



Horwath HTL
Health & Wellness

INDUSTRY REPORT

Merging Medical and Wellness Tourism in Integrative Wellness Destinations

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The coronavirus pandemic, which has affected every aspect of people's lives worldwide, has fast tracked interest in the already burgeoning health and wellness industry. Stricken by the social and economic damage that the pandemic has caused, accompanied by increased awareness of personal health and wellbeing, both healthcare and preventative wellness offerings have been pushed to the forefront of peoples' minds.

Today, the concept of wellness and medical tourism are, at times, becoming increasingly interwoven. Wellness resorts, which are traditionally known for their holistic programing, are increasingly incorporating diagnostics and advanced results-driven treatments, while medically-focused destinations are seeking to broaden their offering to include more wellness services.

This is particularly evident within integrative wellness destinations where the established concept offers both medical and holistic treatment modalities. This paper sets out to clarify the primary differences between medical and wellness tourism, to discuss key service platform characteristics of integrative wellness destinations that incorporate treatments and services from both industries, and provide best practices and considerations aimed at successfully operating such establishments.



I. Medical vs. Wellness Tourism: Similar Terms, Different Concepts

a. Definitions

As defined by the Organization for Economic Co-operation and Development (“OECD”), medical tourism is often associated with “travel across international borders with the intention of receiving some form of medical treatment, which may span across the full range of medical services, but most commonly includes dental care, cosmetic surgery, elective surgery, and fertility treatment.”

Medical tourism is driven by various factors, some of which are:

- The specific needs of an aging population;
- The increasing and often unaffordable health care costs in developed countries;
- The availability of cost effective and quality treatments in emerging nations;
- Targeted marketing assistance from tourism sectors and policy making from local governments;
- Wider availability of advanced medical technologies throughout the world;
- Greater prevalence of comprehensive health insurance and associated communication strategies.

Wellness tourism, on the other hand, refers to “travel associated with the pursuit of maintaining or enhancing one’s personal wellbeing”, and focuses on promoting engagement in wellness activities, conscious choices, and healthy lifestyles that lead to a state of improved holistic health (Global Wellness Institute, 2018).

Unlike medical tourism, wellness tourism is driven by:

- An increased prevalence of non-communicable diseases and chronic conditions globally;
- Work-related stress and poor lifestyle choices;
- Increased focus on enjoying a better and longer life;
- Rising mental health concerns including anxiety, depression and stress;
- The negative effect of environmental degradation, such as air pollution and climate change.

Overall, wellness resorts operate under a distinctive business model, and thus they must be supported by an equally distinctive design process in order to ensure that the spaces are created to accommodate transformative experiences.

b. Key Distinctions

While medical tourists' explicit purpose of travel is to undergo a medical treatment abroad, wellness tourists' trips are primarily motivated by wellness, either as a sole purpose of travel or as a complementary experience to partake in while on the go. In other words, medical travelers are commonly people with health concerns, who interact with doctors and other healthcare providers episodically, with the purpose of treating an existing illness or condition. Wellness travelers are people who focus on prevention rather than cure, and proactively adopt lifestyles that seek to maintain and enhance their health, vitality, and quality of life.

c. Industry Size and Growth Outlook

Over recent years, both the medical and wellness tourism industries have witnessed rapid growth. As of 2019, the size of the global medical tourism industry was estimated at USD 65 to 88 billion, with up to 24 million people traveling for healthcare services annually (Patients Beyond Borders, 2019). It is important to note that inconsistencies in defining medical tourism and medical travelers and lack of valid data on a country level do not allow for an accurate estimate of industry size and outlook. Nevertheless, some sources forecast that the global medical tourism market will record double-digit growth in the coming years, reaching over USD 200 billion in value by 2023. As of 2017, the global wellness tourism industry was estimated at USD 639.4 billion, representing 6.6% of all tourism trips and 16.8% of total tourism expenditure (Global Wellness Institute, 2018). Over the coming years, wellness tourism is forecast to grow at an average of 7.5% per annum, outperforming overall global tourism and reaching USD 919 billion in revenue by 2022 (18% of the global tourism market).

