



THE WELLNESS INDUSTRY IN THE ENDEMIC AGE

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Note from UJA

Humanity is slowly coming out of its most disrupting years. In-between economic recessions, drastic changes in our lifestyles, geopolitical conflicts, and hyper-digitization, one question is on everyone's lips: what's the future like in the endemic age?

Severely impacted during the 1st months of the pandemic, the wellness industry managed to rise above the challenges and reinvented itself by accelerating its predicted transformation,

As we're about to celebrate International Yoga Day, our team reflected on the wellness industry from its ancient roots to the rise of virtual gyms and the impact of AI and other tech innovations in the industry.

In an ultra-digitized world, where immersive realities are getting in control, which solutions and evolutions pave the road towards a more conscious and healthier self?

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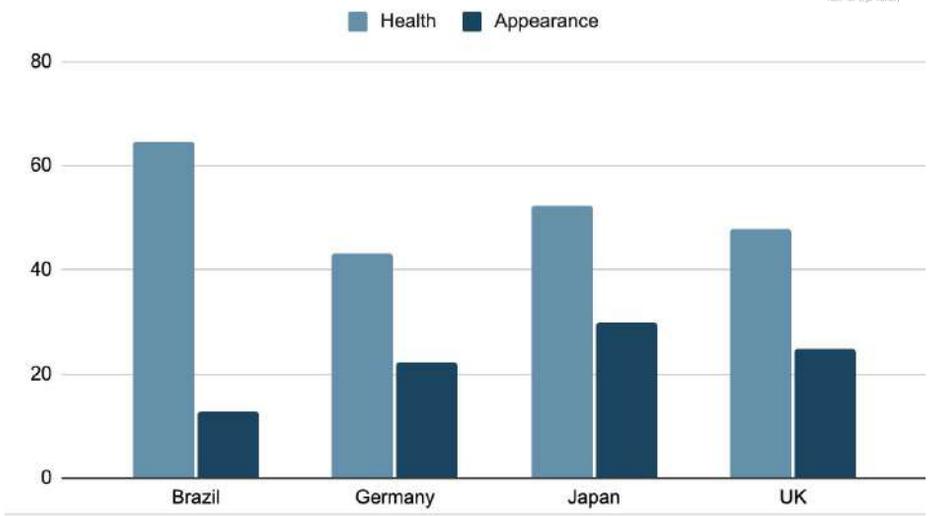
Head of Marketing

As the world finally experiences the joy of the endemic, many industries and sectors emerge transformed. The world has changed, and those changes are meant to last. Appear with this transformation, a broad range of challenges and opportunities, leaving most industries with no other choice than quickly adjust to the ever-changing needs of the post-covid consumer.

RADICAL CHANGES

The 1.5-trillion-dollar wellness industry entered the post-pandemic world radically changed as the past two years affected its scope of reach and how its stakeholders used to work.

