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Riding the growth wave

Wellness

3rd Annual Wellness Conference - September 2011

FICCI

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Contents

Foreword

Dear Reader,

It gives us great pleasure to bring to you the FICCI-PwC knowledge publication on the wellness industry in India "Wellness: Riding the growth wave."

Increasing emphasis on a healthy and wholesome lifestyle has been the springboard for the wellness industry in India. Wellness today is not just a 'metro' phenomenon. Young consumers across Tier 2 and Tier 3 cities and even pockets of rural India are today seeking wellness solutions to meet their lifestyle challenges.

In this report, we have mapped the diverse components of this industry and delineated key trends that characterise this industry. This report aims to act as a destination for those exploring the opportunity offered by the wellness industry and the critical growth drivers that are shaping it.

Wellness today is an INR 490 bn industry in India. However, it is still less than two per cent of the global wellness industry. It is interesting to note how this industry has used the business potential of traditional Indian practices and home remedies. Adjacent industries such as retail, healthcare, hospitality, among others, are assimilating wellness as part of their value proposition, opening up huge opportunities going forward.

We believe that with the active involvement of the government and private participants, the wellness industry in India can create visible impact on a global scale. By 2015, wellness services alone have the potential to generate three million job opportunities. However, it is critical for the government and private participants to simultaneously invest in education infrastructure and quality standards to provide further impetus to the industry.

We hope this report will bring together various stakeholders to debate and address these challenges.

Harsh Mariwala
President - FICCI
Chairman and MD, Marico Ltd.

N V Sivakumar
Executive Director and Leader -
Retail & Consumer Industry, PwC

Executive summary

The wellness ecosystem

The wellness industry in India has evolved rapidly from its nascent unstructured beginning in the early 90s to a comprehensive ecosystem today including consumers, providers, adjacent industries, facilitators and Government

- **Consumers** mainly comprise a young population with rising income levels. Increasing need to look good and feel good has led these young consumers to seek wellness solutions to meet lifestyle challenges.
- **Providers** offer wellness services and products to meet the hygiene, curative and enhancement needs of the consumer
- **Adjacent industries** such as healthcare, media, retail, gaming, hospitality and education are capitalizing on the growth of the wellness sector to generate additional revenue streams, leverage existing competencies and offer a wider array of services/products to customers
- **Facilitators** include employers, insurance companies and schools, who are likely to play a key role in encouraging and inculcating pro-wellness habits among consumers going forward
- **The Government** wears multiple hats in its roles as a provider, facilitator, enabler and regulator in the industry

The wellness industry: A billion-dollar opportunity

The overall wellness market in India is estimated at INR 490 bn and wellness services alone comprise 40% of this market. Some of the key industry trends include:

- The growing wellness industry has attracted a large number of domestic entrants and international players.
- Established players are pursuing revenue maximisation through product and service diversification and are exploring new global and domestic markets. Franchising is emerging as a popular option for scaling up.
- Companies are actively seeking public and private equity investments to fuel their growth.
- While there is strong optimism about future growth prospects, recovery of investments may spread over a longer horizon than anticipated.
- There exists an opportunity for micro-segmentation to develop more targeted value propositions for consumers and commercialisation of traditional Indian home remedies.

The road ahead

Paucity of skilled and trained personnel is one of the biggest challenges in the industry today. Wellness services will require 600,000 additional skilled personnel over the next five years. However, their availability is a concern. Effective monitoring of the industry is a challenge. Initial attempts at quality accreditation have not been impactful.

To address these challenges private participants and the government share a common agenda in developing education infrastructure and improving quality standards in the industry. Private participants will have to work together to create a visible rating mechanism for the industry, that can provide an assurance of quality among consumers. In addition to this, greater collaboration with the government to create education infrastructure and generating internal and external awareness on quality accreditation are key action areas for private participants.

The government on its part has to ensure that there are systemic checks for monitoring and that certified and licensed personnel are employed in critical service areas.

During the next three years we estimate that the Indian wellness industry will grow at a CAGR of 20% to reach INR 875 billion. Consumers and their needs will continue to evolve, driving the transition from remedial care to a more holistic view on preventive care. This augurs well for the wellness industry in India.

