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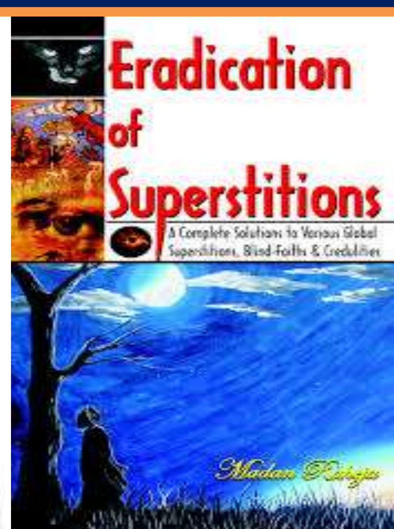

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THE STUDY OF WELLNESS TOURISM IN INDIA.

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Abstract

Tourism is not only a growth engine but also an employment generator. According to the Economic Survey 2011-12, the sector has the capacity to create large scale employment both direct and indirect, for diverse sections in society, from the most specialized to unskilled workforce. It provides 6-7 per cent of the world's total jobs directly and millions more indirectly through the multiplier effect as per the UN''s World Tourism Organization (UNWTO). Tourism industries are growing day by day for offering various innovative Tourism products like, Wellness, Spiritual, Adventure, Medical tourism products. India stands at the forefront of today's global spa and wellness market, alluring domestic and international visitors alike with the time-honoured traditions of Ayurveda and yoga and high quality, affordable medical tourism. Now poised to become the fifth largest consumer market globally by 2020, India demonstrates all the demographic advantages of an ideal market for leading international spa and wellness brands. At present, the country boasts a 350-million strong middle class, a notably large youth population(50% of which are under the age of 25), rising levels of disposable income, and associated increases in overall aspiration and experimentation, as well as obesity, related health issues, and health consciousness.

Keywords: *Wellness, Recreation, Health.*

INTRODUCTION

Over the years tourism has evolved into a global around nine and eight percent respectively to the world GDP (Gross Domestic Product) and employment. number of international tourist arrivals expected to rise from one billion in 2012 to 1.8 billion in 2030, countries worldwide are increasingly focusing on tourism as a developmental strategy. Of the various categories of tourism, what is more interesting and becoming increasingly popular is the medical and wellness segment. The American Heritage Medical Dictionary terms 'wellness' as a 'condition of good physical, mental and emotional health, especially when maintained by an appropriate diet, exercise and other lifestyle modifications. In India, traditional medicine and preventive practices have always stressed on 'a healthy mind in a healthy body'. Accordingly, Indian traditional practices of ayurveda, yoga and meditation were aligned to deliver physical and internal well-being, mental peace and happiness.

Wellness Tourism is about travelling for the primary purpose of achieving, promoting or maintaining maximum health and a sense of wellbeing. It is about being proactive in discovering new ways to promote a healthier, less stressful lifestyle. It is about finding balance in one's life. Health Tourism holds immense potential for India. The Indian systems of medicine, that is Ayurveda, Unani, Siddha, Yoga, Panchakarma, Rejuvenation Therapy, etc. are among the most ancient systems of medical treatment in the world. India can provide Medical and Health care of international standard at comparatively low cost. Most of the new hotels/resorts are coming up with Ayurveda Centres as an integral part. The leading tour operators have included Ayurveda in their brochures. The Ministry of Tourism has formulated guidelines for Wellness tourism. These guidelines address various issues including inter-alia making available quality publicity material, training and capacity building for the service providers and participation in international & domestic wellness related events. In order to address the issues concerning the mushrooming of wellness centres, the guidelines for accreditation of wellness centres have been developed by National Board for Accreditation of Hospitals & Healthcare Providers (NABH) in consultation with the Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homeopathy (AYUSH). These guidelines were released during the workshop on Wellness tourism organized by the Ministry of Tourism in February 2011. A series of sensitization workshops are being held across the country to sensitize the wellness centres about the importance of the accreditation mechanism and the various promotional efforts of the Ministry of Tourism. The Ministry of Tourism provides financial assistance under the Market Development Assistance Scheme (MDA) to approved medical tourism service providers i.e. representatives of hospitals accredited by Joint Commission International (JCI) and National Accreditation Board of Hospitals and Healthcare Providers (NABH) and medical tourism facilitators (travel agents/tour operators). The Ministry also provides assistance under this scheme to approved wellness centres i.e. representatives of wellness centres accredited by NABH or the State Governments The MDA assistance is for participation in medical/tourism fairs/medical conferences/ wellness conferences/ wellness fairs and allied road shows. In addition, the steps taken by the Government to promote medical health tourism include promotion in overseas markets through road shows, participation in travel marts, production of brochures, CDs, films and other publicity material. Health tourism has been specifically promoted at various international platforms such as World Travel Mart London, ITB Berlin. A road show focusing Wellness Tourism was organised by Ministry of Tourism in August 2009 in the Scandinavian region. Yoga/Ayurveda/Wellness has been promoted in the past years in the print, electronic, internet and outdoor medium under the Ministry of Tourism's "Incredible India Campaign".

