



GLOBAL WELLNESS
SUMMIT 2018

OCTOBER 6-8 | TECHNOGYM | CESENA, ITALY

The Impact of China on Wellness... and Everything Else

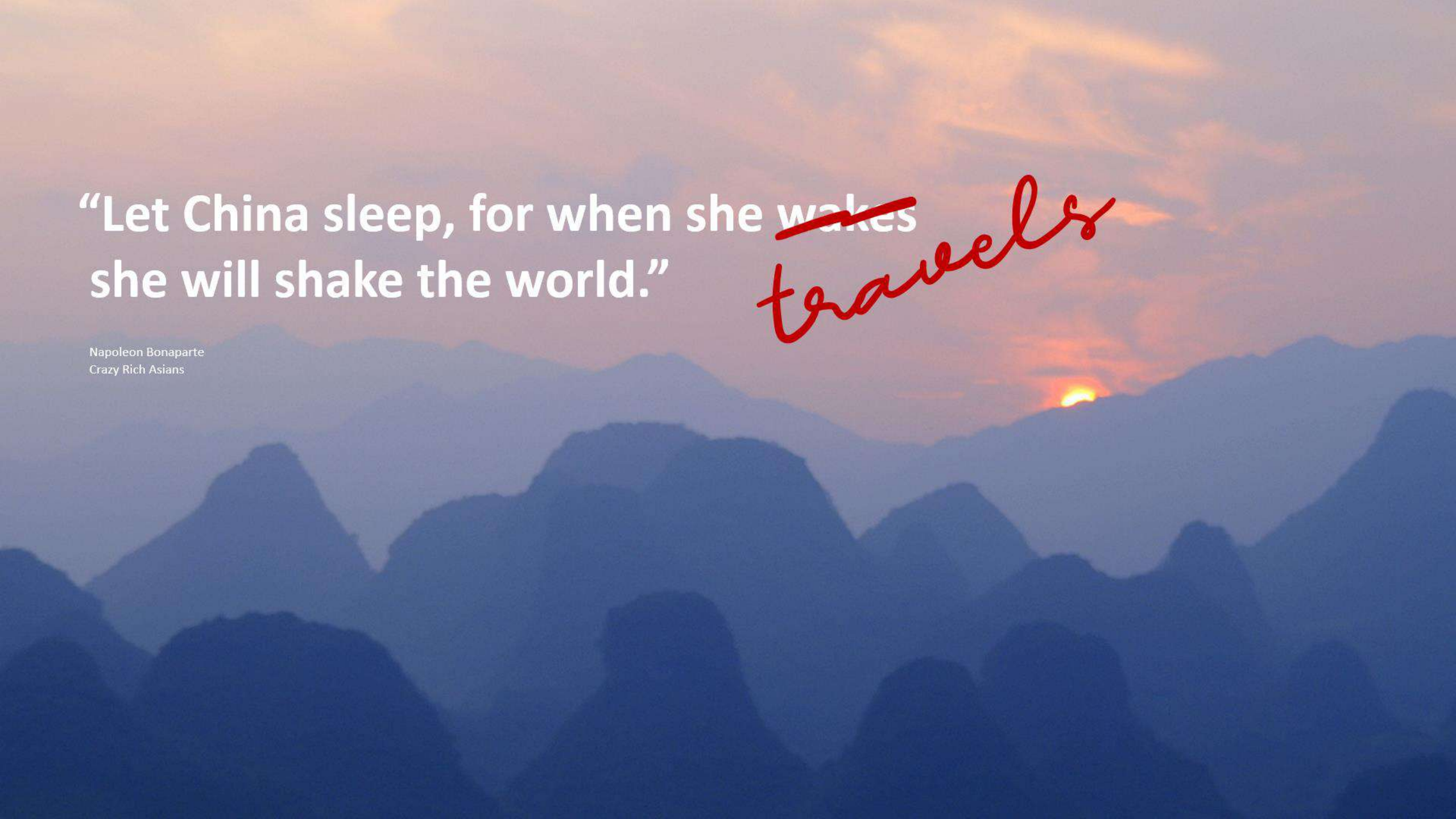
Catherine Feliciano-Chon, founder & managing director,
CatchOn & Company Ltd., Hong Kong

**CHINA
TRAVEL
PHENOMENON**

**WELLNESS
HEALTH & FITNESS
SPAS IN CHINA**

**8
“HOT BUTTON”
ISSUES = OPPORTUNITIES**



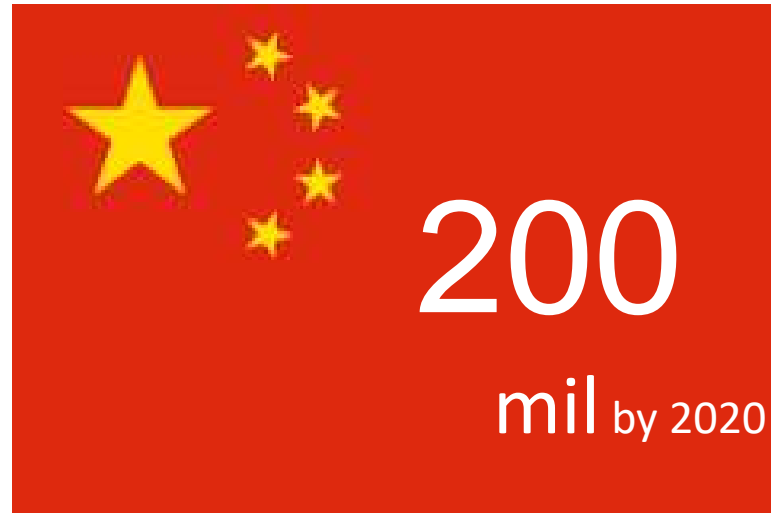


“Let China sleep, for when she ~~wakes~~
she will shake the world.”

