	U.S. CAM Users as a % of Population
Adults ages 18 years and older who used CAM therapies in the last 12 months	87 million consumers	29%
Children under 18 years of age who used CAM therapies in the last 12 months	9 million consumers	3%
<i>Source: Barnes, et al (2008), Table 7 (p. 14) and Table 8 (p. 16) and U.S. Census Bureau population estimates.</i>		

**ISPA Estimates of the Active Spa-Going Population in 11 Countries
(2008)**

Country	Active Spa-Goers as a % of Population	Number of Active Spa-Goers
Australia	21%	4.5 million
Austria	42%	3.5 million
Canada	23%	7.7 million
France	10%	6.2 million
Germany	30%	24.6 million
Italy	39%	23.3 million
Japan	19%	24.3 million
Singapore	68%	3.3 million
Spain	37%	16.9 million
United Kingdom	25%	15.3 million
United States	23%	70.0 million
<i>Source: ISPA, 2008 Global Consumer Study, p. 4; calculations by SRI using population data from World Bank World Development Indicators.</i>		

**IHRSA Estimates of Health Club Members Around the World
(2008)**

Region	Health Club Members as a % of Population	Number of Health Club Members
Europe	5.6%	40.7 million
North America	10.1%	53.4 million
Asia	0.3%	13.0 million
Australia	9.4%	3.0 million
South America	1.6%	6.0 million
Africa	0.1%	1.4 million
Total	1.8%	117.5 million
<i>Source: IHRSA, Global Report 2009: The State of the Health Club Industry, p. 26; calculations by SRI using population data from World Bank World Development Indicators.</i>		

APPENDIX C: RESEARCH FRAMEWORK

Section VII provides several recommendations for different types of research that could be facilitated by the spa industry to facilitate businesses pursuing wellness-related opportunities. As a guide to understanding how those research recommendations fit within the broader research context, this appendix provides an overall framework for different modes of research and how they can be used by the spa industry

A. Modes of Research and Levels of Rigor

At the broadest levels, there are a few different angles through which to look at different modes of research, based on what type of information an effort seeks to gather and how. Some basic distinctions are laid out below.

1. Quantitative Versus Qualitative Research

Quantitative studies are numbers-based, aimed at measuring what has happened in the past, what is happening in the present, or forecasting what will happen in the future. *Quantitative/data-based studies* are important for businesses and investors in making decisions, for policy makers developing laws and regulations, and for researchers/academics studying trends and historical patterns.

Qualitative studies, while not “factual,” are as important because they allow researchers to go beyond the numbers and explore trends, relationships, opinions, experiences, and lessons learned. For example, qualitative case studies may explore various businesses models and approaches. *Quantitative* studies may show *what* is happening in the market, but *qualitative* studies help explain *why* and *how* things are happening.

2. Primary Versus Secondary Studies

Primary studies gather new and original information.

- *Quantitative primary studies* will gather new/original data and statistics, often through a formal survey or structured interview.
- *Qualitative primary studies* gather new information that is not numerical. For example, surveys, interviews, or focus groups may gather information about people’s opinions or experiences related to a business/industry matter.

Primary, or original, research is obviously critical for any industry. However, it is time-consuming and costly, especially if trying to conduct a statistically representative

survey. For this reason, most primary industry data (as well as economic data, demographic data, etc.) is collected by governments or by industry associations or companies who have significant resources or who specialize in selling such data. Association- and company-sponsored primary research is very important because it fills in major gaps that exist in government data collection efforts; however, these studies do tend to be less comprehensive because of lack of sufficient resources and time, or due to the challenge of getting study participants to share information that may be sensitive or confidential. Less costly and time-consuming (but still very important) primary research methods include focus groups and unstructured interviews, which may focus on gathering qualitative information rather than data.

Secondary studies collate and summarize existing data and research studies that have already been conducted by others.

- *Quantitative secondary studies* gather and synthesize data and statistics that already exist, often using existing government/industry databases or surveys/studies already conducted by other people.
- *Qualitative secondary studies* gather and synthesize existing information about trends in the market, business/industry experiences, case studies, and so on. They involve analysis of existing documents/materials/studies or a literature review.

Many business owners and industry members simply do not have the time to collect and review the multitudes of data and research studies that are available for their industry. For this reason, secondary studies that review and analyze the information that is already out there – and that highlight key information, data points, opportunities, and so on – are frequently employed for industry-based and market research.