LITERATURE REVIEW

Since the concept of wellness is of a relatively recent origin, the subject is not loaded with substantial scientific literature. A few books, reports and surveys are available around the world. Following is a selection of some recent available material we provide in this paper some insight on the subject matter that may facilitate the scholars to undertake some serious research on related issues of wellness. (2002) **The Wellness Revolution: How to Make a Fortune in a Trillion Dollar Industry**, Paul Z Pilzer, (New York: Kindle Ed.), is an easy to read a book for mass readers. The author stresses the growing significance of wellness therapy in health tourism calling it a 'revolution' in the industry. The book explores varied possibilities for new entrepreneurs in the wellness and health care industry. (2008) **Understanding the Global Spa Industry** (ed.), Marc Cohen & Gerard Bodekar (London: Butterworth-Heinemann) Examines the management practices in the spa industry and offers a groundbreaking and comprehensive approach to global management. He book examines the spa services and development of the spa business from its historical beginnings to the size of the market today: business development and planning, spa operations and business models; spa products and technologies and the application of branding and market strategies; infrastructure, design and environmental issues, including the sustainability and social and environmental benchmarking; human resources from education and training to professional and regulatory issues and professional and corporate ethics and values. (2008) **Fitness and Wellness** is a short report prepared by the Research Group of (San Francisco/Boston: Merriman Curhan Ford). It focuses on the obesity problem in the US costing millions of dollars annually in lower productivity, higher absenteeism rates, as well as higher health care costs (estimated to be around 957 billion US$ by 2030. As a result spa industry, along with Yoga and Pilates practices is striving to provide integrated services for mind, body and spirit with exercise. The study provides an insight as to how the consumers can lose weight, lower cholesterol, reduce weight and achieve overall well-being. The report also provides basic information on fitness equipment market, gym and spa industry in the US. (2008) **Health & Wellness Tourism**, Caribbean Export Development Agency: Barbados) is a statement of ten point strategy of success of wellness tourism. It provides an insight in the CSME (Caribbean Single Market & Economy) tourism market in four segments (1) medical tourism; (2) wellness and spa; (3) nursing and elderly care; and (4) diagnostic service. It stresses upon identifying target market, overcoming potential barriers, knowing what the competitors are doing, and differentiation of product and employing promotion strategy. (2009) **Health and Wellness Tourism** (ed), Melanie Smith and Laszlo Puczko, (London: Butterworth-Heinemann), takes an innovative look at this rapidly growing sector of today's thriving tourist industry. The book examines the range of motivations that drives this diverse sector of tourists, the products that are being developed to meet their needs and the management implications of these developments. A wide range of international case studies (e.g. Belgium, Finland, Italy, India, Japan, New Zealand, Russia, Slovenia, South Africa, The Netherlands, UK and the US) illustrate the multiple aspects of the industry and emerging trends including spas, medical wellness, meditation, festivals, pilgrimage and yoga retreats. The authors also evaluate marketing and promotional strategies and assess operational and management issues in the context of health and wellness tourism. Special attention is drawn to the motivations and profiles of the wellness tourist and segmentation and management of market demand and supply.

WELNESS CONCEPT IN INDIA

Both domestic and international visitation trends in India have demonstrated relatively steady growth over the past 10 years, with domestic visits to all states and union territories of India reaching one billion and foreign visits reaching 21 million in 2012 *(Ministry of Tourism, Government of India, 2012)*. Given these statistics, domestic tourism significantly dominates India's travel and tourism industry, capturing 98% of the total volume in 2012. One of the major contributors to this industry is currently the wellness and spa market. PricewaterhouseCoopers (2012) valued India's total wellness market at USD $11 billion in 2011 and forecasted that it would surpass USD $18 billion (INR 1 trillion) in the next four years. This projection presents extensive opportunities for the wellness and spa market to imagine facilities that will not only serve existing customers but also capture new segments by going beyond traditional spa services with more innovative, exclusive, and distinctive offerings, such as comprehensive female salons, male grooming ateliers, and medical cosmetic services. Additionally, India's travel and tourism sector is anticipated to demonstrate further growth as the country continues to host internationally-marketed events, such as the 2011 Formula One Indian Grand Prix, and initiate government-led campaigns targeting tourists from select countries *(Euromonitor International, 2012)*.