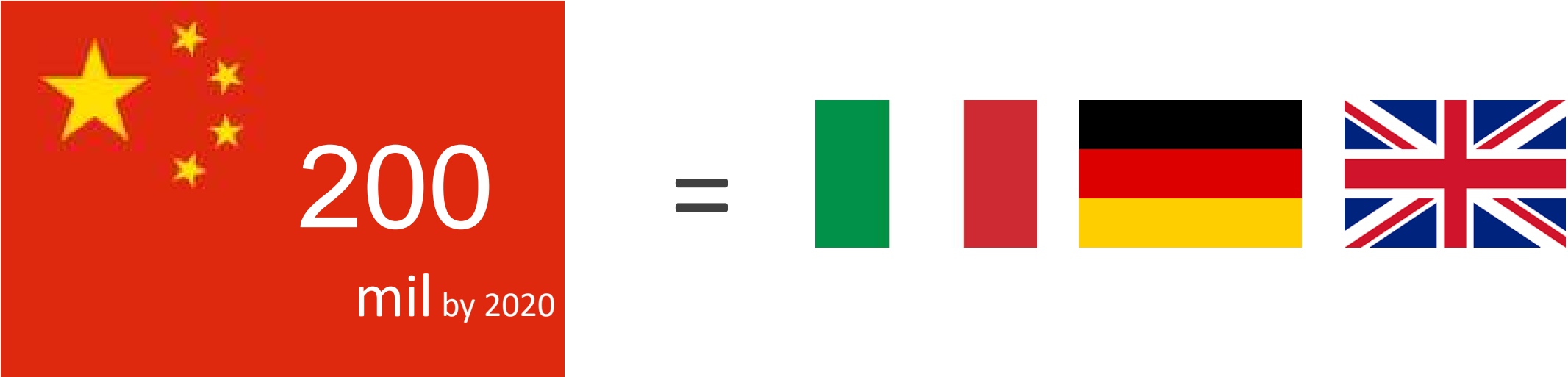
travels

Napoleon Bonaparte
Crazy Rich Asians

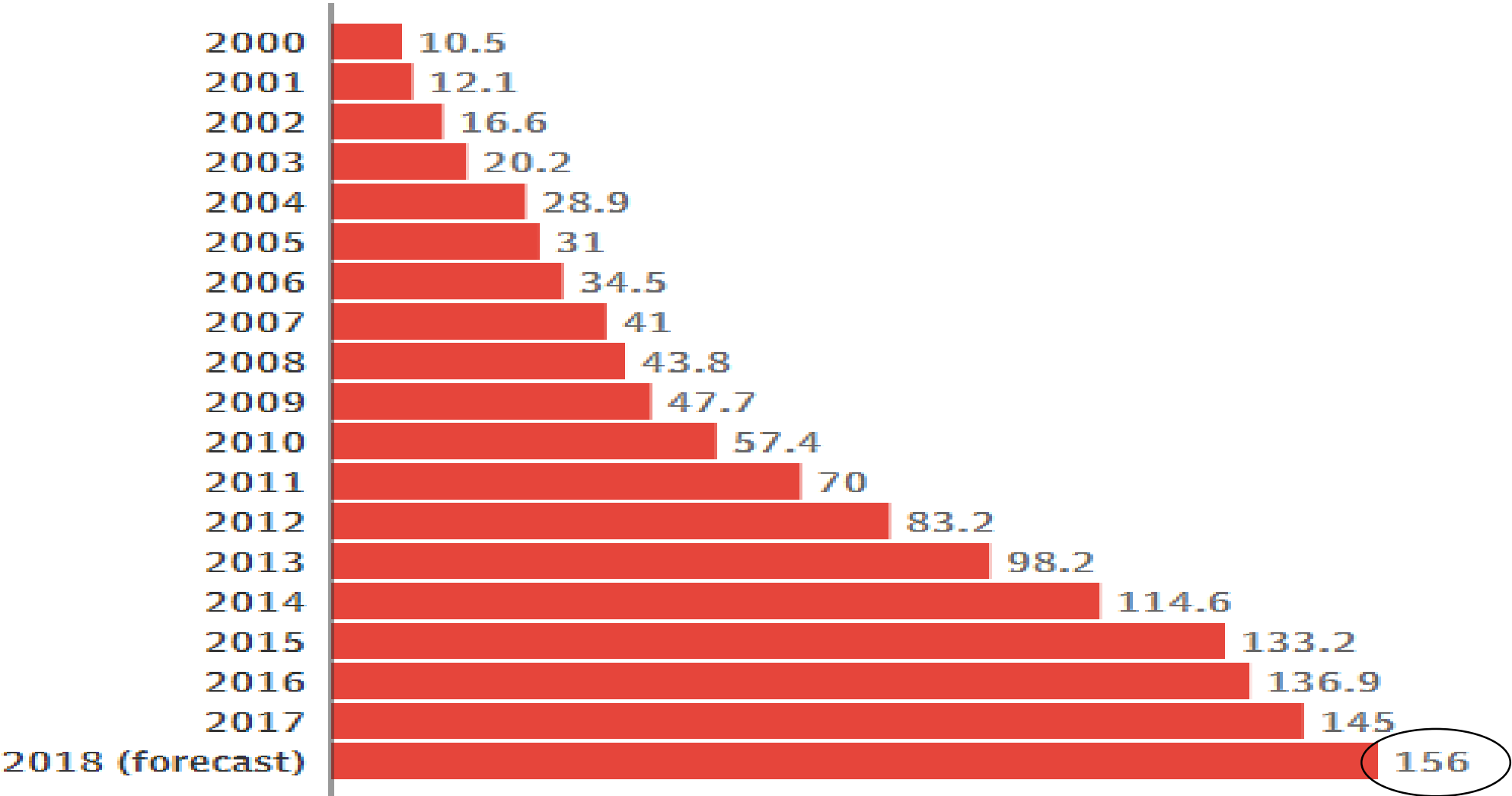
NUMBER OF OVERSEAS CHINESE TRAVELLERS BY 2020



