WELLNESS TOURISM:

Trillion Dollar Future?
Wellness Tourism: What it is and why it’s poised to become a Trillion Dollar Global Industry

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The odds that a child wakes up one morning after dreaming of a career as a medical tourism facilitator might be far-fetched. The chances might be more reasonable that as the same child becomes an adult and begins to develop a wide range of professional attributes – from problem-solving and decision-making to team management and communication – entry into the medical tourism industry becomes a much more exciting, lucrative and rewarding a thought.

Although the sources of data are disputed, consider the fact that medical tourism is a $100 billion industry, and growing¹. Now add to that by the year 2017, at least $228 billion in medical care is predicted to leave the United States for foreign markets.² That figure has been forecast to grow at 35 percent each year.³

Those numbers alone make medical tourism an attractive field to bite into. No wonder the industry is attracting hundreds to pursue careers in medical tourism each day. But, it might come as an even greater surprise that medical tourism facilitators can usually profit 20-40 percent of the total cost of a procedure. In some cases, a medical facilitator can earn more than a surgeon in some countries. That’s because procedures are less expensive due to market price differences, and patient savings are that much higher overseas – up to 75 percent -- than those in the United States.⁴

Now imagine the even larger segment of travelers who go in search of prevention, life style improvement, maintenance and other wellness motives. Organizations estimate this wellness tourism industry amounts to almost a half-trillion dollar industry and on a steep rise.


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Introduction to Wellness and Wellness Tourism

Picture for a moment the following scenario: Rupert Jones is a successful 48 year old sales executive from Boston speeding his way up America’s corporate ladder. As a typical executive with round the clock work and family commitments, Rupert gets little sleep and is constantly over-stressed. Although he relishes his fast-paced lifestyle, Rupert knows he will pay the price in the long run. Already he is starting to feel the combined effects of middle age and an unhealthy lifestyle: a slightly bulging mid-section, dark circles under his eyes, and a general feeling of lethargy stemming from pre-diabetic glucose levels in his blood. Not one to stand idly by while his body deteriorates, Rupert takes some major steps to improve his health: over the next few months he cuts back on work, joins a fitness center and eliminates much of his fast-food diet. Rupert is on a quest for wellness.

Over the last decade millions of people from around the world have joined Rupert on his quest for wellness. So what is wellness and why is it booming in popularity?

Wellness can be defined as: an optimal state of health. It concerns a person’s individual health physically, mentally, emotionally and spiritually and also their role in society and fulfilling expectations in their family, community, place of worship, workplace and environment.

Whether it is sought through nutritional supplements, fitness centers, spas or healthy hotels, an increasing number of individuals are striving to improve their health and prevent chronic illnesses that are so prevalent in our modern world. Did you know: Wellness is already a trillion dollar industry and growing?

2 Healthy, wealthy and (maybe) wise: The emerging trillion-dollar market for health and wellness. Mckinsey & Company May 2012
A recent report called “The Truth about Wellness” stated: “There has never been a better time for brands to shape the future of wellness and to assist consumers in their quest to live better and healthier lives.” According to a survey published in the report:

- 74% of consumers think wellness is going to become more important in the future
- 86% of people believe they have the power to change their own level of wellness
- 57% wish they had more say in leading a healthy life. That number skyrockets to 88% in China and is higher for 18-34 year-olds (61%) than 55+ (44%)
- 66% believe doctors should focus more on prevention

All these numbers point to the undeniable fact that wellness will be a force to be reckoned with in the future. Within the wellness movement there is a growing segment called wellness tourism.

**Wellness Tourism Defined**

Travel is not usually associated with health; be it a vacation cruise where we lie on deck over-indulging in all types of fatty, sugary delicacies, or a flight where we are herded through long lines at the airport and then spend what seems like forever on an airplane sitting in cramped seats. If all that wasn’t enough, we are further debilitated by jetlag as we zip across multiple time zones.

Wellness tourism, on the other hand, is travel with wellbeing in mind. It occurs when healthy individuals travel to another country or region (within their own country) with the main goal to preserve or improve their mind, body and spirit. World-wide more and more people are traveling to destinations that provide wellness facilities. This may take the form of a wellness cruise, destination spa, spiritual retreat, healthy hotel, health check-up or any number of destinations or activities designed to preserve or improve your health.

Today’s wellness travelers are probably unaware that wellness tourism has a long and interesting history. In fact, as far back as 7,000 years ago there is evidence of Ayurvedic practices in India. In the Roman and Hellenistic periods, nearly 2,000 years ago, the Greeks and Romans often traveled to thermal baths to relieve aches and pains as well as more serious ailments. More recently in the enlightenment period, European elite traveled to spas and the sea for health reasons. Fast forward to the future, wellness spans the globe encompassing all this and more.