Introduction

From its nascent unstructured beginning in the early 90s, the Indian wellness industry has evolved into a comprehensive ecosystem that includes consumers, providers, adjacent industries, facilitators and the Government

Defining wellness

- The American Heritage Medical Dictionary terms ‘wellness’ as a ‘condition of good physical, mental and emotional health, especially when maintained by an appropriate diet, exercise and other lifestyle modifications.’
- In India, traditional medicine and preventive practices have always stressed on ‘a healthy mind in a healthy body’. Accordingly, Indian traditional practices of ayurveda, yoga and meditation were aligned to deliver physical and internal well-being, mental peace and happiness.
- For the purpose of this report, we have defined wellness as ‘looking good on the outside and feeling good on the inside’.

Wellness comprises the following five segments:

S. No	Segments	Products	Services
1	**Beauty services and cosmetic products**	Cosmetic products (skincare, haircare, colour cosmetics and fragrances)	Salons and beauty centres
			Cosmetic treatments (invasive and non-invasive)
2	**Fitness and cosmetic products**	Fitness equipment	Fitness centres
		Slimming products	Slimming centres
3	**Nutrition**	Health and wellness food, beverages	
		Dietary supplements	
4	**Alternate therapy**	Ayurveda, homeopathy, unani, etc	Treatment contres for Ayurveda, homeopathy, unani, naturopathy etc
5	**Rejuvenation**		Spas

From its nascent unstructured beginning in the early 90s, wellness industry in India has rapidly evolved to meet changing lifestyle trends of consumers

- Customers are developing a holistic perspective on wellness.
- Wellness is becoming an integral part of the shift from remedial to preventive care.

2010

- Entry of organised players (both Indian and foreign) led to increased options for consumers.
- There was greater awareness on the correlation between looking good and feeling good.
- Increasing brand consciousness and willingness to spend on non-essentials and luxuries made consumers willing to experiment with new products and services.
- Sectors like hospitals, media, retail, etc converged on the wellness boom.

2005

- Globalisation, increased disposable incomes and exposure to western culture led to high awareness levels in consumers, especially among youth.
- External appearance or 'looking good' became more important and the rapid penetration of satellite television fuelled this trend.
- Spurt in indulgence spends in the form of increased leisure travel and demand for personal care and grooming was observed.

2000

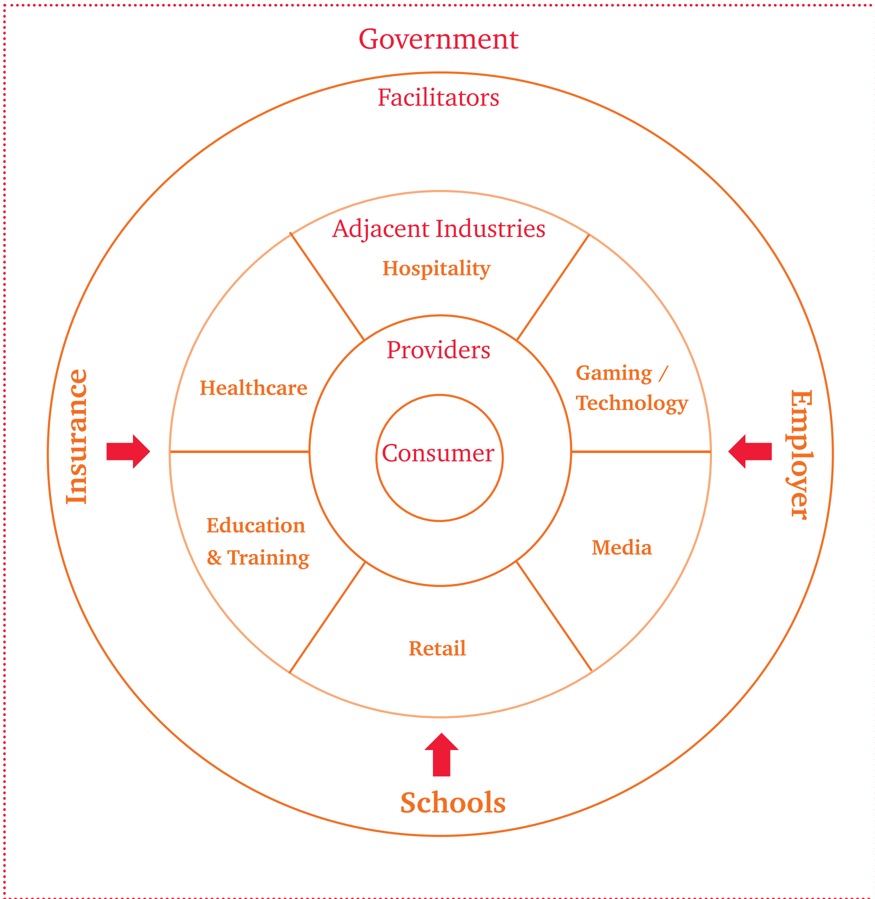
- 'Wellness' as a concept did not enjoy mainstream popularity.
- Corporate play was limited, with most participants being small and individual. Sectors like fitness and nutrition were in their infancy.
- Low consciousness about body image ; Spending on pampering was limited to the affluent.