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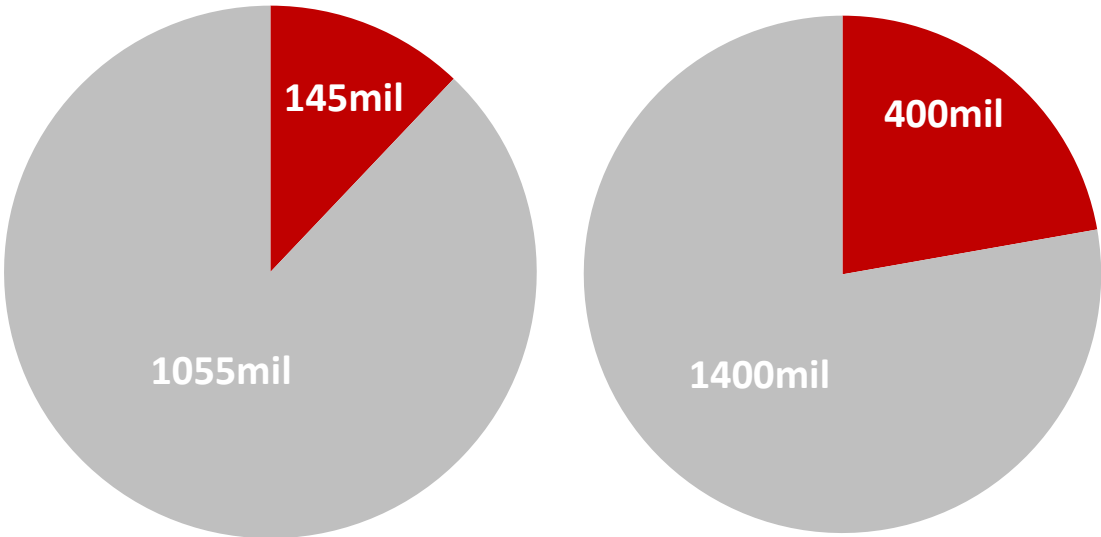
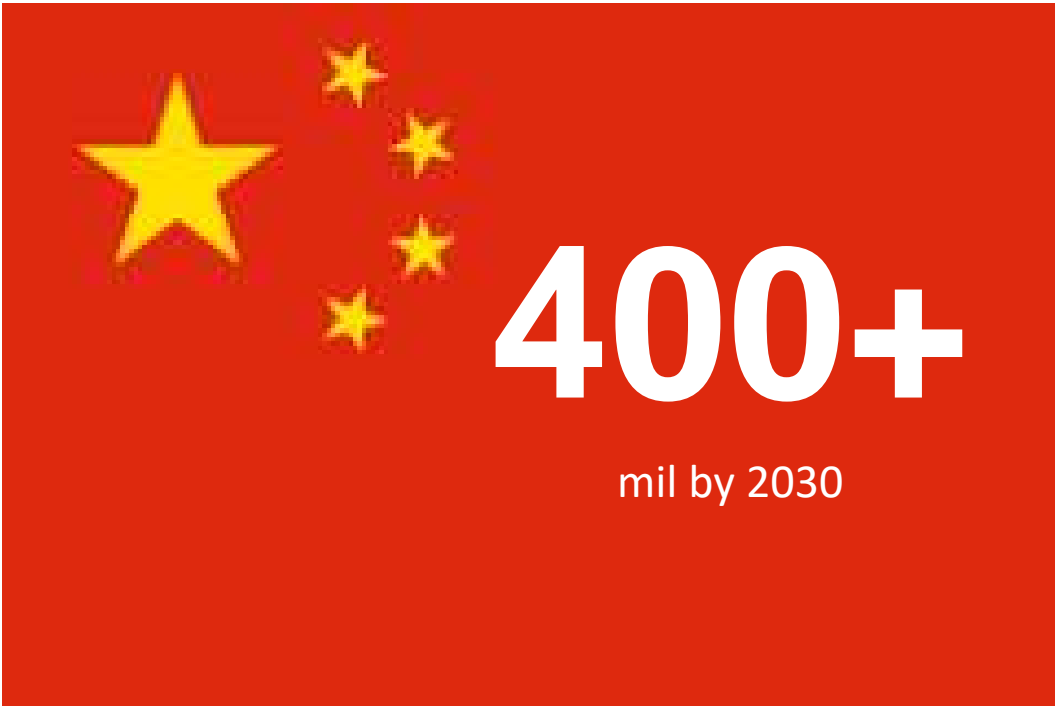


ANNUAL OVERSEAS VISITS (MILLIONS)



COTRI (China Outbound Tourism Research Institute)