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Wellness Tourism Services

Wellness tourism encompasses a broad range of service categories from Ashrams to wellness cruises. Some common wellness destinations/activities include:

- Healthy hotels and resorts
- Spas
- Ayurvedic clinics
- Ashrams
- Spiritual retreats
- Thermal baths
- Yoga retreats
- Wellness cruises
- Complementary and Alternative Medicine (CAM)
- Cosmetic surgery clinics
- Dental clinics
- Hospitals

According to a 2011 research survey by Wellness Tourism Worldwide, the following wellness tourism categories were named as the most popular:

- Beauty treatments
- Sport & fitness services
- Leisure and recreational spas
- Spa & wellness resorts

Amid this diversity the one common denominator in all these services is the focus on preventing illness and improving or maintaining health.

Characteristics of wellness tourists

Every market segment is defined by consumers with different attributes and preferences. The wellness market is no different.

A definition of a wellness tourist is one who is generally seeking integrated wellness and prevention approaches to improve their health/quality of life.

A Stanford Research Institute report noted that wellness travelers can be divided into two categories: the primary wellness traveler, whose primary objective for their trip is wellness, and the secondary wellness traveler, who while on a trip for a different motivation, seeks to maintain wellness or participate in some wellness experiences.

Not surprisingly, according to the report, secondary-purpose wellness tourists constitute the significant majority (87 percent) of total wellness tourism trips and expenditures (86 percent).

In general, wellness travelers manifest the following characteristics:

• They practice generally healthy lifestyles
• They are well-educated with regard to their health and well-being
• The Stanford Research Institute report noted that a majority of Wellness tourists tend to be middle-aged, wealthy, educated, and from Western and/or industrialized countries.
• They spend 130 percent more than the average tourist.

How likely are wellness tourists apt to travel internationally verses domestically? A survey of Australian wellness tourists found that there was “a significant association between travelling overseas and the wellness tourist category.” Specifically, the survey showed that Beauty spa visitors were more likely (77 percent) to travel overseas in order to have a wellness tourism experience verses only 23 percent of spiritual retreat visitors.

Why is it so important to understand the characteristics of the wellness market, and the particular niche within that you may want to target? Understanding the characteristics and preferences of your market will allow you to create a unique and compelling selling point for your product and services. It may seem overwhelming at first, but once you have a clear understanding of your target market it will save you time and money by allowing you zero-in on marketing and advertising initiatives that you know will appeal to your potential prospects, instead of using a shot-gun approach.

Differentiating Wellness Tourism from Medical Tourism

So, you may ask, is wellness tourism just another pretty name for medical tourism? The answer is no. Although, there are similarities and synergies between them, they are in fact two different yet sometimes overlapping niche markets with distinct motivating factors. And these unique motivating factors are what make it easy to distinguish between both activities. Medical tourism typically involves illness or condition oriented and the emphasis is on getting cured. It is usually reactive rather than proactive: for example, a medical tourism patient will typically travel to cure and illness or treat a particular condition. Wellness tourism, as the name suggests, is wellness oriented with an emphasis on health promotion and disease prevention. As opposed to medical tourism it tends to be proactive: for example, someone traveling to maintain or improve their health.

In her report “Wellness Tourism: a Critical Overview,” author Cornelia Voigt includes a chart that does a great job of highlighting the differences between wellness and medical tourism.

Why is it important to distinguish between both industries? It is critically important if you are planning to market to either or both segments. At a very basic level wellness and medical tourism cater to contrasting needs of tourists; therefore a marketing plan that focuses the same message and value benefits on both segments is likely to fail or at least offer poor results. If a certain traveler is motivated by wellness then your message should highlight the value benefits of disease prevention or maintaining and improving health - for example, the benefits of a wellness check-up or spa resort to his/her future health.

On the other hand, if a particular traveler is suffering from severe knee pain then your message will need to highlight the expertise of the surgeon and technology offered. Granted there is some overlap and synergies between both wellness and medical tourism, but the more you can segment your audience and speak to their felt needs through a laser-sharp message the more successful your marketing campaigns will be.

Key Players and Destinations

Some popular wellness destinations include: Australia, Austria, France, Germany, Hungary, India, Indonesia, Jordan, Morocco, Philippines, South Africa, Switzerland, Thailand and the United States.

Although wellness tourism is growing across most of the world’s continents, the United States, France, Austria, Germany, and Switzerland receive the lion’s share of inbound international wellness tourism arrivals. However, India, Thailand and several other Asian nations are also growing in popularity as is Latin America and the Middle East.