The wellness industry in India has evolved rapidly from its nascent unstructured beginning in the early 90s to a comprehensive ecosystem today including consumers, providers, adjacent industries, facilitators and Government.

• **Consumers** mainly comprise a young population with rising income levels. Increasing need to look good and feel good has led these young consumers to seek wellness solutions to meet lifestyle challenges.

• **Providers** offer wellness services and products to meet the hygiene, curative and enhancement needs of the consumer.

• **Adjacent industries** such as healthcare, media, retail, gaming, hospitality and education are capitalizing on the growth of the wellness sector to generate additional revenue streams, leverage existing competencies and offer a wider array of services/products to customers.

• **Facilitators** include employers, insurance companies and schools, who are likely to play a key role in encouraging and inculcating pro-wellness habits among consumers going forward.

• **The Government** wears multiple hats in its roles as a provider, facilitator, enabler and regulator in the industry.

The overall wellness market in India is estimated at INR 490 bn and wellness services alone comprise 40% of this market. Some of the key industry trends include:

• The growing wellness industry has attracted a large number of domestic entrants and international players.

• Established players are pursuing revenue maximisation through product and service diversification and are exploring new global and domestic markets. Franchising is emerging as a popular option for scaling up.

• Companies are actively seeking public and private equity investments to fuel their growth.

• While there is strong optimism about future growth prospects, recovery of investments may spread over a longer horizon than anticipated.

• There exists an opportunity for micro-segmentation to develop more targeted value propositions for consumers and commercialisation of traditional Indian home remedies. During the next three years we estimate that the Indian wellness industry will grow at a CAGR of 20% to reach INR 875 billion. Consumers and their needs will continue to evolve, driving the transition from remedial care to a more holistic view on preventive care. This augurs well for the wellness industry in India.

Table 1.Dimensions of Wellness Tourism

Tourist Motivation	**Typical Locations/Activities**
Medical/ Cosmetic	e.g., hospitals, clinics
Corporeal/ Physical	e.g., spas, massage, yoga
Escapism and Relaxation	e.g., the beach, the spa, mountains
Hedonistic/ Experiential	e.g., festival spaces
Existential and Psychological	e.g., holistic centres focused on self development and philosophical contemplation
Spiritual	e.g., pilgrimage, New Age events, yoga retreats
Community oriented	e.g., voluntary work, charity treks, holistic centres

REASONS FOR WELLNESS TOURISM GROWTH IN INDIA

- **The young population in India is the core target group.**

• Indian youth (in the age group 15 to 34 years) comprises over 34% of the total population.

• This is expected to cross over 400mn by 2015 and forms the core target group for wellness products and services.

- **India's growing middle-class is fuelling demand for wellness products.**
- **Increase in discretionary spends is positive for the industry.**

• Rising incomes are resulting in increasing discretionary expenditures.

• Aspirational products and services are finding many takers.

- **Growing urbanisation is resulting in higher awareness levels.**

• The urban population constituted 28% of total population in 2001, this is expected to increase to 37% in 2025.

• Increasing urbanisation has the dual impact of higher availability and awareness of wellness products as well as higher incidence of stress-related disorders and lifestyle diseases.

• This is driving growth in products and services in the enhancement and curative segments.

- **Peer pressure is driving growth in the wellness space.**• Improved health awareness, exposure to global beauty and fashion trends and increasing media penetration are driving growth in the wellness space. The need to look and feel good is gaining momentum, especially among the middle-class .

• Society's obsession with celebrities and celebrity culture is resulting in the added pressure to look good.

- **Growing number of lifestyle diseases makes wellness relevant today.**

• Growing incomes and a faster pace of life, increased sedentary living, high work stress, rising pollution levels and consumption of unhealthy fast food are factors leading to a rise in lifestyle disorders.

• Consumers are increasingly looking at various wellness options in their pursuit of a healthy life.

GOVERNAMENT PROMOTIONS FOR INDIAN WELLNESS TOURISM

- The government had launched an accreditation programme for wellness centres in 2008-2009, under the authority of the National Accreditation Board for Hospitals and Healthcare (NABH) and the Quality Council of India (QCI).