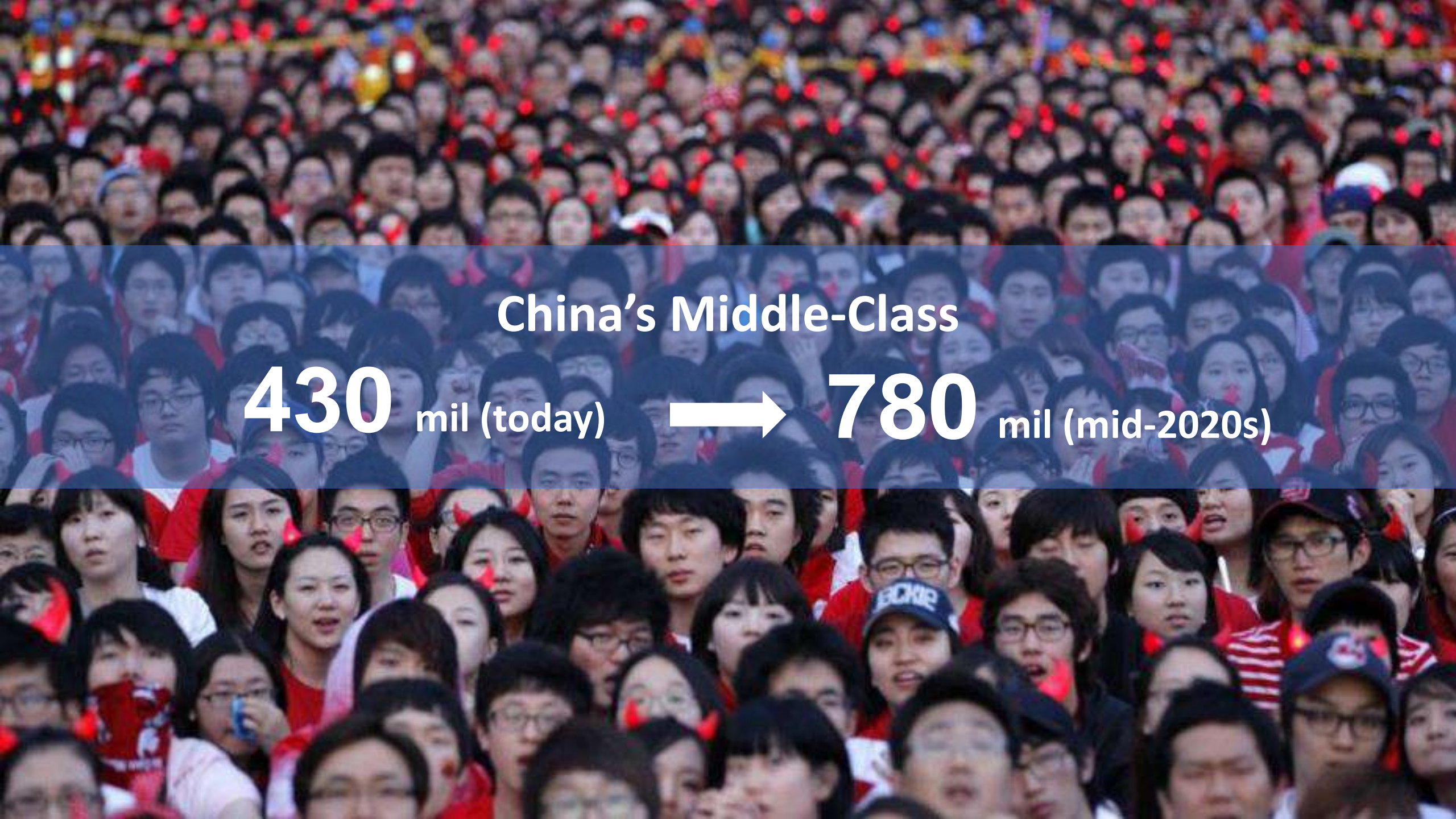
NUMBER OF OVERSEAS CHINESE TRAVELLERS BY 2030



2017

2030

- Overseas trips by Chinese residents
- All other overseas trips



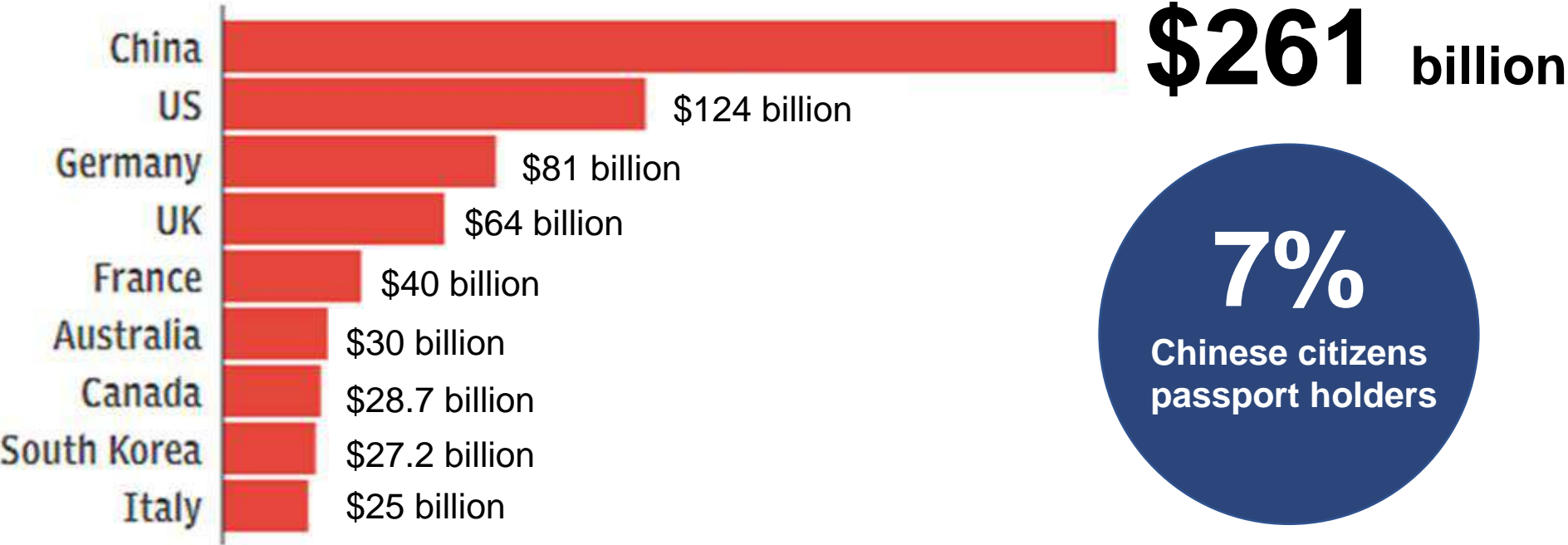
China's Middle-Class

430 mil (today) **→** **780** mil (mid-2020s)