Figure 1 – Key Differences Between Medical Tourism and Wellness Tourism



Source: Global Wellness Institute, 2015

II. Integrative Wellness Destinations

a. Definition and Positioning

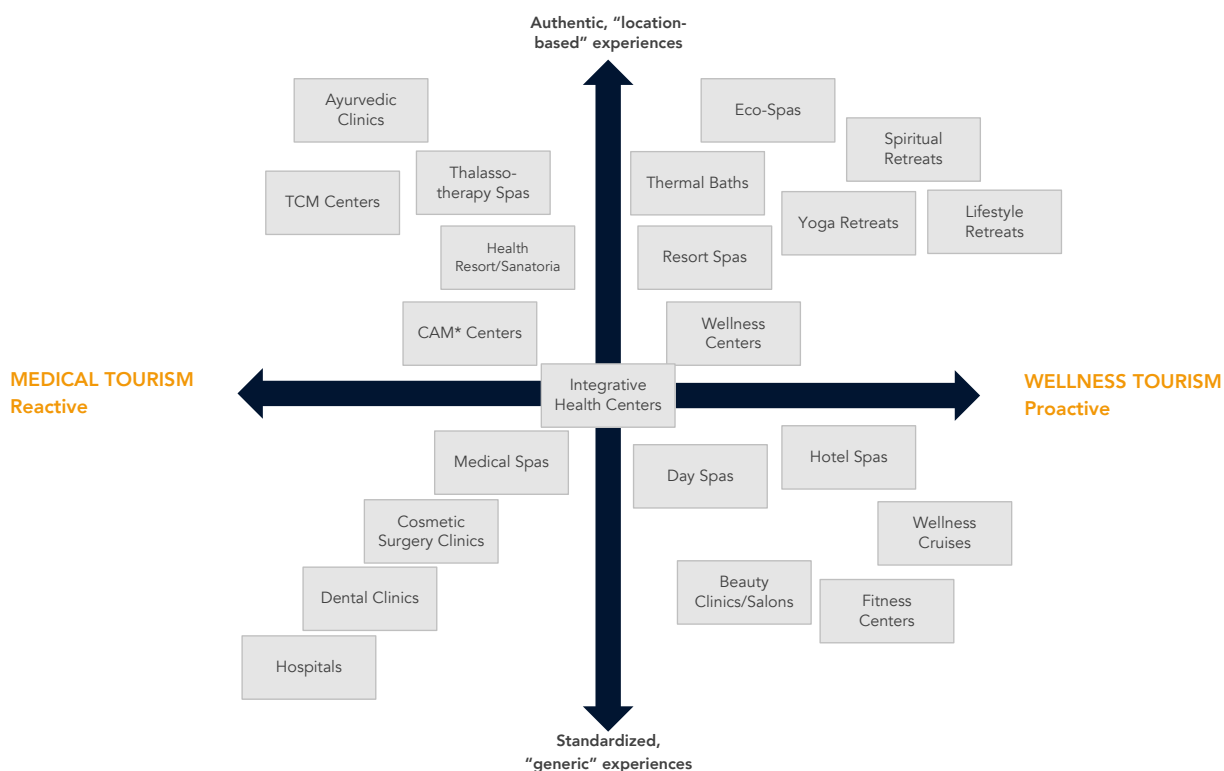
The incomplete understanding of the key distinctions between medical and wellness tourist profiles, as well as inconsistent usage of terms, has blurred the lines between the two sectors. As noted by the Global Wellness Institute, at times, the catch-all term “health tourism” is used to describe both medical and wellness tourism modalities from surgery to yoga retreats. In fact, although often interrelated, medical tourism and wellness tourism are fundamentally different as they target various types of travelers with different needs. However, some resorts combine the two, which occurs in integrated wellness developments such as health resorts, sanatoriums or medical spas, that feature a service platform which is both preventative and curative.

These integrative resorts may have a more comprehensive service platform and a broader treatment offering than traditional wellness resorts, including check-ups, diagnostics, consultations, alternative healing, hydrotherapy, and others. They fall in between the medical and wellness tourism industries and represent a confluence of both markets.

Recently the trend towards this integration of medical and wellness modalities to offer all-round health and wellness solutions has become more apparent. An increasing number of resorts aim to capitalize on the growing demand for quantifiable, results-driven therapies, rooted in diagnostics and customized programming. For example, Lanserhof resorts, which are widely recognized for their detox programs, combine naturopathy with modern medicine, merging traditional holistic Eastern practice with Western medical science.

