

EUROPE: GERMANY

1. What is the latest spa and wellness news in your country?

As in many European countries, news continually references the increasing levels of obesity within German society and the challenges and opportunities created by an aging demographic.

By 2030, one person out of every four in Germany will be aged 65 or older. This is coupled with the dramatic growth in obesity — currently, about 35 percent of all adults in Germany are overweight, and about 21 percent are obese, with figures set to rise (Kantar Health Global Wellness Report 2013).

Thus the aging German consumer with an expanding waistline is joining a large segment of individuals for whom health is a primary concern, and creating an increasing demand for wellness, spa and fitness services. According to the Ken research report “Germany Health and Wellness Industry Outlook to 2017,” the German health and wellness market will grow at a CAGR of 3.9 percent during the period 2013-2017. Health clubs are a major segment of the German wellness industries, accounting for nearly 20 percent of the overall wellness spend in 2012. We will witness continued diversification and growth in both budgets and the luxury health club market as membership levels increase.

The city of Berlin has always done things differently and is constantly in the news as it ascends to true global city status. Berlin is a beacon of integrative wellbeing set within an urban landscape. With its abundance of yoga centers, authentic Turkish hammams, eight world-class bathing facilities including the “Liquidrom” and the recently opened Vabali-spa, eco-passionate city planners who prioritize new cycling pathways, and abundant organic stores including Europe’s largest (LPG Biomarkt), Berlin defines a modern urban lifestyle.

2. The industry is buzzing about wellness technologies. How do you see spa and wellness establishments in your country using wellness technologies now and in the future?

Current industry reports estimate that the market for wearable technology is still in its infancy but will grow to \$5 billion by 2018, and developing further as wearable devices evolve and deliver more of what consumers want.

According to the 2014 Digital Surgeons report, 15 percent of today's consumers currently use wearable tech, 50 percent want to buy it and 70 percent know what it is, making it a hot commodity with huge potential for the wellness industry. While the manufacturers of wearable tech will be the ones putting the technology onto the market, the healthcare and wellness industry will be the force that drives its active use and adoption.

Technology creates opportunities for the wellness industry to integrate and diagnose more efficiently and cheaply. Germany, as a leading developer of medical technology and wellness destinations, will be at the forefront of adopting these technologies into wellness. Spa professionals will embrace technology such as Google Glass, which with the flick of an eye can access guests' preferences and treatment information or record guests' workouts to provide on-the-spot video feedback, along with fit-bit tech and sleep analysis to create a holistic diagnostic of guests. All of this will be recorded on guests' soon-to-launch personal Apple Healthbook.

Medi tech will be increasingly adopted within spas. Ultrasounds are now highly portable and easier to use, are becoming much cheaper and will be adopted by practitioners to ascertain muscular- skeletal conditions. Meanwhile, hand-held A&E diagnostic tools can now take pinprick blood samples to diagnose hormone and mineral levels without the need for time-consuming lab work-ups.

However, it is important that these tools be used wisely; they should not replace the inherent need for personal consultation and the human touch.

3. When it comes to wellness tourism, what is happening in your country?

Germany continues to develop as a preferred destination for inbound international medical tourism. Wellness holidays and travel are highly popular, with 12 percent of consumers saying that they had taken a wellness, spa or health treatment holiday in 2012 — far higher than many other EU member states (CBI Market Information 2013).

Germans do not need to be convinced of the benefits of spa and are the leading purchasers of wellness tourism in Europe — to the tune of 49.2 million annual trips and €30.8 billion in expenditures, according to the latest SRI report for the Global Wellness Tourism Forum (2014). Leading Austrian destination spa Lanserhof is capitalizing on this demand, having opened a luxury 70-room, 21,000 square-meter medi spa in Tegernsee in January 2014, coupled with an outpatient satellite branch in Hamburg.

Medical tourism both to and from Germany is also on the rise. According to Euromonitor (2012), “Medical tourism is expected to see dynamic growth during the forecast period (2011–2016). The strong reputation of the German healthcare system at an international level is likely to attract a growing number of patients to specialized clinics in Germany.”

However due to changes in medical insurance coverage (“krankenkasse”), Germans are increasingly tempted to go abroad for their own medical needs. Health insurance providers, seeking cheaper alternatives for less complex procedures, are encouraging this, which was once unheard of. Specialist tour operators now offer cheap dental travel to former Eastern-bloc locations, and laser eye treatment (“Lasik tourism”) is heavily promoted by border countries such as Poland and Hungary.

4. Please provide one sentence that best describes the latest developments in your country for each of these categories.

Hotel spas: The most-significant hurdle remains the high cost of employment and sourcing of qualified masseurs and aestheticians. German hotel spas need to become more defined in their offerings and adopt savvier day spa practices, such as active social-local media marketing and dynamic pricing strategies, if they are to create sustained profitability.

Destination spas: Germany has a number of leading health resorts capitalizing on the strong reputation Germany has as a healthcare provider. Lanserhof Tegernsee joins The Ayurveda Parkschlösschen and Buchinger am Bodensee as an internationally benchmarked German destination spa with additional opportunities to develop similar destination resorts, specifically within the medical and weight-loss markets.

Hot springs spas: There are over 330 officially recognized spa towns in Germany and many more wellness hotels (“kur hotel”). These resorts were once strongly supported by the state but due to changes in medical insurance coverage, bathing towns (“Bad”) will need to attract an increased number of privately paying guests and make investments in their aging facilities if they are to remain viable.

Wellness living communities: With this aging population and a buoyant economy, coupled with the need for German spa towns to reinvent themselves, the development of wellness communities seems a natural step. GOCO Hospitality is currently working on two projects in Germany (in Rugen and Bad Kissingen) that will combine medi spa and hotel with a residential component aimed at the active retirement market.

Corporate or employee wellness programs: In Germany, federal law dictates that private insurers must promote corporate wellness programs, and these will continue to increase due to Germany’s enlightened corporate wellbeing culture. A great example comes from IBM Germany, with “Looking Through the Eye into the Heart,” a program designed to assess employees’ risk of developing cardiovascular disease. Using a pocket PC, participants first complete a questionnaire regarding risk factors, and responses are forwarded to examiners who provide immediate feedback regarding primary risk and advice on lifestyle.

5. Fast-forward five years and tell us what you think the spa and wellness industry in your country will look like.

German wellness consumers are savvy, well-read and have a strong historical link to well-being. Germany currently ranks top among all European nations for outbound/international wellness travel (19.4 million trips), and counts for nearly a tenth of all wellness-tourism dollars spent globally, making Germany a wellness powerhouse.

Fast-forward five years and Germany remains a significant market for international wellness providers, with consumers who will continue to drive domestic and global growth. Inbound medical and wellness tourism will grow, due to interest from the fast developing markets of Russia, China and the Middle East attracted by the quality guarantee that “Made in Germany” stands for globally.

While an aging society in Germany poses a challenge to industries such as fashion and consumer electronics, in the medium to long term there will be significant growth in all areas touching on health and wellness. The industry will evolve to meet the needs of this aging population, and we will witness the growth of health clubs specific to this demographic. New destination spas and medical resorts will come on line, and an opportunity to develop assisted wellness communities built on the foundations of existing spa towns will rise, led by wealthy wellness retirees and a buoyant German tourist hungry for new local and international wellness locations to visit.

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