- The government also has a number of regulations and acts governing quality enforcement in other wellness segments. E.g., Drugs and Cosmetics Acts and Rules for cosmetics and herbal beauty products, the Food Safety and Standards Act (FSSA) for nutrition products
- The government is a provider of alternative therapy services in India, withthe formal institutionalisation and integration of Ayurveda, Yoga, Unani, Siddha and Homeopathy (AYUSH) into the national health delivery system.
- The Department of AYUSH runs various alternative therapy hospitals and clinics across India.

- The Ministry of Tourism (MoT) has outlined key initiatives to enable andboost wellness tourism in India:

- The Marketing Development Assistance scheme (MDA), run by MoT, provides financial support to wellness tourism service providers for participation in wellness conferences, fairs, road shows, etc.
- MoT has been promoting India as a wellness tourism destination with the help of print, electronic, internet and outdoor media across target markets.
- MoT provides financial assistance for the augmentation of tourism infrastructure in certain circuits promoted as centres of wellness tourism (e.g., Puducherry , Chitrakoot etc.)

- The government has also planned initiatives to develop training infrastructure to facilitate employment in the industry:

- Skill Development Initiative Scheme (SDIS), a vocational training scheme run under the Ministry of Labour & Employment includes various courses on wellness , such as beauty and hair dressing, yoga, naturopathy and spa and wellness.
- The Department of AYUSH has set up national institutes for imparting education in AYUSH.
- MoT has plans to develop training centres for yoga and other traditional therapies.

CHALLENGES FACED BY INDIAN WELNESS INDUSTRIES

❖ Talent crunch

Rapid growth in the wellness industry, together with increased penetration of the organised sector, has led to huge demand for trained professionals. The industry will require over 600,000 additional skilled personnel during the next five years. Lack of a universally accepted accreditation or standard of education affects the quality of training imparted in local academies. Few players offer reliable education with adequate practical training. While consumers grapple with unreliable quality of service and even risk injury due to untrained personnel, this talent crunch impacts scalability plans of organised players and presents a huge challenge in employee retention. Absence of an accreditation body for recognising wellness courses restricts the development of good quality training institutes. This also deters prospective students from considering such courses as a viable career alternative. There is a clear need to motivate private players to participate in wellness education and training. Lack of sufficient incentives has limited the number of participants in this space.

❖ **Managing increasing costs**

Input costs of rent, manpower and consumables constitute about 50 to 60% of revenues for wellness service providers. Rental costs are increasing, especially in metros and Tier 1 cities. Other input costs have also risen considerably over the last few years impacting profitability and delivery standards of industry players. In a bid to manage costs, some players have started using sub-standard products and poor quality equipment endangering the health and safety of consumers.

❖ **Controlling industry malpractices**

The proliferation of unorganised players due to low-entry barriers has had a two-fold effect on the industry-pricing pressure on organised players and negative impact on the overall image of the industry due to misconduct of some unscrupulous players. There is no visible mechanism for consumers to distinguish between a good service provider and a mediocre player. Consumers often learn the hard lesson through expensive trial and experimentation. Lack of substantiated evidence and overstated claims lead customers to doubt the veracity of wellness products and services, contributing to consumer scepticism. There are no checks enforcing usage of licensed personnel. Punitive measures to check misconduct are few and ineffective in implementation. A large number of players (ranging from one-man shops to established corporate) and a wide range of service and product segments have made monitoring of the industry a complex and costly exercise.

❖ **Implementation and acceptance of quality accreditation**

Acceptance and penetration of QCI-NABH guidelines in wellness space is low. Industry participants seem to be unaware of quality guidelines. Even among those who are aware, an oft-cited reason for not getting accredited is that the guidelines are not customised to meet requirements of the specific industry category. Customers are yet to appreciate the distinction between accredited and non accredited centres. This hampers the motivation of players to invest in getting themselves accredited.

❖ **Ensuring consistent experience across touch points**

Many large players and international brands have used the franchise route for scale-up. However, this has given rise to concerns on inadequate control of operations and lack of uniformity in service delivery. The industry is characterised by the presence of a large number of first-generation entrepreneurs who lack the expertise to establish effective processes to manage large-scale operations. They also do not have the necessary checks and balances in place to ensure a consistent customer experience. Disparity in ambience, differing service levels and experience across outlets confuses the consumer.

While industry players are rapidly scaling up operations, this is often unstructured. Hence players are unable to operationalise their brand promise effectively.

Players in the organised wellness services segment are increasingly relying on franchising to drive growth as it enables rapid scale-up. It also provides access to local market knowledge and talent pool. However, several companies fear loss of control which may result in erosion of their brand equity. New domestic and international entrants find it difficult to tie up with franchisees. Hence, new entrants are initially compelled to opt for a company ownership model to build their brand before exploring the franchisee option.