As shown in Figure 2, integrative health centers or larger-scale integrative wellness destinations sit in-between medical and wellness modalities. These destinations focus on the elements of both worlds and offer guests all-encompassing health and wellness solutions under one roof. However, such a blend requires careful planning, as well as development and operational considerations to ensure synergy between all departments. Additionally, due to their diverse offering, such destinations typically attract multiple consumer segments, each with different needs and preferences, the latter requiring to be mindful of in the operating and marketing strategy.

Figure 2 – The Wellness Tourism and Medical Tourism Market Spectrum



Source: Global Wellness Institute, 2015; (*): CAM - Complementary and Alternative Medicine

III. Service Platform

Integrative wellness destinations generally have a basic wellness offering comprised of massages, body treatments and facials, hydrothermal experiences, nutrition and healthy meals, fitness and mind & body, and wellness programing, as well as extra dimensions that include activities and educational components. They go a step further by also including some or all of the following medically-oriented services:

a. Check-Ups and Diagnostics

Assessment of the guest's current state of physical and psychological health is the first step on their journey to healing, given that it allows the medical team to formulate an appropriate program, and therefore represents a key pillar at integrative wellness destinations.

Diagnostics may consist of:

- Lifestyle and specialist consultations (e.g. lifestyle assessment, nutritional consultation);
- Physical examinations (e.g. checking blood pressure, heart rate, body composition);
- Biochemical analysis (e.g. immunological, hormonal, or genetic testing);
- Medical imaging (e.g. ultrasound, electrocardiogram (ECG), exercise stress test).

For integrative resorts that prioritize holistic wellness programing, it may be sufficient to offer a limited range of imaging diagnostics only, such as ultrasound, electrocardiogram, or stress tests. Such services may be carried out using small portable devices, which allow for sufficient flexibility in terms of space and do not require large capital expenditure. Other resorts that focus more on medical offerings may provide a broader range of medical imaging, either undertaken by the resort or outsourced to an external provider. For example, the Medical Center at Grand Resort Bad Ragaz in Switzerland houses an entire radiology unit, offering magnetic resonance imaging (MRI), computer tomography (CT), mammography, bone density, and X-ray diagnostics. Similarly, Waldhotel Bürgenstock offers some medical diagnostics, such as ultrasound, bone densitometry, chest and bone X-ray, ECG, and stress tests in-house, but outsources more complex diagnostics (e.g. CT, MRI, kidney biopsy, and bronchoscopy) to its partner medical centers.

b. Medical, Specialized Therapies & Biohacking

Given their inclusion of medical services, integrative wellness destinations commonly offer a plethora of specialized therapies, combining both Eastern and Western healing modalities. Such treatments may include, but are not limited to, cryotherapy, ozone and oxygen therapy, colonic hydrotherapy, and intravenous (IV) vitamin infusions, as well as physical therapies, such as physiotherapy, osteopathy, and kinesiology.

Biohacking, a method that combines a variety of practices involving a systems-thinking approach to our own biology, has also come to the forefront of the wellness industry, a movement further expedited by the global COVID-19 health pandemic. Given its systems-thinking approach to our own biology in an attempt to manipulate the brain and body to optimize performance, health and wellness institutions have started to incorporate biohacking more and more.

c. Rehabilitation

In these instances, guests who visit an integrative wellness destination may have just undergone surgery and need assistance in getting back into physical shape. These guests require the destination to be modeled slightly differently to others as round-the-clock medical assistance may be required in the event of an emergency. As such, a nurse station should be included on each floor of buildings, containing first aid resources. Furthermore, the guest rooms should be designed with the accessibility needs of all recovering guests in mind.

d. Aesthetics & Dermatology

The growth of the aesthetic market is driven by increasing interest in improving physical appearance, rising disposable income, development of non- or minimally-invasive alternatives, and advancements of health care facilities. In 2019, Global Market Insights forecasted that revenue from both invasive and non-invasive aesthetic procedures will grow at a CAGR of 11.5% until 2025, reaching USD 22.2 billion, coming mostly from non-invasive treatments, rather than plastic surgery. To capitalize on the higher demand for quick fixes, integrative wellness destinations are increasingly incorporating a selection of aesthetic and dermatological services, including, but not limited to, ultrasound, radiofrequency, laser treatments, body contouring, cosmeceutical treatments, injections, and fillers.