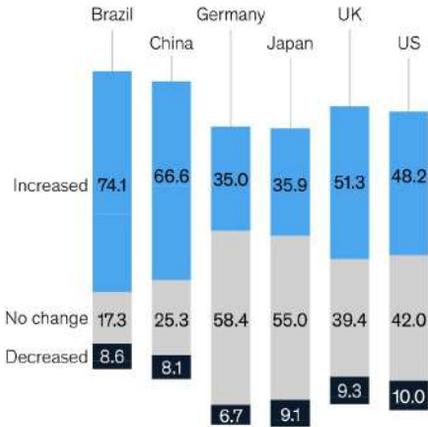
Spent in Wellness per Category



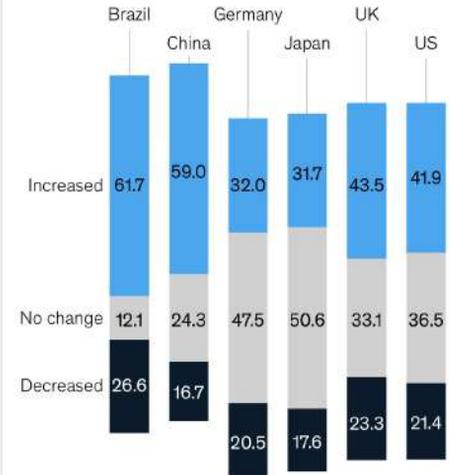
In a study published in April 2021, **Feeling good: The future of the \$1.5 trillion wellness market**, the giant [McKinsey](#) highlights daunting figures for the wellness sector, flying up to a **\$1.5 trillion yearly revenue** and predicting a **5 to 10% growth rate** (1) from one year to another, as the result of a regained interest in health, well-being, and self-improvement, while the pandemic acted as a high change factor, nesting digitization, new products, and services to the heart of the business.

Wellness is rising as a priority

Change in wellness prioritization compared with 2–3 years ago,¹ % of respondents



Change in overall wellness level compared with 2–3 years ago,² % of respondents



¹Question: Thinking about how you prioritize wellness, how has your prioritization of wellness changed compared to 2–3 years ago?

²Question: How has your overall level of wellness changed compared to 2–3 years ago?

Source: McKinsey Future of Wellness Survey, August 2020; Brazil, n = 1,374; China, n = 1,311; Germany, n = 1,283; Japan, n = 1,109; UK, n = 1,277; US, n = 1,319

This expanding popularity of wellness strongly impacted different players in the **technology, home furniture, and even fashion** industries as they had to reinvent themselves and adjust to the growing needs of this self-conscious consumer. The emergence of a consumer striving to look and feel good positively impacted the growth of many brands and services suppliers, reuniting them under the common denomination of **‘wellness industry’**.

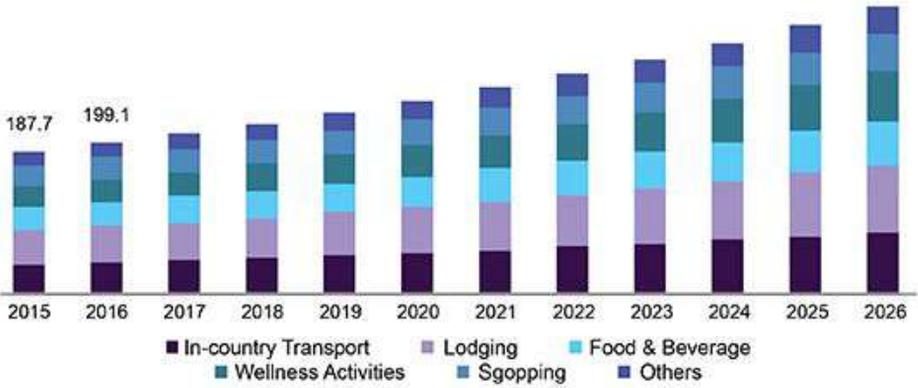
This report aims to deliver insights articulated around **the potential growth of the wellness market** in the next few years and explains the whys behind the craze. In the past months, many studies provided relevant insights to evaluate **the impact of the covid 19 pandemic as a growth accelerator** and analyzed the future of this conscious - and sudden- awakening.

The ‘Be Fit’ revolution has started!

Overview

(2)

U.S. wellness tourism market size, by service, 2015 - 2026 (USD Billion)



From ancient Ayurveda doctors, yogis, and holistic doctors to Jane Fonda's tapes in the 80s; feeling good is an ever-lasting component of human aspirations. Across centuries, ancient wellness practices remained, transmitted through generations, and still influence today's wellness landscape as we observe a resurgence of traditional rituals such as Ayurvedic therapies, Chinese Medicine, or Shamanic rituals.



Gen X versus Millennials

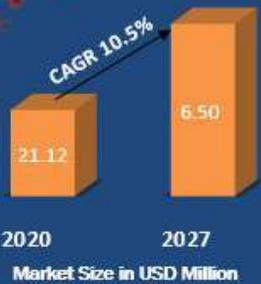
Baby Boomers and Gen X were not the healthy consumer wellness industry wanted. The **Plastic is Fantastic Generation** (sic) craved for processed food but conceived a generation that rejected the convenience of plastic-wrapped processed meals. The rebellion was green. The rebellion was fit. The rebellion was healthier and ready to spend more on organic and whole products. Green became the new cool.

