



Wellness Tourism Congress

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7th Annual Global Spa & Wellness Summit

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Keynote speech by David McCaughan, EVP
McCann Japan, Director Truth Central Asia
Pacific

The Truth About Wellness

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MS. BONNIE ST. JOHN: He's been a yogurt maker, a children's storyteller, a menswear salesman, and best of all, the butler to a mad Italian Duke. And he says, this was the perfect preparation to lead him to join one of the worlds, largest global ad agencies, McCann-Erikson, in 1986, and establish its research and planning group in Asia.

A few years ago, David and his team decided to look into what the term wellness really meant to real people, all around the world. And today, he's here to enlighten us with another report that gives us solid information about what we're talking about here. David. [Applause].

MR. DAVID MCCAUGHAN: Thank you. Andrew just asked me what's the difference between real people and normal people. None of you are normal. By definition, the fact that you come to a conference like this to talk about wellness, means that you're not normal people; because guess what, normal people don't spend a lot of time talking about wellness. They only talk about it when people like me ask them to talk about it. So that's the difference.

I'm going to talk about the truth about wellness, which is a study that we did that started off simply because we noticed that an awful lot of our global clients were talking about wellness. Now when a company like Nestle talks about wellness and redefines itself, not as the world's biggest food company, but as the world's biggest wellness company, you can sort of, well, what? And then you go, well, yeah, chocolate coffee, I guess they make me feel good so yeah, it's sort of wellness.

When Johnson & Johnson talks about the fact that it's a global wellness company, you can sort of go, yeah, I sort of get that, because Band-Aids do make me feel better, I guess. When Coca-Cola talks about itself as a wellness company, you know that that's a little bit of a cover-up for the CSD issues. But of course, their growth business really is into issues, as water, which is sort of wellness products. But what surprised me was when companies like General Motors talk about the fact that they're a wellness company. Yeah, just like this lady I heard in the third row, I went, whaaat? That doesn't make sense to me.

So what we tried to do is to find out what does wellness really mean to people around the world. So let me start off by just point out that when you think about wellness, we're in, sort of, the worst of times. We all know that obesity is the number one health issue in the world, and that affects the way which many, many people are thinking about wellness and their health, and the future.

We know that three in ten people, only three in ten people believe that the world's population will be healthier in the year 2020. We're pretty pessimistic. The number one barrier to wellness is not what you do, it's basically how it's going to get paid for. It's the economy, and everybody's conscious of that. But it's also the best of times. Over 80% of people around the world believe that they have the power to change their own wellness. That's the opportunity. Seventy-three percent feel positive about their overall health. Forty-one percent believe in the power of science to cure cancer. And very interestingly, 79% of people around the world believe that they will live to be 79.

Now maybe some of you in this room are going, only 79? If you're in my case, if you're my age, you're going, that ain't too many years away. But it varies, of course, by country. What's interesting is that we found when we did this research that people in every country in the world, that we asked, on average, said that they would live longer than the national life expectancy of their country, currently. The only country which was the exception was Japan, where I happen to live. The oldest country in the world, people don't believe they're going to live as long as the average Japanese person. It's part of the national psyche of pessimism.

All of this allows us to talk about things about the way in which the good and the bad come together so that we have opportunity. Now whether you look at opportunity from our host country's point of view, what's called, Jagod [phonetic], which is the sort of patching together of make-shift answers that will take a big problem and make it easy to get to an answer. Or the answer from my home country, Japan, where you talk about Kaisen [phonetic] and about the whole processing and getting things to work better and more efficiently. There's lots of opportunities.

Now let me begin, or get into this, by doing presentation skills 101, which is making sure the audience is involved. So I'm going to ask four questions and get four people in the

audience, perhaps, to give me an answer. Let me start, because I ask this particular lady up the front to give me the answer to this one. Which country values sleep the most, in light of maintaining wellness?

FEMALE VOICE: Do I win anything if I get it right?

MR. MCCAUGHAN: I'll give you a hug afterwards.

FEMALE VOICE: - - .

MR. MCCAUGHAN: Overwhelmingly, it's Japan. In every piece of research that I've seen in the last 20 years, when you ask people questions like, if I gave you next weekend, anything you want to do, I'll take care of, the number one answer in America is, to go and do something. To go on a trip, to go experience something new, to go to the beach, to go to the mall. The number one answer in Japan, always is sleep.

Now what's interesting is East Asia is dominated by people saying that they need to sleep more. Now in Japan, there's two major reasons for that. One is that you may not be aware, but in every study done in the last 25 years, Japanese people, on average, sleep less than anybody else in the world. And one of the reasons for that is because they actually suffer from sleep apnea at a higher rate, biologically, physically, than anybody else. So there are actual both cultural and physical reasons for our attitudes to why we do different things in relation to wellness.

Question two, let me ask this gentleman here. Don't sit near the front or in the corridors. Which country is the most likely to agree that Facebook is making them fat?

MALE VOICE: U.S.