IV. “Fine Line” Between Medical and Wellness

The line becomes clearer when a property marketing itself as a medical destination curates more of a hospital-like atmosphere and experience instead of a relaxing stay within a hotel or resort. A hospital-like atmosphere is usually created once the property includes invasive surgery (i.e. rhinoplasty) as part of its service platform, which requires a surgical team and associated facilities. On the other hand, an integrative wellness destination does not necessarily require a comprehensive medical or surgical team, and communicates a very different guest environment, which is more relaxed and comforting, suited to the needs of its target audience.

It is important to note that medical resort guests may have visual after-effects following invasive surgeries, which contributes to the creation of a more clinical atmosphere within the resort, and may potentially cause some discomfort for guests seeking a “softer wellness experience”. However, minimally-invasive surgeries, which can include lasers, do not require a surgical team and do not result in any lasting visual markers. Therefore, it is crucial to develop a service platform that results in a comfortable experience for all guests.

An example of a medical destination that is renowned for its wellness programs without conveying a resort-like atmosphere is Clinique La Prairie, a globally renowned medical clinic and wellness destination. Indeed, the property offers invasive surgical services performed on-site in one of the operating theatres, and it is clear from the layout that Clinique La Prairie caters more towards guests seeking a “reactive approach” as opposed to the “preventative approach” found in an integrative wellness destination. A prime example of the preventative approach is found at Waldhotel Bürgenstock, which offers minimally-invasive medical services while also providing the option of more extensive treatments, such as wisdom tooth removal, conducted off-site through a local partnership. Thus, the atmosphere conveyed to its guests is not one of recovering patients, but rather of one where guests are focused on prevention and improvement.

V. Integration of Medical Therapies in the Resort Environment: Requirements and Considerations

In order to develop a successful integrated wellness destination, certain key elements need to be considered. These include hiring a team of experts and professionals, creating a different organizational structure, implementing equipment usage protocols, establishing local hospital partnerships, and adopting a specific marketing strategy. These elements should be addressed with strict adherence to the regulations imposed by the country in which the destination is located.

a. Hiring of Experts

In order to offer medical therapies within a resort environment, it is fundamental that the property acquires the relevant licensing and hires recognized medical professionals with the approved qualifications to support the legal requirements. Omitting this part of the process may lead to strict limitations on the range of medical services that can be provided. Additionally, it is important to understand to what extent the medical services offered form a core part of the property’s positioning and concept. Indeed, if international expansion is envisioned, the standard medical offering of the property in one country may not be permitted in another due to licensing restrictions. Furthermore, the property must ensure the hiring of a team that delivers a high level of professionalism and creates an environment of safety and trust for guests that come to undergo medical procedures.

b. Organizational Structure

If medical therapies are to be integrated within a resort environment, it is essential to have both a medical and a wellness focused operational teams working together, each having clearly defined roles and responsibilities. In order to provide a seamless guest flow within the property, the organizational structure must differ in comparison to a typical wellness resort. Ideally, the wellness operational team works under a Director of Wellness who manages all of the therapists and line staff, while running the day-to-day operation and administration of the department. On the medical side, a Senior Medical Doctor is in charge of all medical treatments and other doctors. Both the Director of Wellness and Senior Medical Doctor report to a Managing Director or CEO who verifies that the teams are cohesive and deliver exceptional service and a seamless guest journey.



c. Specialized Equipment Management

By integrating medical services within the resort that require specialized medical equipment, it is important to understand whether the use of such equipment requires the expertise of a registered nurse or a trained doctor. Some of these services may be classified as “advanced services” depending on the country in which the property is located and therefore, may only be administered by a licensed professional. However, given that the administration of certain equipment-led services can be time-consuming, training therapists to deliver such procedures would result in payroll efficiencies, as higher paid specialists can be allocated to other services.