The conscious consumer shift happened in the late 2000s as the practice of yoga, holistic medicines, and other alternatives to modern medicine gained popularity, as this new generation of consumers praised the positive impact of embracing a healthy lifestyle.

The Ayurvedic Globalisation



Over the past decade, we observed a rise of interest towards the science of Ayurveda; and several made in India brands kickstarted their global expansion at high-speed.



Regional Analysis in 2020 (%)



Key Players

Zandu Pharmaceuticals
WELEX Laboratories Pvt.
Lotus Herbals
Khadi Natural
Surya Herbal Limited
Maxcure Nutraceuticals
Shree
AVA Products & Services
Vicco Laboratories
WELEX Laboratories Pvt.

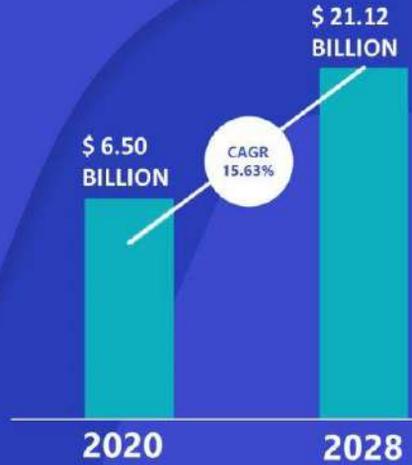
Kerala Ayurveda Ltd.
Forest Essentials
Dabur India Ltd.
The Himalaya Drug
Patanjali Ayurved
Hamdard Laboratories
Emami Ltd.
Charak Pharma Pvt. Ltd.
BACFO Pharmaceuticals
Emami Ltd.

Mode of Sale Segment Overview



GLOBAL
AYURVEDIC MARKET

2021-2028



- ❑ Indian Ayurvedic brands such as [Kama Ayurveda](#) and [Forest Essentials](#) exponentially grew beyond the borders of the Indian subcontinent. With a net revenue of **US\$ 7273.3 million in 2021**, the global ayurvedic market is estimated to reach **US\$ 16230 million by 2028.** ⁽³⁾
- ❑ Kama Ayurveda benefits from a network of resellers located in 36 countries. ⁽⁴⁾
- ❑ [Estee Lauder](#) became one of the shareholders of the Ayurvedic brand Forest Essentials and they will be opening 12 flagship stores across the UK by 2024. ⁽⁵⁾



NUTRITION

The McKinsey report, we evoked earlier, highlights the increasing desire of consumers not only to indulge in tasty food but to consume food that will help them reach their fitness goals.

33% of the surveyed affirmed they would happily spend more on organic products, diet programs, and apps facilitated by nutrition and fitness companies to achieve their nutrition goals. During the pandemic, consumers spent **30% on feeling-good services such as counseling or nutrition.** We expect the **adoption of those services to grow to 37%.**

BETTER LOOKS FOR MORE CONFIDENCE

Many consumers admit the impact of appearance on their self-confidence; and self-care turned into a tangible extension of self-love and self-appreciation. Due to the restricted freedom of movement, home-salon services observed an increase in bookings and reservations. The reluctance of most consumers to step into physical salons encouraged [Urban Company](#) to develop their service range; the company confirmed the positive effect of the pandemic on the business by uncovering vertiginous figures:

5 million performances delivered in 2020 across 30 cities in India

100% of their pre-covid revenue

150% revenue increase in comparison to 2019 ⁽⁶⁾

HOW DID COVID 19 BECOME AN AMPLIFICATION FACTOR?



The rise of Athleisure

The increasing interest in fitness, lifestyle, and well-being in this particular time led to brand new habits and created a panel of business opportunities for the industry that quickly adjusted to the new demand. From yoga studios and gyms offering online classes and coaching to the healthcare industry providing new services, the pandemic disrupted the way those professionals used to operate.