1995

Today the wellness ecosystem in India comprises multiple stakeholders

Key stakeholders

Consumers	End consumers of services and products
Providers	Providers of services and products to the consumer
Adjacent Industries	Industries that are extending their offerings to cater to the growing demand of wellness consumers
Facilitators	External stakeholders that influence the wellness industry
Government	The government as the regulator, provider, facilitator and enabler.



Wellness ecosystem: The consumer

Consumers mainly comprise a young population with rising income levels. With increasing awareness of health and personal appearance, these young consumers are seeking wellness solutions to meet lifestyle challenges

“Initially our core target segment comprised young consumers predominantly in the 25 to 35 years category. However, we have noticed a discernible shift towards 18- and 22-year-olds in our walk-ins.”

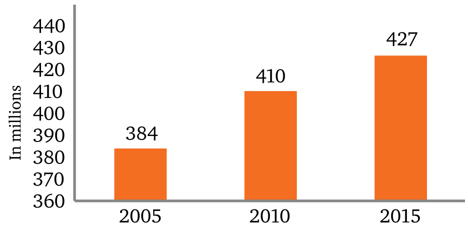
Ajay Pahwa - CEO
Kaya Skin Clinic

Wellness consumers in India mainly comprise a young population with rising income levels

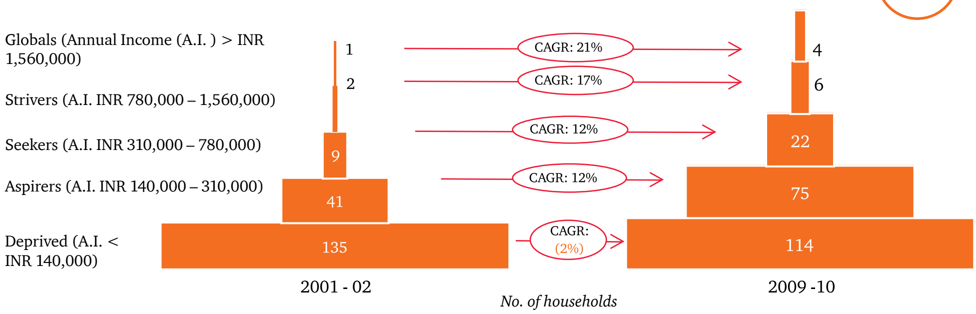
The young population in India is the core target group. **1**

- Indian youth (in the age group 15 to 34 years) comprises over 34% of the total population.
- This is expected to cross over 400mn by 2015 and forms the core target group for wellness products and services.

Youth population in India



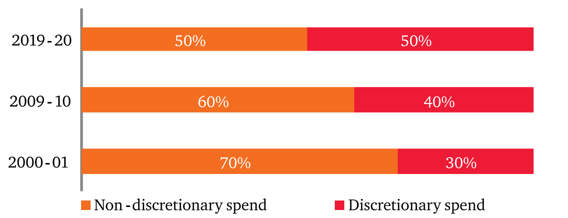
India’s growing middle-class is fuelling demand for wellness products. **2**



Increase in discretionary spends is positive for the industry. **3**

- Rising incomes are resulting in increasing discretionary expenditures.
- Aspirational products and services are finding many takers.