MR. MCCAUGHAN: Not the U.S. By far the answer is Brazil. The reason for that is because Brazil has the highest per capita usage of social media in the world. Brazilians use social media more than anybody else on a per capita basis. And they all recognize that per capita basis, social media makes you fat simply because couch potato syndrome, right?

Question number three. A bit more complicated reading here, so I'll ask somebody who looks intelligent, like this lady. If science fiction innovations were possible, what would people most likely choose to do? Remain the same age forever, erase unpleasant memories, eliminate my need for

sleep, replace an organ or body part with machinery, or insert a microchip into my body that measures my health?

FEMALE VOICE: Remain the same age forever.

MR. MCCAUGHAN: Remain the same age forever. Right? 'Cause all this other stuff sounds way to weird and wacky, and stuff, but I just want to be who I am and I don't want to get out of that. My fourth question. Think about brands. We gave people, in a number of countries around the world, a list of 40 brands, and we said which of these brands do you most associate with wellness? Sir? Which brand do you think, around the world, people most associate with wellness?

MALE VOICE: I don't know. Nike.

MR. MCCAUGHAN: Ah, very good guess. In all the countries we looked at, two brands always appeared in the top five. Nike and Google. [Laughter]. Now that's because Nike has done a fantastic job of—just forget the products—Nike is not about the products, it's not about the armbands, the heritage in Nike is just get on and do something. Right? That makes me feel like something. And the number one source of information about health and wellness is always the person you trust the most, and people trust Google more than their doctor, their pharmacist, or anybody, or you guys. They definitely don't trust you guys.

A little quirk on that, though. What do you think the number one brand in the U.S. was?

MALE VOICE: Whole foods.

MR. MCCAUGHAN: Whole foods, I wish. It was Subway. What does that say about you guys? This is all based on a piece of research we got early this year. We did deep quantitative research in a number of countries where the flags are showing. We also talked to a lot of experts, including Susie, wherever she is, thank you, representing your industry and people representing a whole bunch of different industries around the world, to try and understand different angles to this.

Let me show you some of the quick results. The global nature of wellness is such that people everywhere really think that wellness is going to become more and more important. You can see here that 75% of people, globally, think it's going to become more important. It changes marginally, or it changes

by country, and if you're interested, I can explain why it is that people in Japan or the UK might be a little bit less focused on wellness growing in the past, and a little bit believe it'll stay the same. In Japan, it's because they believe they are well. In the UK, because they've given up.

How do people recognize wellness? Now that changes by marketplace. The number one answer amongst the countries we survey is things like a healthy BMI, because that's sort of trendy, what you hear about, and if you look up wellness on Google, that's what it's going to tell you. If you don't have a good BMI you're not going to be well. Well that's okay. Nobody really understands what BMI is. They think it's a version of a German car company.

But they do believe about wellness that it's about happy, smiling, your outlook. Okay. Now that changes, as you can see, in East Asian countries like China and Japan, it's actual physical elements. Bright eyes, the tonality of your skin is the number one way in which you can tell that you're well and somebody is well. Less so, perhaps in the UK, because of course nobody has bright eyes, and their skin looks like shit.

And then of course, there's different relationships too, having kids or not having kids. I say all this because my mother was English, and so I am allowed to get away with—my father was Irish, which means I'm allowed to insult the English. In which country do you think people are the most healthy? Now we actually did a lot of questions related to aspects of individuals and we worked out who people around the world saw as the most healthy people in the world.

The number one answer was 16% of people around the world said that the Japanese are the healthiest and most well people in the world. Then China, then you could see Switzerland, the U.S., Sweden. Now the U.S. number is sort of biased, because the U.S. was the only country we asked where people said we're the most healthy people in the world. Well actually, 25% of Americans said we're the most healthy. They're probably the people that eat at Subway a lot.

But ask yourself this. Now this is just an example of wellness and how we get our images of wellness. One of the three reasons you think why people all around the world believe that the Japanese were the contributing factors to them being seen as the healthiest and most well. Obviously,

people said, well, Japan's like the oldest people in the world. They live forever, so they must be well. But what are the three things that contribute to that. The number one answer was sushi. The belief the Japanese diet is the healthiest in the world. Now having lived in Japan for a decade, yes, I eat a lot of sushi, but I can tell you my Japanese colleagues love their McDonald's as much as anybody. But there's that belief that Japanese diet is very strong and very much about health and wellness.

The number two answer is Zen. The number two answer was the fact that the belief of the Japanese people in some way, are spiritually more guided, more self-contained, et cetera. This of course, is absolutely crap. The Japanese people are not particularly Zen-like in their behaviors, and they're also the most irreligious people of the Western and developed world, in terms of their belief factors, in terms of their habits, in terms of religion and spirituality.

The number three answer is the most interesting though. It's a particular brand that was named, and it's a product, a technology. The technology that really gives people around the world the perception that the Japanese are the number one wellness and health country in the world—some of you visited this brand in the break. [Laughter].