[True Fit](#) collected data from **17,000 brands and over 180 million** users edifying data. During the covid-19 pandemic-related athleisure, **sales orders jumped to +84%**. Around Christmas 2020, they observed a **5x increase compared to the first semester of the year.**⁽⁷⁾



Other players in the fashion industry experienced a similar growth as **the brand Sweaty Betty, which reported a 60% increase.** ⁽⁸⁾

Numerous fashion brands announced an increase in their athleisure production to adjust their offering to consumers' changing needs. British retailer [Mark & Spencer](#) announced in early 2021 the extension of their Goodmove Activewear due to the accelerated shift to casualwear and new work-from-home norm: **feeling good remains at the top of customers' minds as 80% of M&S customers want to get fitter in 2021.**

“Throughout the pandemic, we’ve seen emerging consumer behaviors and demand changes that have delivered all sorts of category curveballs. In fashion, we have seen the trend for athleisure, which was already growing in popularity, become accelerated and sustained as home comforts and home workouts became the order of the day. Being able to understand and keep up with the emerging behaviors relies on being able to draw insight on how customers shop across product attributes - from size and fit to style – and categories, both within and outside of your brand. This can then inform key decisions across the business – from merchandising to marketing – so that emerging needs of shoppers can be met on a true one-to-one ongoing basis.”

Sarah Curran Usher, GM EMEA at True Fit

Many athleisure brands benefited from the rise of remote work, leading consumers to opt for more comfortable outfits. Market leaders such as [Lululemon](#) successfully targeted this new audience of consumers working from home and designing clothing that would help them feel good.

Peloton showcased mind-blowing figures with sales scaling up to 66% as 70% (8) of the workforce confessed they feel productive at work wearing athleisure clothes rather than stringent business wear, which reaffirms the announced growth of those brands.



THE UBERISATION OF THE INDUSTRY

How did digital adoption happen?



As consumers experienced a new way of living by spending long hours at home, the digital adoption of many services that used to be performed in the offline realm tremendously grew, letting them keep their good habits alive.

Virtual Classes

Key members of the World Economic Forum stated that the pandemic changed education forever, as it provoked the emergence of a new model of education with significant benefits.

"Integrations of information and technology in education will be further accelerated. No matter the field, no matter the topics, online courses boomed during the pandemic, as schools, gyms, education centers, and other suppliers of knowledge had to shut down for an undetermined period."

Wang Tao, Vice President of Tencent Cloud

If this comes with some determined challenges such as poor access to the internet or technology, fitness classes and training online still represent a broad range of benefits. According to statistics published by Techjury, e-learning has proven highly effective as it requires 40-60% less time to learn than in a traditional classroom. Most consumers envision the idea of fitness as something connected to activities enhancing stress and respiratory capabilities (walking, running, etc.).

Global Market Insights

ONLINE FITNESS MARKET



Since the covid-19 and its numerous lockdowns limited physical movements, consumers had to adapt to practice physical activities differently.

New remote-working schedules and non-existing commuting times allowed the global workforce to start experiencing fitness, wellness, and healthcare in a new light. A recent consumer trend is also to measure performance and progression with mobile apps such as [Runkeeper](#), [Runtastic](#), [Equinox](#), etc. The covid-19 pandemic marked the beginning of a new era: the era of Instagram health gurus, instant consultations, and a break in modern history, during which we finally took the time to dive inward and indulge in self-care.

While the \$32 billion wellness industry observed a drop at the beginning of the pandemic, 72% of them started offering on-demand and livestream group activities. Online fitness market reached 41.84% growth rate as it jumped from \$11.39 billion in 2021 to \$16.15 billion in 2022. ⁽⁹⁾ The consumer data collected across several countries (Australia, India, Russia, Brazil, Japan, etc.) reaffirmed the global enthusiasm toward virtual fitness and 61% of the surveyed confirmed owning a smart-device dedicated to their fitness activities (tablets, smartphone, laptops, smart watches or TV).

'It's not about bikini body goals because who knows when we're going to go on vacation again. Covid-19 has pushed people to think about health more holistically.'