Shift to increasing discretionary spend



Source: US Census Bureau, National Commission on Population, NCAER

Young consumers are seeking wellness solutions to meet lifestyle challenges…

Growing urbanisation is resulting in higher awareness levels. **4**

- The urban population constituted 28% of total population in 2001, this is expected to increase to 37% in 2025.
- Increasing urbanisation has the dual impact of higher availability and awareness of wellness products as well as higher incidence of stress-related disorders and lifestyle diseases.
- This is driving growth in products and services in the enhancement and curative segments.

Peer pressure is driving growth in the wellness space. **5**

- Improved health awareness, exposure to global beauty and fashion trends and increasing media penetration are driving growth in the wellness space. The need to look and feel good is gaining momentum, especially among the middle-class .
- Society's obsession with celebrities and celebrity culture is resulting in the added pressure to look good.

"Increasing cost of medical care is making the common man explore options available under the wellness ambit. Preventive action is preceding clinical therapy."

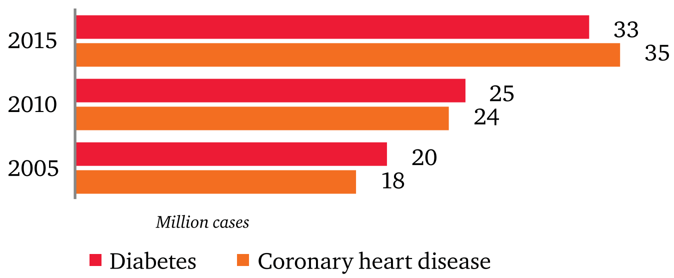
Sandeep Ahuja - MD
VLCC Healthcare Ltd.

...and maintain a healthy lifestyle

Growing number of lifestyle diseases makes wellness relevant today. 6

- Growing incomes and a faster pace of life, increased sedentary living, high work stress, rising pollution levels and consumption of unhealthy fast food are factors leading to a rise in lifestyle disorders.
- Consumers are increasingly looking at various wellness options in their pursuit of a healthy life.