The top source countries for outbound international wellness travelers are currently in Europe and North America.

The 2011 research survey by Wellness Tourism Worldwide reported that wellness tourism assets vary significantly from region to region:

- Northern Europe: Large number of leisure and recreation spas
- Central Europe: Therapeutic medical hotels/clinics are typical throughout the region
- North America: Surgical medical clinics are prevalent
- Southern Europe: Large number of wellness hotels & resorts
- Far East: Holistic retreats are fairly common
- Central America: Spa and wellness cruises are increasingly popular.

The report goes on to suggest that marketers, developers and policy makers need to take these differences into consideration when determining competitive advantages and infrastructure needs since international wellness travelers typically look for special qualities and local experiences.

Key drivers of Wellness Tourism

Why is wellness gaining so much traction around the world? Globalization is certainly a big factor; the internet, cheap travel and elimination or reduction of cultural and trade barriers have made it much easier for people to learn about wellness as well as access wellness tourism services anywhere in the world.

But there are other important factors as well. In their book: Wellness tourism a Destination Perspective, authors Cornelia Voigt and Christof Pförr argue that the convergence of six megatrends over the last decades have been pivotal to the rise of wellness tourism. These are:

**Holistic health and increased health consciousness:** Over the last several decades there has been increasing skepticism towards mainstream medicine which has motivated a growing number of people in the West to turn to alternative and complementary medicine (CAM).

**Pace of life acceleration:** Technology and modern life have made us accessible around the clock to ever-growing workloads and day-to-day pressures that have increased stress levels and reduced our quality of life. Wellness tourism is seen as an ideal outlet to escape from daily stressors and a means to relax and recuperate.

**Inconspicuous consumption:** As our lives have become more fast-paced, technical and stressful, new consumer movements have emerged that represent a counterbalance and shift towards a simpler lifestyle that is in line with the values espoused in the wellness movement.

**Individualism:** In the West the concept of individualism is usually given a high priority, whereby people seek out products and services that express their individuality. Wellness tourism is congruent with this philosophy as it is usually linked to a focus on the self.

**Quest for spirituality:** Research clearly shows that although interest in religion as diminished, there is an ever growing number of people looking for spiritual fulfillment. This longing for spirituality has led to the popularity of Eastern spiritual practices such as yoga and meditation.

**Aging populations:** It is a well-known fact that due to rising life expectancy and lower birth rates much of the world’s population is aging. In fact, By 2020, the population of Americans age 55 to 64 will have grown an unprecedented 73 percent since 2000. These so-called baby boomers are generally more affluent and interested in maintaining or improving their health and wellness.

It is important to note that these factors (and their effects) show no sign of weakening or slowing down; on the contrary, they are likely to remain significant drivers of the wellness tourism phenomena in the decades ahead.

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14 Ibid.
Current and Future Growth of Wellness Tourism

All signs point to wellness tourism continuing its explosive growth. Renowned trend researcher Leo A. Nefiodow predicted that the demand for holistic health or wellness will be an economic engine as we progress into the 21st Century.

A report by the Stanford Research Institute backs up this prediction. According to the report

- “Wellness tourism is projected to grow on average 9.9 percent annually over the next five years, nearly twice the rate of global tourism overall, reaching $678.5 billion by 2017, or 16 percent of total tourism revenues.”

- “Wellness tourism accounts for about 14% ($438.6 billion) of all domestic and international tourism expenditures.”

- “Wellness tourism generates 11.7 million direct jobs, delivering $1.3 trillion of global economic impact (1.8% of global GDP in 2012).”

- “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.”

Additionally, the SRI report estimates conservatively that there are approximately 289 million wellness consumers in the world’s 30 most industrialized and wealthiest countries, and that over one-half of growth in wellness tourism through 2017 will come from the Asian, Latin American and Middle Eastern/North African markets.

Statistics such as these strongly suggest that the wellness tourism market will be one of the most lucrative tourism niches in the coming years.

Getting into the Wellness Tourism Market

If you are already a wellness-oriented business or destination then the information in this report should be music to your ears. However, don’t look at the optimistic numbers as a justification for becoming complacent. The wellness tourism industry is a competitive one, with an increasing number of sophisticated players entering existing and new markets with the goal of positioning themselves as industry leaders. To thrive over the long-term you need to constantly innovate and look for new ways to bring in customers as well as retain your current customer base.

If you are not currently in wellness, but feel your business or destination is a good fit for this emerging industry, now is the time to take action.

Take heed that most of the recommendations presented below are applicable for both wellness and non-wellness businesses and destinations thinking about offering wellness services and products.