Josh McCarter, CEO MindBody

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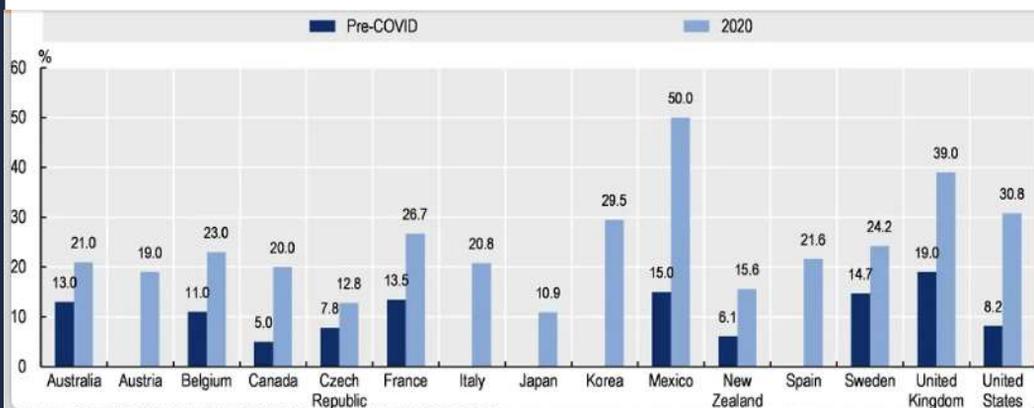
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MINDFULNESS AND MENTAL HEALTH

The covid-19 era observed a surge in anxiety, depression, and other mental health disorders, taking consumers into a fresh mindset as they started identifying and addressing underlying psychological issues. **In the UK, US, and China, respectively 65%, 30%, and 40% suffer from mental disorders.** (11)

The report also highlights that the excessive usage of smartphones and social media reportedly has a negative influence on how children process emotions.



There is a tremendous growth in meditation and breathwork practice and several scientific research (12) describe meditation as one of the best solutions to overcome depression, mental issues, and other psychosomatic conditions. Since 2012, the number of meditation practitioners has increased 3X, and the mindfulness industry will reach 1B in the coming five years and \$9B worldwide. (13)



Many studies also observed a rise of meditation and mindfulness coaches, who become more and more successful, online and offline.

200-500 million individuals indulge in meditation, describing it as a condition of their physical and mental stability.

More than **65 million downloaded** the market-leading meditation app Headspace, and studies announced the app will generate more than **\$4206.1 million in revenue by 2027.**

The meditation apps market will reach \$3.9 billion in global revenue by 2023. ⁽¹³⁾

Over the past years, **65 million users downloaded the market-leading meditation app Headspace,** and studies announced **the app will generate more than \$4206.1 million in revenue by 2027.** ⁽¹⁴⁾

GO TO BED!

The Covid-19 pandemic contributed to highlight the positive effects of sleep on the immune system and how sleeping can help with weight loss, obesity, hormonal regulation, heart problems and blood pressure, heart problems, and insulin management. The quality of our sleep affects the immune system and general health, cognitive performance, memory consolidation, mood, growth, and development for children and teenagers.

The last few years, 44% of adults have expressed sleeping issues from quality deterioration to insomnia: 20% of Americans admit encountering chronic insomnia issues, and 60% of the surveyed feel they must improve their sleep patterns. (15)

“Technology can be a thread that runs through our sleep experience. It helps us as a reminder, a facilitator, a communicator, and a tracker, and can play a role in helping meet the NSF’s recommendations for better sleep — both while awake and asleep.”