Lifestyle diseases in Urban India

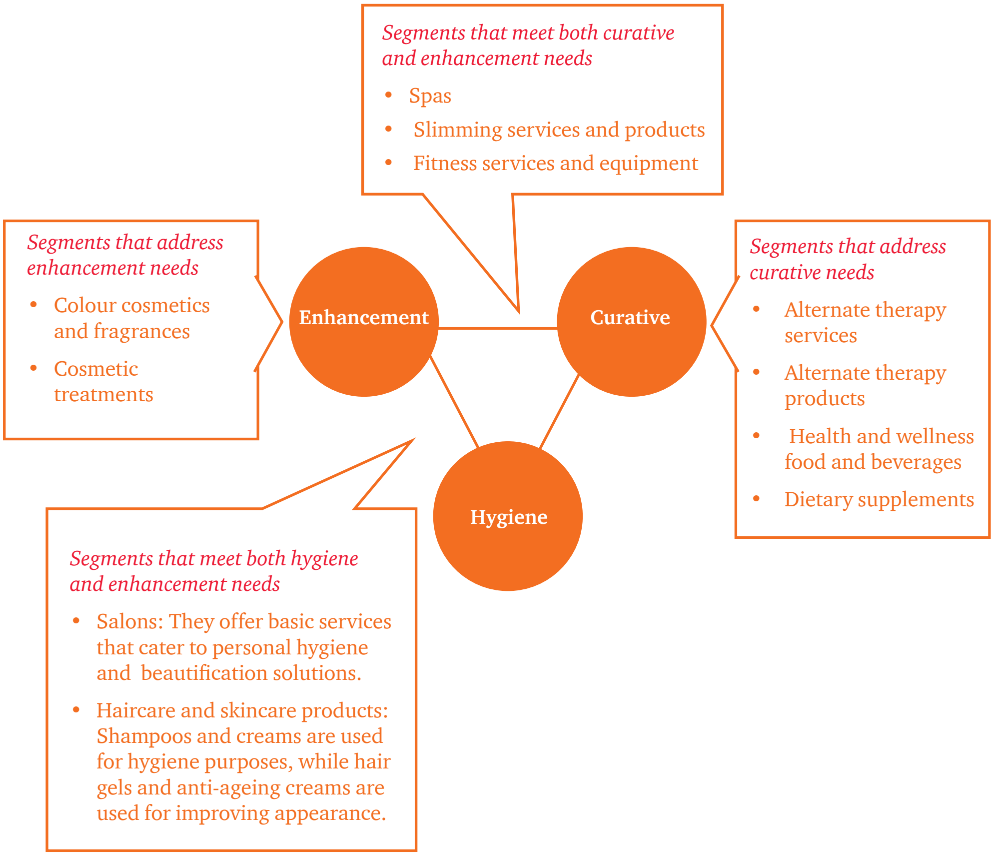


Source: Ministry of Health and Family Welfare

Wellness ecosystem: The providers

The INR 490 bn Indian wellness industry has witnessed growth at a robust clip over the last 3 years; Services comprise 40% of this market

Wellness offerings can be segmented along hygiene, curative and enhancement needs of the consumer



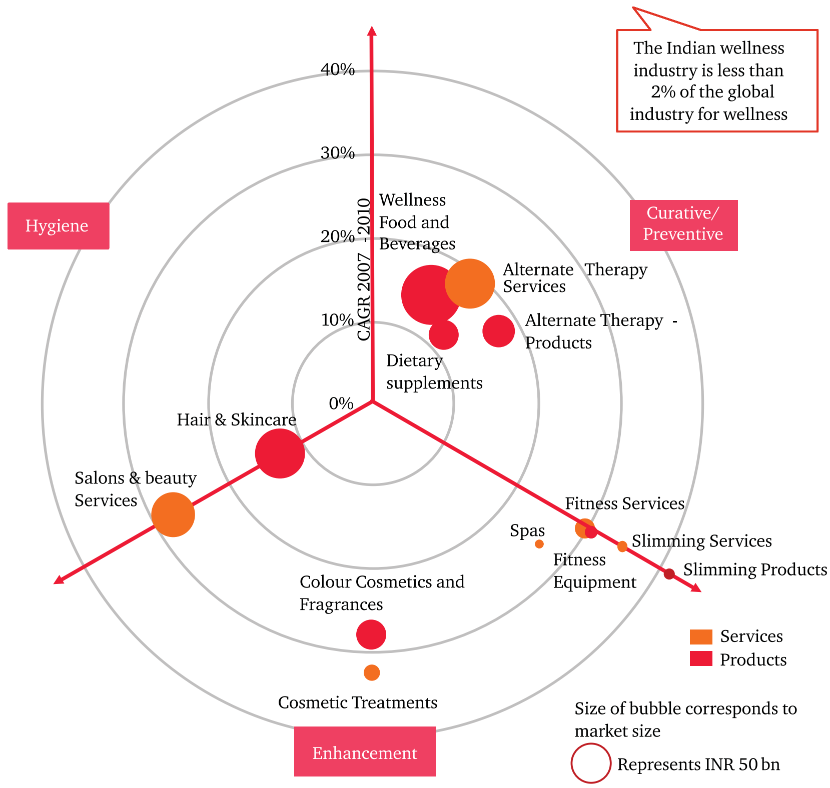
***Hygiene needs** stem from the basic necessity to maintain personal cleanliness.*