3. Statistically Representative Populations

The most rigorous research would examine each person or entity of interest individually – for instance, counting every single spa in a country, or interviewing every spa customer. In practice, this exercise ranges from difficult to impossible, for reasons of definition, budget, and time. A next level of rigor is a **statistically representative sample**, one that can reliably be predicted to represent the characteristics of the population in question. As the number of research subjects in the study shrinks, the ability of the researcher to claim that the research findings reliably represent a larger group falls. That being said, especially in the realm of qualitative research, small sample sizes that may not be statistically representative – such as focus groups and interviews – can still be extremely useful and valid in exploring opinions, reactions, forecasts, and how things work.

B. Different Audiences and Goals for Research in the Spa Industry

Among the myriad research efforts conducted by actors in the spa industry (as well as in related industries), different forms of research are aimed at answering different research questions, with different audiences, and different goals. Below are three main groupings of research studies.

1. Industry/Business-Oriented Research

Audience: Business owners, investors, governments/regulators, associations

Purpose: Facilitate business development/investment, provide market/competitive intelligence, understand market trends, inform business decisions, promote/raise awareness of a business/industry/market opportunity

Types of research/levels of rigor:

- *Quantitative primary studies:* gather new/original data and statistics; often done through a formal/representative survey or structured interview. Many of the survey-based and data-focused studies conducted by ISPA, Intelligent Spas, PKF, Smith Travel Research, and similar companies would fall into this category. There is clearly a gap in this kind of study for the spa industry, especially since most government data collection agencies do not classify the spa industry in such a way that facilitates them collecting industry data through their standard business/economic censuses.
- *Quantitative secondary studies:* gather and synthesize data and statistics that already exist, often using existing government/industry databases or surveys/studies already conducted by other people. Many of the companies that sell industry trends reports (such as Mintel, Diagonal Reports, etc.) conduct this kind of study, mainly collating and analyzing data that have been gathered by others.
- *Qualitative secondary studies:* gather and synthesize existing information about trends in the market, business/industry experiences, case studies, and so on. Many of the industry trends reports (Mintel, Diagonal Reports, etc.) would also fall into this category.
- *Qualitative primary studies:* gather new/original information that is not quantitative – for example, using a survey, interviews, or focus groups to gather information about people's opinions or experiences related to a business/industry matter.

It can often be difficult to classify a study into just one of the categories above, because many studies use a hybrid approach, cutting across the different modes of research. For example, SRI's *Global Spa Economy* study was partly a quantitative primary study, but it also gathered a lot of qualitative primary information from interviews and relied on synthesis of extensive secondary information (both qualitative and quantitative).

2. Consumer-Focused Research

Audience: Business owners, investors, spa professionals

Purpose: Determine customer interests, understand consumer behaviors and patterns, forecast demand, market test new products/services

Types of research/levels of rigor:

- Informal polling of associates
- Observation of consumers – for example, watching how a customer behaves in a store or selects a product
- Focus groups
- Unstructured interview – questions are flexible and open
- Structured interview – questions are standardized and rigid
- Surveys with non-representative samples
- Surveys with representative samples
- Collection of online or scanner data – for example, a website tracking a user's browsing and purchasing history or a store/club card that tracks spending

3. Evidence-Based (Medical/Scientific) Research

Research in the conventional, Western medical and bioscience community has well-established protocols and procedures, focused around what is known as the “scientific method.” Below, we lay out a rough ranking of different types of research in that arena.

Audience: Western-trained medical professionals, insurance companies, public policymakers, consumers

Purpose: To demonstrate the safety and effectiveness of medical treatments, drugs/pharmaceuticals, alternative therapies, or other practices that relate to the human body (e.g., exercise, nutrition, etc.), often with the goal of achieving government permission to market a product or to receive insurance reimbursement

Levels of evidence/rigor:

Ranking the Quality of Evidence		
Level of Rigor	Methodology	Description
6	Anecdote	A conversation
5	Expert opinion	A consensus of experience from experts
4	Case reports or case series	A report based on a single patient or subject; sometimes collected together into a short series
	Cross sectional surveys	Survey or interview of a sample of the population of interest at one point in time
3	Case control studies	"Cases" with the condition are matched with "controls," and a retrospective analysis is used to look for differences between the two groups.
2	Cohort studies	Groups of people are selected on the basis of their exposure to a particular agent and followed up for specific outcomes.
1	Randomized control trials (RCT)	Individuals are randomly allocated to a control group and a group who receive a specific intervention. Otherwise the two groups are identical for any significant variables. They are followed up for specific end points.
	Meta-analysis	A statistical analysis that combines or integrates the results of several independent clinical trials considered by the analyst to be "combinable," usually to the level of re-analyzing the original data.
	Systematic reviews (e.g., Cochrane Collaboration)	Review of a body of data that uses explicit methods to locate primary studies, and explicit criteria to assess their quality.

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