INTERNATIONAL TOURISM EXPENDITURE BY COUNTRY



Total Spending by Tourists in 2016



UNWTO

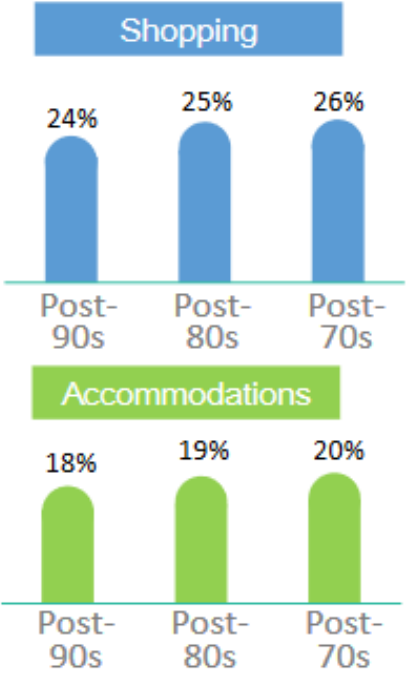
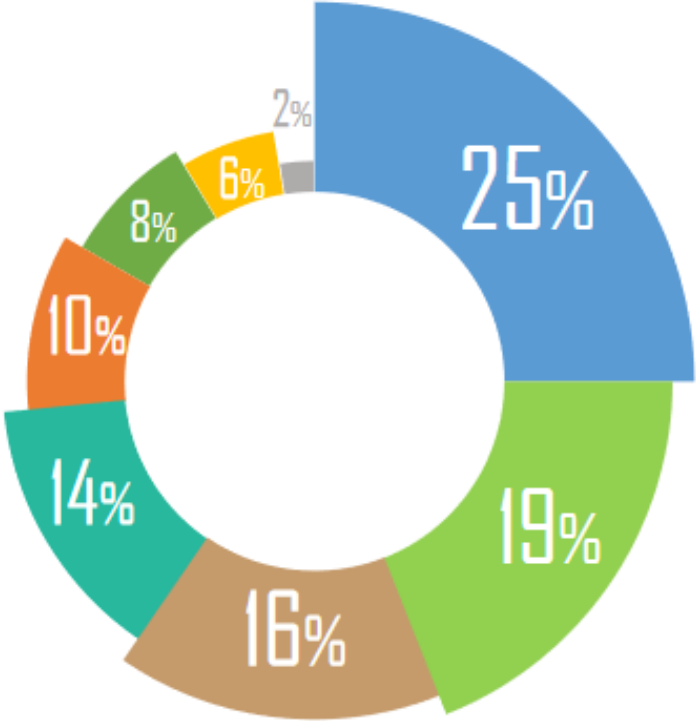
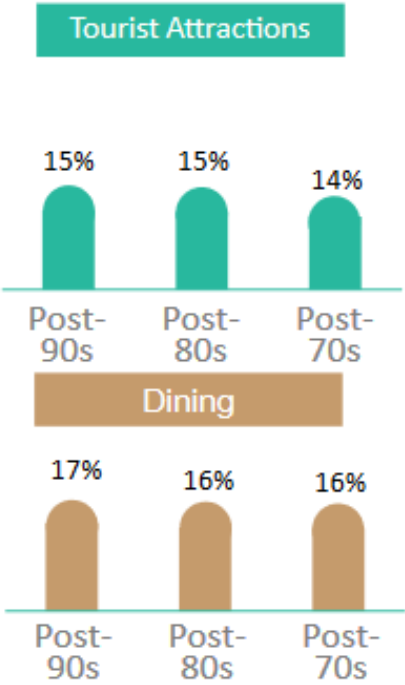
7%
Chinese citizens
passport holders

CHINA'S INTERNATIONAL TOURISM EXPENDITURE

\$261
billion
2016

\$429
billion
2021

BREAKDOWN OF ON-LOCATION SPENDING HABITS BY OUTBOUND CHINESE TOURISTS



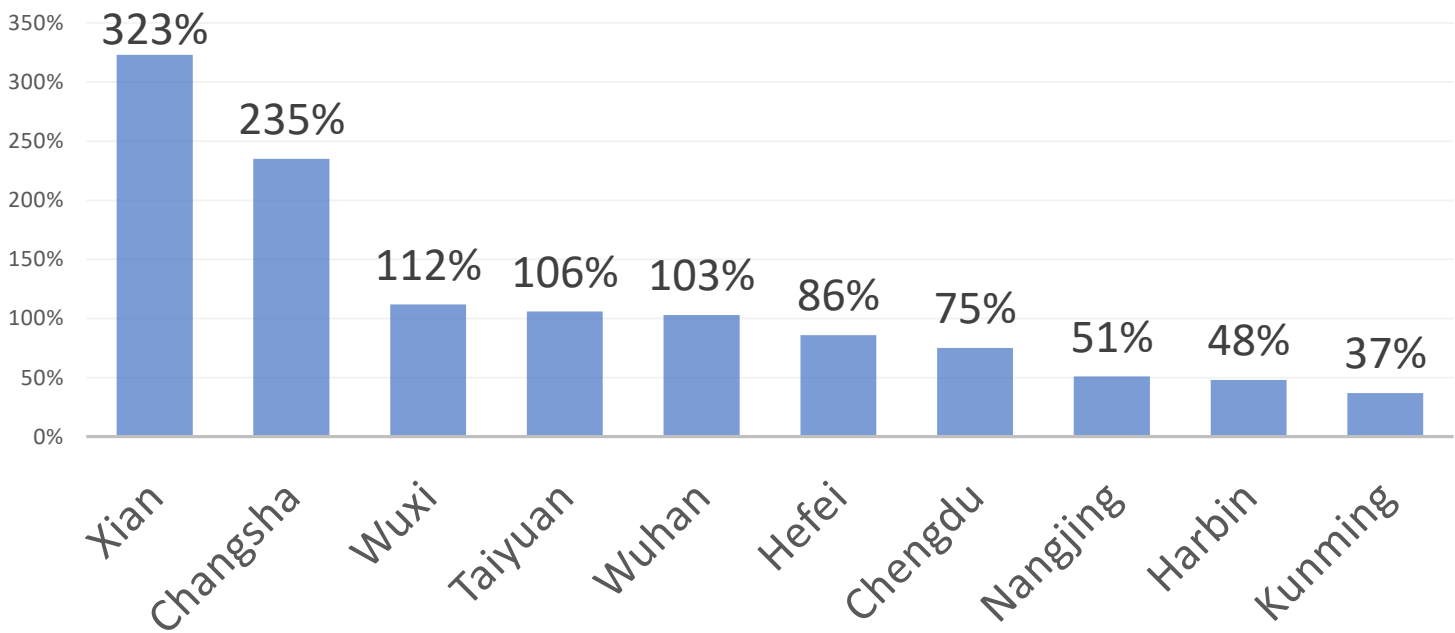
Source: Nielsen

FEEDER MARKETS

Top 20 Departure Cities (2017)

- | | |
|--------------|---------------|
| 1. Shanghai | 11. Changsha |
| 2. Beijing | 12. Chongqing |
| 3. Chengdu | 13. Xiamen |
| 4. Guangzhou | 14. Kunming |
| 5. Shenzhen | 15. Wuxi |
| 6. Hangzhou | 16. Harbin |
| 7. Nanjing | 17. Shenyang |
| 8. Wuhan | 18. Hefei |
| 9. Tianjin | 19. Fuzhou |
| 10. Xian | 20. Zhengzhou |

Top 10 Departure Cities in terms of Growth Rate (2017)





Travelers from second-tier cities tend to spend more than those from first-tier cities.