d. Local Hospital Partnership

If the property does not have the necessary resources to provide on-site medical services or wishes to position itself with a more holistic offering, it is recommended that a partnership with nearby healthcare establishments be explored in order to outsource medical services (i.e. X-ray scans, bloodwork, etc.). Establishing a partnership with a local hospital allows the property to provide a wider range of services without the associated fixed costs (i.e. staff or facilities).

e. Marketing Considerations

A property offering a broad service platform that includes both medical and wellness services will attract various customer segments with different expectations. Therefore, it is recommended that an integrative wellness destination have different sales & marketing teams dedicated to each of the customer groups. Doing so facilitates the clear and defined promotion of group-specific health and wellness offerings, thus increasing total wellness package sales.



VI. Conclusion and Future Outlook

One of the fastest growing trends in the wellness industry today is the merger of medical and wellness services within wellness resorts. In line with this growth trend, a greater number of spas and resorts have started providing diagnostics and specialized therapies as part of their health and wellness offering. However, it is important to know that doing so requires careful planning as there are many operational aspects to take into consideration to ensure a safe, operationally efficient, and results-driven environment. To avoid any mishap, it is recommended that a consultant in medical wellness be hired in order to guide the owners and operators into a successful venture.

Integrative wellness destinations are anticipated to become the most sought-after wellness hospitality establishments, as they will provide all-round services in a comfortable and non-medical environment.

While the wellness tourism economy has currently slowed down due to the ongoing global pandemic, it is expected to pick up with increased positive momentum as many individuals seek to boost their immune system, undergo check-ups and diagnostics, and learn how to live a healthier life. Given that, to date, most integrative wellness resorts attract a more affluent guest, it is believed that the pandemic may encourage a shift, opening up a market for more democratic access to treatments and more mid-range integrative wellness resorts that target a broader customer segment.

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Injecting fresh ideas and professional management into the rapidly expanding wellness hospitality sector, Ingo Schweder brings together more than 30 years of experience in the wellness and hospitality industries. He leads the multidisciplinary teams at GOCO Hospitality and Horwath HTL Health and Wellness to strategise, conceptualize, design and manage the latest wellness developments for the world's top hospitality and real estate brands. From individual hotel spas to dedicated wellness resorts and master planned mixed-use developments, Ingo's experience and insights have taken over 400 projects worth more than USD 3.5 billion across upwards of 42 countries from initial idea to profitable realization and on-going management.

Ingo maintains a creative lead in the management and development of all GOCO-branded spas and is the Managing Director of Horwath HTL Health and Wellness. Ingo also owns and manages Glen Ivy Hot Springs in Southern California, the United States' oldest and highest grossing hot spring resort. Ingo is a co-founder of Space Yoga & Space Cycle, together with Matthew Allison, former President of EMI Music, and Jack Ma, Founder of Alibaba. Ingo was formerly a board member of Mandarin Oriental and earlier Corporate Director of Operations for Oberoi Hotels & Resorts. Under his guidance, Ananda in the Himalayas, the globally recognised destination resort, was established.

Photos:

Robart Spaces, China
Verbena Restaurant & Bar, Switzerland
SCM Estetic, Poland
Lime Wood Hotel, United Kingdom
The Chenot Palace Health Wellness Retreat, Switzerland



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Ines joined Horwath HTL Health and Wellness as an Analyst before taking on the role of Senior Analyst in 2020. She predominantly conducts market research analysis and feasibility studies for international wellness-centric hospitality projects. She is also involved in development and management work with GOCO Hospitality.

A dedicated professional in hospitality management and development, Ines has experience in various roles within the hospitality industry in Europe and Asia. Before joining Horwath HTL Health and Wellness, she worked in management consulting for Bain & Company in Belgium and in strategy & concept development with a focus on food & beverage cost control for the Lo & Behold Group in Singapore. With her international exposure, she consistently impresses her colleagues and her clients by bringing a wealth of diversified experience to the team.

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Finally, we would also like to thank Krystyna Stadnyk for her vital market research contributions. Krystyna previously worked for Horwath HTL Health and Wellness as a Consultant and holds an MS in Real Estate from the Lucern University of Applied Science and Arts, as well as a BA in Hospitality Management with Real Estate Finance and Revenue Management from Glion Institute of Higher Education, Switzerland.



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