Know what you’re getting into: There is always a steep learning curve entering any new market – even a related one (for those in the tourism or medical tourism industries). If you want to sell wellness tourism then you need to learn everything you can about the wellness tourism industry: types of services offered, consumer profiles and preferences, where people are traveling to, leading destinations, future trends and opportunities. It may well be that your current business model or circumstances will not lend themselves easily to a wellness service offering. On the other hand, you may find out that your customer database or location is a goldmine waiting to be tapped. Therefore, you need to have a clear understanding of what it will take (in knowledge, contacts, infrastructure and resources) to adapt your current business model so that you can compete and be successful in the wellness tourism market.

Learn from experts and leaders in your industry: Who are the top experts on what you need to know? Who has the most practical experience to draw on? There’s no way to overestimate the value of learning from the best. Attending lectures and rubbing shoulders with industry leaders and experts in your field is a terrific way to learn new best practices or gain insight and inspiration for new ideas that could completely revolutionize your business.
Exchange ideas and network with others inside your field: Don’t stop with the experts; look at what others inside your field are doing. Find out if they are facing or have faced similar challenges to your own, and learn how they are overcoming these challenges. For example, as a traditional hotel owner, you may be interested to find out how another hotel with similar circumstances as your own adapted their infrastructure and services to attract spa guests. Connecting and exchanging with key stakeholders around shared development challenges catalyzes considerable results.

Exchange ideas and network with others outside your field: Adapting ideas that have worked in one field and using them in another is one of the most successful innovation techniques. For example, the person who invented the roll-on deodorant was looking for a new way to apply a liquid. He copied an idea from another field, writing, where the same problem is solved. He adapted the concept of the ballpoint pen to create the roll-on deodorant. In a similar way, a dental clinic might gain inspiration from a spa resort and add massage treatments and wind chimes to reduce stress and improve their patients’ experience.

Seek out new products and services: In today’s competitive markets, creating new products and services is one of the most effective ways to give your business or destination that all-important edge on the competition. Competing on price and quality is no longer enough as smart customers look at the wider value your products and services offer. Attend conferences, expos and trade shows to learn about the different wellness services and products on the market. Look for services or products that will differentiate your services and would be of interest to your own customer base.
Taking the Next Step

As a business owner or policy-maker ask yourself the following question? Is my business or destination a good fit for the wellness tourism market? If it is; then what steps will you take to become informed about this exploding industry?

In the previous section we provided a list of recommendations for getting into the wellness market. Under normal circumstances such steps could take months or even years. However, if you are interested in doing all of the above at one time and in one location then we invite you to participate in the upcoming Health & Wellness Congress this November 20th-24th. Here you will have access to unparalleled networking opportunities and a chance to learn from leading wellness tourism experts.

- Learn how to brand your business as a top wellness tourism destination as competition increases globally for the wellness and healthcare traveling consumer

- Learn about Wellness travelers, who they are, their preferences and how Wellness Tourism can positively impact your business or destination

- Network with employers, international benefits managers/HR, insurers, TPA’s, agents and brokers who are involved in implementing and maintaining corporate wellness programs as these players are a great source of customer referrals.

- Develop business relationships with healthcare providers, travel agents and medical tourism facilitators who are an important source of customer referrals

- Gain knowledge about hotels, spas, resorts and wellness provider strategies & partner ships to drive customers through successful case studies

- Differentiate yourself from the competition by becoming a Certified Wellness Hospitality Specialist
Wellness Tourism Magazine

The Wellness Tourism Magazine™ is a bi-monthly on-line publication, 100% dedicated to the education and raised awareness of health, wellness, alternative and medical wellness issues. With our business to consumer approach to the promotion of each issue of our magazine, The wellness Tourism Magazine will focus on all areas of health and wellness which may not only compliment the treatment plans for patients receiving surgical procedures, but also provide the opportunity for an improvement of the quality of life for both the patients and their companions.

www.wellnesstourismmagazine.com

Medical Tourism Association

The Medical Tourism Association® is a global non-profit trade association for the international and domestic medical tourism and travel industries with a focus on delivering the best experience for the health and wellness seeker. Initially formed to serve the needs of international healthcare providers and medical tourism facilitators, MTA has evolved into an international membership association that represents a broad based constituency of healthcare and travel professionals across the globe.

The Members of the Medical Tourism Association® agree that communication is the key to success, particularly with respect to ensuring positive patient outcomes. It is the goal of the Medical Tourism Association® to put competition aside and facilitate interaction and healthy communication among stakeholders in order to move the industry forward towards transparency and quality.

www.medicaltourismassociation.com

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