20 MOST POPULAR DESTINATIONS

- | | |
|-----------------------------------|---------------|
| 1. Thailand (unchanged from 2016) | 11. Cambodia |
| 2. Japan | 12. Russia |
| 3. Singapore | 13. The UAE |
| 4. Vietnam | 14. Italy |
| 5. Indonesia | 15. Egypt |
| 6. Malaysia | 16. Australia |
| 7. The Philippines | 17. Germany |
| 8. USA | 18. Sri Lanka |
| 9. South Korea | 19. Turkey |
| 10. Maldives | 20. The UK |

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■ Fastest growing markets in tourist numbers

MEDICAL TOURISM

Drivers:

- Growing middle class & urbanization
- Strained healthcare system
- Rapid aging market
- Distrust in domestic healthcare



MEDICAL TOURISM



500,000
2017

900,000
medical travellers
2020

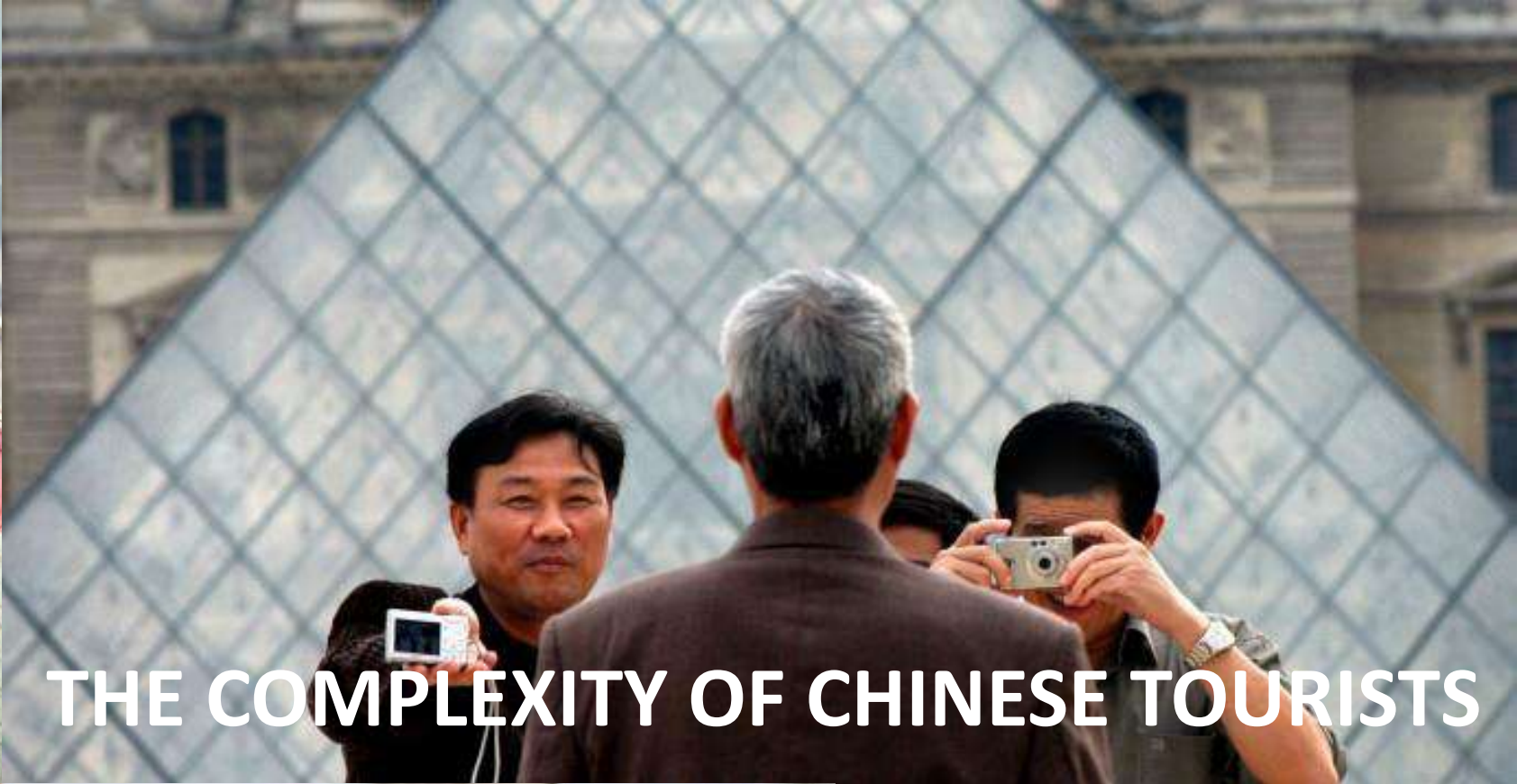
Top 10 Destinations

- 
1. Japan
 2. South Korea
 3. US
 4. Taiwan
 5. Germany
 6. Singapore
 7. Malaysia
 8. Switzerland
 9. Thailand
 10. India

An aerial photograph showing a vast, dense crowd of people floating on a body of water. They are using a wide variety of colorful inflatable rings and floats in shades of blue, yellow, pink, and orange. The sheer number of people creates a textured, mosaic-like pattern across the entire frame. A semi-transparent dark purple rectangular box is centered over the image, containing the title and author information.