How many of you have ever been to Japan? How many people have ever been to Japan. How many of you, when got home, started talking about, you know what, in my hotel room they have this amazing toilet. It had all these buttons and the water flow came from there and there, and 16 degrees of temperatures, and it was a massage to my rear-end, all on its own. But that technology, it's on the leading edge. These are the factors that come together. So our perception of what wellness are, are always a combination of many, many things that are driven by popular media, perceptions, but a combination of health food, et cetera.

Now we all know that wellness is driven by different factors. When we asked our experts around the world, they came up with these variations, and what's interesting is that people around the world also agree that different things contribute to wellness, in different combinations, but nothing clearly dominated. Yes, physical wellness is important, mental is important, emotional, financial, social wellness, some different combinations. And the combinations vary by marketplace.

Here you can see the black represents remaining spiritually fit as the number one factor in wellness. The red bar is remaining physical fit, the gray bar is remaining mentally fit. Now as you can see, that varies by market. The Japanese are much more focused on physical fitness as the way in which to retain wellness, as is the Chinese. The reason for that is aging societies realize that if you don't stay physically fit, you're screwed. Because nobody can pay for anything. So you need to do that. The less aged societies perhaps place more emphasis on things like remaining mentally fit, or particularly spiritually fit.

Now of course there's a lot of detail I can explain to anybody that's interested. The other thing we did, though, was we identified that there were five types of attitudinal types of people when it comes to wellness. Focused futurist. Think about which of these you are. You are as well as you deserve to be. The common sense crew eat less, move more; communal caretakers, we're in this together, help other people, help myself; the sassy spiritualist, uhmmmmmm; lazy layabouts, it's someone else's problem. On a global basis across the countries we surveyed, it's about the same, around 20, 22, 18% for each one. But it changes by market.

For example, when we look at this, we find the focused futurist is much stronger in Japan. Sassy spiritualists in a place like Brazil. Americans tend to be the highest in terms of the numbers of people that are more the common sense crew. But by the way, they were also the second highest in terms of the sassy spiritualist as well. Lazy layabouts, predominantly England. I know I'm running them down. The ghosts of my mother, going like this.

The axis of evil is driven—what stops us from being well, our well-being, external factors, will power, time, and these shift by marketplace. As do the factors of what is the axis of goodness, the things that help us. Being happy and positive, much easier in growing economies. Food, traditionally, and particularly in East Asia. Exercise in the big Western markets are the things that are really seen as driving wellness.

The point though is, that we all know, that wellness for me is now driven by a combination of all these things. All these different contributing factors, all of these different people that are inputting information and guidance. Whether it's brands, whether it's pharmacists, whether it's the Web,

all these things come together. Fifty percent of people tell us that they Google before they go to the doctor, 54% say they Google after the doctor.

One in ten trust the pharmacist more than their doctor. I was at a medical research conference a few months ago, showed some of this work, and of course the doctors had lots of questions. You know, like, is this bullshit? They didn't want to hear it. One in ten buy medicine online. Of course the number's much bigger in the west than in developing countries, and so we see great changes in the way which we think about this.

But one of the interesting things for us was is technology the answer. The world is very divided about technology. We can see that overwhelmingly, placed like China have much more faith in the future of technology because they don't have much choice. In a marketplace like Turkey, they have much less faith in the idea of technology, 'cause they haven't seen the benefit of it. And so as we think about what we do as industries, and as you think about your industry, the role of technologies are important but you have to think about the marketplace and what's the exposure been. Do people in your marketplace use Toto toilets or not?

The overarching fear is that tech becomes—as it becomes more sophisticated, what it does is it really ruins our sense of humanity. People want a human touch, through everything. You'll hear a lot, I'm sure, in the next two days, about the Internet and the role of the Internet. The fact of the matter is that people do use the Internet constantly, but they don't necessarily trust it. The work we did looking at which brands in the world you trust the most, and which brands that you use the most, we found that the big Internet supply brands, the big social media brands are loved but not trusted. Loved but not trusted.

And this is one of the things you have to consider as you go forward, which end of the spectrum will you be? What we found was that people genuinely believe that it's got to be about a way of life. Everything comes back to a way of life and a combination of factors. They need to have balance. There is no easy answer. And so where that leaves wellness and spa, perhaps, is to consider five things. My last shot.

Wellness enemies. You've got to sponsor one particular habit and stick to it. It's a complicated business. The problem

with wellness is it's so damn vague that everybody's looking for how to cut through it. So what you have to do is to sponsor one particular thing to make it easy for people to access what you're talking about.

Wellness heroes. Celebrate and simplify the relationship you have with wellness heroes. Who are the wellness heroes in your marketplaces? Who represents wellness in the most specific and easy to understand way, and how are you associating with those people, those organization, those ideas?

Wellness ecosystems. You have to find a way in which you can actually enter the conversation, but find a way in which you can actually integrate yourselves with everything else that's going on. The food, exercise, technologies, et cetera. But technology itself-re-imagine spa technology in the term of context.

And then finally, position spa as part of the everyday. That's the truth about wellness. Thank you.

[END RECORDING]