Table 2.

SEGMENTS OF WELNESS TOURISM IN INDIA

Sl.No	Segments	Products	Services
1	**Beautyservices and cosmetic products**	Cosmetic products (skincare, haircare, colour cosmetics and fragrances)	Salons and beauty centres Cosmetictreatments(invasive and noninvasive)
2	**Fitness and cosmetic products**	Fitness equipment Slimming products	Fitness centres Slimming centres
3	**Nutrition**	Health and wellness food, beverages Dietary supplements	

4	**Alternate therapy**		Treatment centres for Ayurveda, homeopathy, unani, naturopathy etc
5	**Rejuvenation**	Ayurveda, homeopathy, unani, etc	Spas

Source:- *3rd Annual Wellness Conference –September2011*

TABLE.3

GLOBAL PRESENCE OF INDIAN PLAYERS

Player	**Category/segment**	**Global presence**	**Future expansion plans**
VLCC	Fitness and slimming, beauty	UAE, Oman, Bahrain, Qatar, Nepal,SriLanka and Bangladesh	Kuwait, Singapore, Egypt and Uk
Kaya SkinClinic	Beauty	UAE, Oman and Saudi Arabia	Egypt
Himalaya Herbal Healthcare	Ayurvedic healthcare products	Manufacturing: United States, Europe and Middle East Exports: 60 countries	Plans to launch its products in UK, France and Germany
Shahnaz Husain Group	Beauty	400 franchise clinics, 138 countries	N/A

Source:- *mergermarket, ISI emerging markets*

TABLE.4

WELLNESS INDUSTRIES OPERATING IN INDIA

Company	Segment	Total no. of outlets	Proportion of franchisee outlets	Future plans
VLCC	Beauty and slimming	160	20%	Plans to triple the number of franchise outlets in 12-18 months
Gold's Gym	Fitness	50	25%	Aims to operate a 75:25 (franchise to company owned) model.
Jawed Habib	SALON	184	95%	Plans to expand predominantly through franchisee route.
Mystic Spa	Spa	6	85%	Plans to increase to 150 outlets in the next five years with franchising being the primary mode of expansion.
Strands Salon	Salon	18	85%	Plans to have 70 centres by end of 2015 in north India, mainly through the franchisee model.
Talwalkars	Fitness	102	25%	Plans to increase franchised outlets, driven by expansion of their 'Hi-Fi' brand

Source:- *3rd Annual Wellness Conference –September2011*

CONCLUSIONS

Wellness is a journey, not a destination! (Wright State University 2003). One of the key themes that emerge from the research on wellness tourism in this issue is that the journey towards wellness is far more important than the destination (e.g., Devereux and Carnegie note that arrival at the final destination often leaves pilgrims or charity trekkers with a sense of anti-climax). The destination in wellness tourism is often an alternative space in which one can engage in self analysis without the stresses and distractions of home. The idea of 'wellness' has become increasingly ingrained in conventional notions of what constitutes a healthy lifestyle, complementing existing scientific and medical approaches to health. Thus, the global spa industry has responded by innovating a broad spectrum of offerings that can fulfil increasingly savvy consumer demands. In India, the concept of 'wellness' has been interwoven into various aspects of local culture through the traditions and practice of Ayurveda and yoga, which originated in the foothills of the Himalayas. India's rapidly evolving economy, maturing population, broadened consumerism, and strong Bollywood influence on image and status present limitless opportunities for spa developers, owners, and operators to breathe innovation and inspiration into the local wellness market. This combination of factors makes India ideal for the development and promotion of an overall expanded definition of health, relaxation, and luxury beyond traditional notions of Ayurveda and yoga. However, growth must not be limited to Kerala or the Himalayas when considerable opportunity and strong demand exist for the development of spa and wellness oases both within and near urban centres. Given the finding that membership revenue often comprised up to 50% of total hotel spa revenue in those properties surveyed by Horwath HTL Health and Wellness, we believe that this indicates a significant opportunity for the development of membership based leisure facilities in urban areas that offer spa and treatment services, swimming pools and specialty bathing, fitness and sport, and relaxation spaces in an exclusive, potentially luxury environment, provided that the facilities have the correct brand positioning and international partnerships. Additionally, it is worth noting that difficulties developing hotels in urban areas across India signify the possibility that greater financial opportunities could exist in the development of standalone day spas (versus hotel spas). Again, brand positioning and partnerships will Determine the future success of such facilities and, therefore, must be carefully considered.

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