“Overtourism”

Rafat Ali, SKIFT



THE COMPLEXITY OF CHINESE TOURISTS





THE (TRAVEL) FUTURE IS...

THE FUTURE IS

F.I.T.

(Frequent Independent
Travellers)



78 mil Independent Travellers vs 52 mil Group Travellers

- Online bookings
- Multiple entry visa
- Higher disposable income
- Chinese FIT are time poor not money poor
- Digitally savvy



THE FUTURE IS



THE FUTURE IS FEMALE



- 73mil female travellers vs 57mil male travellers
- 34mil more males than females yet females are the majority travellers
- By 2019, 59% of outbound travellers will be female



**DESTINATION
WEDDINGS**



THE DECISION MAKERS



GIRLFRIEND GETAWAYS



**MULTIGENERATIONAL
TRAVEL**

THE FUTURE IS



A man and a woman are walking on a wooden pier. The man is wearing a white short-sleeved shirt with a red collar and a pattern of small red squares, and dark trousers. The woman is wearing a blue and white plaid short-sleeved shirt, dark trousers, and sunglasses. They are both looking towards the right. In the background, there are several flags on tall poles and the structure of a roller coaster against a clear blue sky.

THE FUTURE IS

A woman with long dark hair, wearing a light grey t-shirt, dark pants, and a black backpack, is standing on a wooden pier. She is holding a camera up to her eye with both hands, taking a photo. The background shows the same pier structure and flags as the left side of the image, but it is slightly out of focus.

FILIAL

- 4-2-1 family nucleus
- Continued rise of multigenerational travel



Health & Fitness Boom in China

“Wellness”



“Wellness”

Nurture

Nutrition



Life

Vitality

A background image featuring traditional Chinese medicine (TCM) elements. It includes a white mortar and pestle with ground herbs, several small white bowls containing different types of dried herbs and roots, and a rolled-up scroll with Chinese text. The items are arranged on a dark wooden surface. A large, semi-transparent white circle is overlaid on the image, containing the text "TCM".

TCM





China's new luxury status symbol:
"A curvy butt"

SCMP



- Gym memberships doubled since 2008 to 6.6mil in 2016
- More than 37,000 fitness clubs in China
- More than 100 marathons held last year compared with 51 in 2014.
- Number of football pitches will rise from roughly 50,000 to 70,000 by 2020

- Sportswear sales rose 11% to \$27billion in 2017
- Greater China is the 2nd largest market for Adidas and Nike, which together account for about a third of the country's sportswear sales.
- Fitness apps



CHINA: The New Yoga Superpower

- 10,800 yoga schools
- 12mil practitioners (from 4mil in 2009)
- Affluent females between the ages of 25-40
- An estimated 3,000 Indian yoga teachers in China





“China’s First
Yoga Village”



Double Lids

High Nose

Oval Face Shape

Sharp Chin

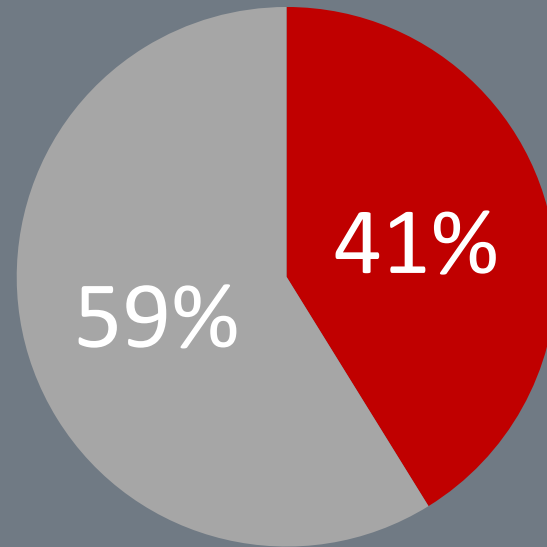
China's Beauty Ideal

COSMETIC SURGERY IN CHINA



of Chinese people receiving
some form of cosmetic surgery
(2017)

Global Total Breakdown



■ China
■ Rest of the world



COSMETIC SURGERY IN CHINA

- China ranks third in the world, behind the US and Brazil
- Growing 6x faster than global average
- 14 million Chinese people were expected to receive some form of cosmetic surgery in 2017
- Consumers under the age of 35 account for 96% of total treatments
- 10% were men – hair, beard and breast transplants & Botox





CHINA'S BEAUTY & SPA MARKET

Beauty & Body Shaping	\$52.6 billion
Nail & Eyelash	\$17.5 billion
Medical Beauty	\$26.3 billion
Hotel & Resort Spas	\$3.3 billion



Spa





**HIGHLY COMPETITIVE:
39% new openings vs 34% closures**

High labour costs
Lower than expected revenues
Difficulty in recruitment

Born in '70s

- “Spiritual Health”
- TCM
- Essential Oil Massage



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Born in '80s

- Anti Aging
- Acne Removal
- Body Shaping

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Born in '90s

- “Try Everything”
- Facials
- Acne Removal
- Body Shaping
- Fitness
- “Selfies”

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“89% of hotel and resorts spas today offer treatments aimed at satisfying the 1970s generation only. This is why customers say their treatments lack innovation.”

Fifi Kao, Spa China



**Aging
Population**



Urbanisation

4

**Drivers of Health and Wellness
in China**



**Growing
Middle Class**



One Child Policy

8

“Hot Button” Issues / Opportunities

Obesity

Device
Addiction

Sleep
Deprivation

Spirituality

Dental & Oral Care

Healthy Aging

Food Safety

Pollution

Obesity

Largest overweight
population in the world
10.8% men
14.9% women



Device Addiction

A close-up photograph of a person's hand holding a black smartphone. The person is wearing a white shirt. In the background, a glass of water is visible on a table. The image is slightly blurred, emphasizing the hand and the phone.