***Curative needs** are aligned to prevent disease, cure ailments and maintain a healthy lifestyle.*

***Enhancement needs** focus on improving personal appearance and self-confidence.*

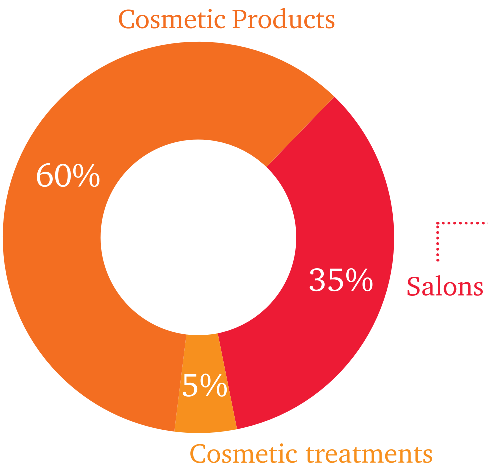
Segments such as slimming products and services, fitness services and equipment and cosmetic treatments are witnessing the highest growth.

Wellness market in India is about INR 490 bn and wellness services account for 40% of this market



Source: PwC Analysis

The beauty care market comprising salons, cosmetic treatment centres and cosmetic products is estimated at INR 190-200 bn



Source: PwC research and analysis

Cosmetic products

- Hair and skincare products dominate the market.
- Key players include Hindustan Unilever Ltd, Procter & Gamble, Dabur and L'Oreal.
- There has been a discernible shift of demand from regular skincare products to specialised products like dark circle removing creams, anti-ageing creams, etc.
- Semi-urban and rural markets are expected to drive future growth.

Salons

- Explosive growth has been driven by the organised salon segment.
- Key players include Lakme, VLCC, Shahnaz Hussain, Jawed Habib and Naturals, among others.
- While there is an increasing shift from basic salon services to advanced services, basic salon services continue to remain a steady footfall generator.
- Beauty services no longer continue to be a female bastion. Players are increasingly focusing on setting up unisex salons.

Cosmetic treatments

- Enhancement through cosmetic surgery is gaining acceptance.
- It is a highly fragmented industry. Large players in the non-invasive segment include Kaya and VLCC. Hospitals and standalone clinics largely cater to the invasive segment.
- This segment will continue to be driven largely by urban markets, though inroads have been made into Tier 2 and Tier 3 cities.

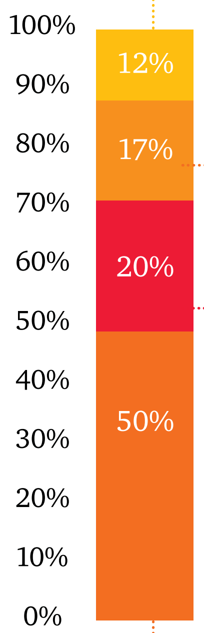
"While per capita spend on beauty services in India has gone up from 30 cents in 2005 to 120 cents in 2010, it still significantly lags behind countries like China and Russia."

Rohit Arora - Director
Jawed Habib

Per capita spend on cosmetics (USD)	
Global average	36.4
United Kingdom	133.3
United States	89.4
China	10.3
India	2.3
Malaysia	30.2

> *" Currently, the institutional-to-home demand for fitness equipment is split at 70:30. Going forward, this is likely to be 50:50."*
>
> **Deepak Dewan - Chairman Cardio Fitness**

Of the INR 40 bn fitness and slimming market, services (fitness and slimming centres) account for over 65% of the market



Source: PwC Analysis, Euromonitor

Slimming products

- This segment includes meal-replacement slimming products and weight-loss supplements, the former being more popular.
- Key players include Himalaya, Dabur and Herbalife.
- Increasing availability via the organised retail channel is a key growth driver for the segment.

Slimming services

- A fast-growing segment, the slimming services market is fragmented with only few pan-India players, such as VLCC and Vibes.
- Most players are regional, catering only to select local markets.
- VLCC is the largest player in slimming services in India.

Fitness equipment

- The institutional segment contributes to the bulk of current demand. However, future demand is expected to be driven by the home segment.
- The high-priced segment is dominated by international brands sold through Indian distributors. Leading distributors include Cardio Fitness, Cardiomed and Proline Fitness.
- Indian manufacturers cater primarily to the low-priced segment.

Fitness services

- This is a largely under-penetrated market with less than five per cent penetration of the urban population.
- Organised players focus on below-the-line marketing (events, seminars, workshops, etc.) to increase awareness about fitness among consumers.
- Key players include Talwalkars, Gold's Gym, Fitness One and Snap Fitness.