John Lopos, CEO, National Sleep Foundation



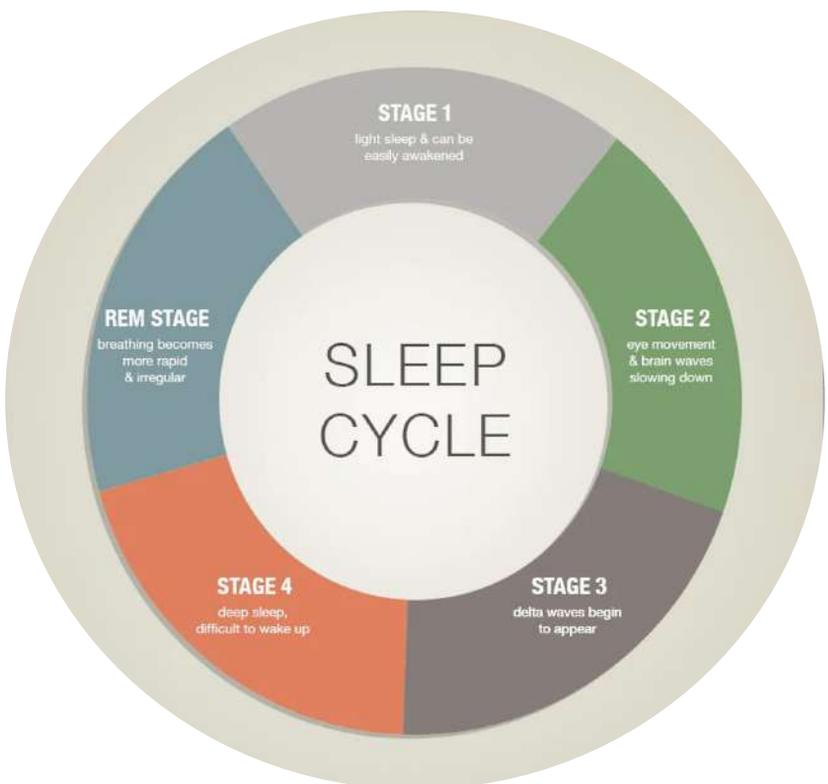
As consumers experienced the impact of sleep disruption in many aspects of their lives, they gained interest in holistic techniques, sleep facilitating devices, and products to soothe their minds and ultimately improve their sleep.

Dedicated shower gels, sleeping balls, essential oils, ergonomic mattresses, and others experienced an unprecedented sales increase, which will reach **\$118.31 billion in revenue by 2030 with a CAGR of 4.5%.** ⁽¹⁶⁾

The sleeping industry experienced a surge in revenue, affecting the look and feel of our bedrooms, the choice of pillows, technology support for the savviest consumers, and the use of lifestyle products designed to soothe the mind and facilitate sleep.

Over the past years, studies highlighted the growing success of sleep aid devices and apps, across the globe, especially in the Northern American, Asia Pacific, and European regions. **The National Sleep Foundations (NSF) highlights in its 2022 America® Poll (17)** how daily activities impact our sleep quality and how technology can help us manage our routine, monitor the quality of our sleep for a better understanding of the sleeping experience.

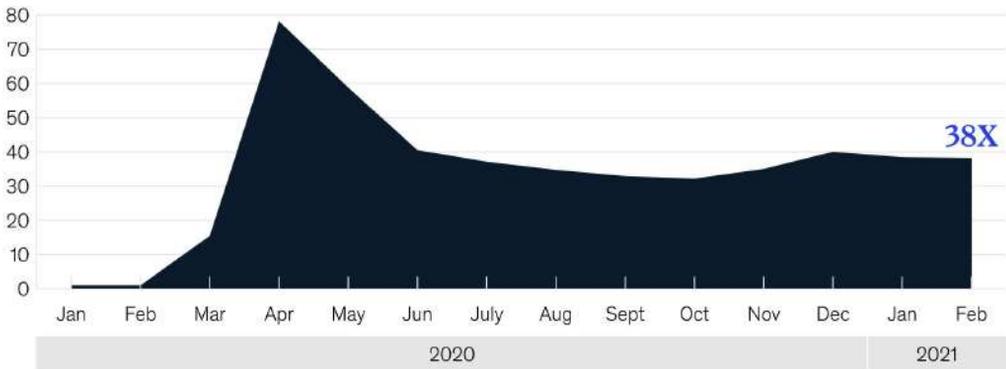
The most popular sleeping apps work on subscription models and direct recommendations from users. Designed to create sustainable sleeping habits and collect data/insights on recurring sleeping patterns, [Sleep Cycle](#) is one of the most popular sleeping apps. No need to say the sleeping industry is now entirely part of the wellness industry since sleep quality is now a must for consumers.