800 Million Internet Users

98% Mobile

“Internet Addiction Disorder”

24 mil sufferers

300 Centres

China Internet Network Information Center (CNNIC)

A photograph of a woman sleeping on a red wooden bench. She is wearing a yellow and pink striped shirt and blue shorts. Her head is resting on her arm. Behind her is a dark grey wall. On the wall, there is a round analog clock showing approximately 10:10, and a small calendar or notice board with a red number '5' visible. To the left of the woman, there is a black mesh bag hanging on the wall. The bench is set against a brick wall at the bottom of the frame.

Sleep

6.5 hours per night (8.8 hours in 2013)

Nearly 40% have sleeping issues

60 mil with sleep apnea

Lack of medical facilities

Spirituality

A photograph of a crowd of people at what appears to be a religious or spiritual gathering. Thick white smoke from incense burners rises from the crowd, partially obscuring the background. In the background, there are red LED lights forming a horizontal line and some Chinese characters. The people in the foreground are out of focus, showing a sense of a large, busy event.

New Moral Compass
“Christian Revival”
Buddhism Boom

Dental & Oral Care

YUE MINJUN

**“Golden Age for China’s Dental and Oral-Care Market”
2017-2021**

**RMB100 billion (US\$14 billion)
RMB400 billion by 2020**

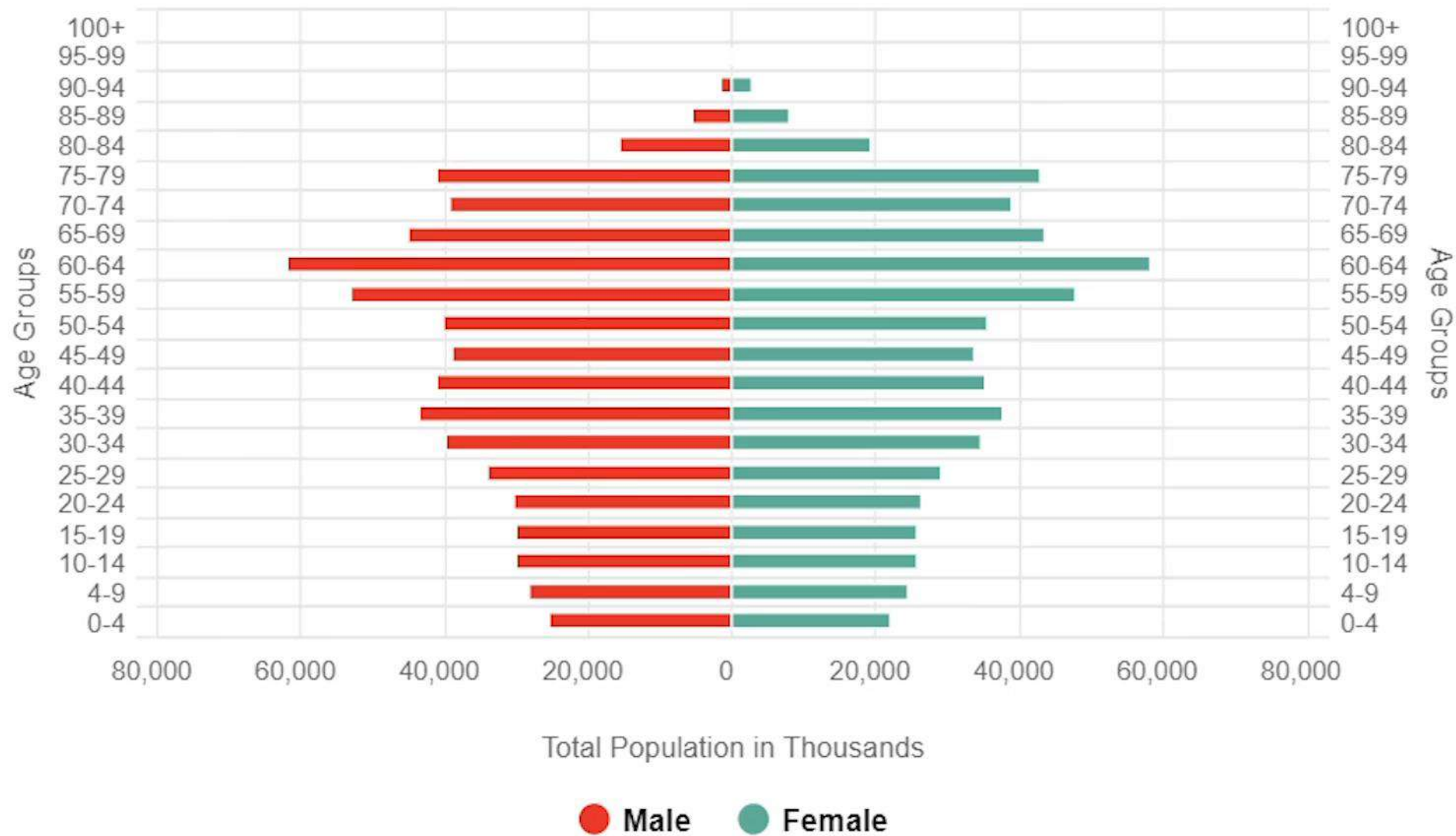
Healthy Aging



35% of China's population will be over 60 by 2050

China National Committee on Aging (CNCA)

POPULATION HISTORY AND PROJECTIONS FOR CHINA (1970 TO 2050)



Food Safety

Food Scandals have increased demand for:
Foreign food brands
Organic farming
Breastfeeding
Proof of Provenance



Pollution

Year 5 “War on Pollution”

Environmental Tax

Green Investments

Global leader in Electronic Vehicle sales since 2015

7 million annual sales target by 2025



Perils, Pitfalls & Potential



Heightened regulatory impediments

Shrinking labour pool

Intellectual property laws

Bureaucracy

Perils, Pitfalls & Potential

Fastest Growing Sectors:

Technology

New Energy

Healthcare

Entertainment

Culture

Biotechnology

Heightened regulatory impediments

Shrinking labour pool

Intellectual property laws

Bureaucracy

“As China opens wider to the outside world, its transition to a new model of development means huge opportunities for many new industries. It means opportunities for businesses not just in China but across the world.”

Vice Premier Liu He, World Economic Forum, Jan 2018





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