TELEMEDICINE & DIGITAL THERAPY

According to consumers, health improvement services include medicine, supplements, fitness trackers, remote consultation, and services. McKinsey uncovered a 38X increase in telehealth services in comparison to 2019. 40% of consumers declared they intend to continue using telehealth services in the post-pandemic era.⁽¹⁸⁾

The total venture capital injected into digital health in 2021 scores twice higher as in 2020. **The record-breaking funding marks a 79% jump from the \$32 billion raised globally in 2020** ⁽¹⁹⁾ Telemedicine and digital therapy services cover a range of treatments from general medicine to dental services, cardiology, etc. The birth of new habits and consuming behaviors reaffirm the growing opportunities for telehealth services and other virtual treatment rooms.



This transformation in medical services largely contributed to the emergence of healthcare-related technologies and health-related mobile apps such as [RingCentral Video](#), [Chiron Health](#), [TrueConf](#), and [Teladoc](#).

Virtual consultations were a must during the pandemic; the adoption of telehealth considerably increased the quality of doctor-patient interactions, enabling both parties to save time, patients to receive a quick diagnosis, and medical practices to positively impact their turnover. Digital consultations are now a luxury most consumers refuse to let go.

WHAT'S NEXT?



The future is digital

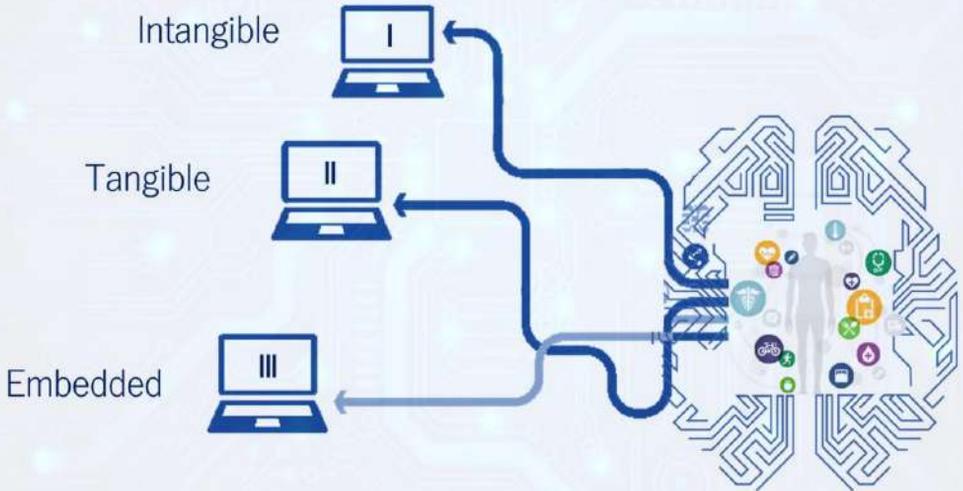
Over the past years, AI considerably impacted consumers' and professionals' lives by radically altering old habits and ways of functioning - for the better. At the dawn of the endemic, it is fair to say that a new era started for the Wellness Industry and that AI and deep tech will be accelerators of its future. As many gyms and sports centers shut down **during the first semester of 2020, fitness and health apps increased by 47%,⁽²⁰⁾** bringing tech and innovation to the heart of the wellness industry. AI-enabled to design fitness classes that do not require one-on-one interactions, enabling users to exercise at their own pace and convenience.

As mentioned earlier, covid-19 amplified the existing interest in wellness as a whole and accelerated the digitization processes of the market.

The wellness giant, [MindBody](#) surveyed its users and collected the following information:

WHAT'S NEXT?

Artificial Intelligence Wellness Landscape



The amount of data AI can process promises outstanding development opportunities to anticipate the ever-changing needs of the conscious consumers to design better, more personal, effective, and suitable wellness services and products.

AI-powered devices and connected equipment influence the growth of the online wellness market, which will reach **\$44.7 billion in global revenue by 2026.** ⁽²¹⁾



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