Convergence of consumer and health products

- Globally , FMCG companies are entering joint ventures with food ingredient manufacturers and pharma companies to leverage on synergies and share investment commitments. E.g. JV between Novartis Consumer Health and Quaker Oats to form Altus Food Company.
- This trend is gaining traction in India as well. For instance, Avesthagen Ltd, a life science company acquired Good Earth Foods to pioneer the convergence between food, pharmaceuticals and genetics through Avesta Good Earth Foods.

Health and wellness food and beverages dominate the INR 130 billion nutrition market

Dietary supplements

- Dietary supplements account for almost 25% of the total wellness nutrition market.
- Herbal and traditional supplements, mineral supplements, vitamins and protein powders constitute a majority of the dietary supplements market.
- Penetration of dietary supplements has increased as players are focussing on above-the-line marketing and increasing availability in smaller cities.

Health and Wellness Food and Beverages

- Health and wellness food and beverages includes three sub-segments:
  - Fortified foods and beverages (FFB)
  - Naturally healthy (NH) products
  - Better for you (BFY) products
- FFB constitutes the largest slice of the market while BFY is the fastest growing sub-segment.
- Increasing penetration of organised retail, growth of packaged foods and improving availability of products that are palatable to Indian taste are driving growth.
- Players are positioning themselves on the combined platform of health and taste. For instance, the entire portfolio of Britannia is trans-fat free, and over 55% is fortified. PepsiCo aims to reduce sugar content by 25% and saturated fat content by 15% in its products by 2020.

Understanding your food	
Fortified food & beverages (FFB)	Food products fortified with additional ingredients or suitably modified to provide a distinct health benefit
Naturally healthy (NH)	Food products with no chemicals, additives or artificial substances, and with natural health benefits
Better for you (BFY)	Food products with lower levels of ‘unhealthy ingredients’ (sugar, fat, etc)

Source: PwC Analysis, Euromonitor

"The spa industry is highly fragmented with no clear industry leader. There is opportunity for new players to create value in this segment."

Anurag Kedia - Director
The Four Fountains Spa

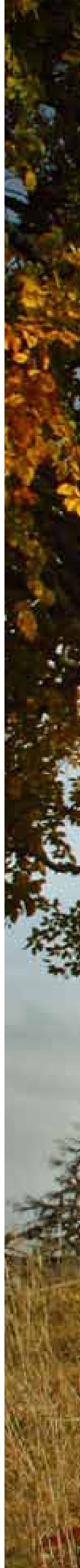
Rejuvenation is a nascent but rapidly growing segment; Alternate therapy is a larger and more established market in India

Rejuvenation

- The rejuvenation market is estimated at INR 4-5 bn. Traditional massages and services continue to dominate and drive growth.
- Key players include Four Fountains and Chandan Sparsh (day spas) and Amatrra, Ananda Spa, Jiva and Aura (resort and destination spas).
- Similar to international markets, where Hollywood celebrities have helped create aspirational demand for spa services, Bollywood is following suit.
- Having a scalable business model, ensuring efficient treatment room utilisation and yield management are key concerns for players.

Alternate therapy

- The alternate therapy market in India is estimated at INR 110bn to 130bn. Consumer preferences for alternative therapies in India are driven by its deep penetration, affordability and traditional mindset.
- The services space is highly fragmented with few established organised players. The products space is relatively more organised. Key players include Kottakal Arya Vaidyashala , Arya Vaidya Pharmacy, Dr Batra's, Dabur and Himalaya, among others.
- Monitoring quality, safety and efficacy of herbal products is a challenge. While there is ample opportunity in both domestic and export markets, gaps exist in ensuring the quality of raw material, substantiating the efficacy of products and having a sustainable process for the procurement of herbs.



Industry trends

The industry has attracted a number of domestic entrants and international players. Established players are pursuing revenue maximisation through product and service diversification. They are also exploring newer geographies. Franchising is emerging as a popular option for scaling up. Micro segmentation to develop better targeted value propositions for consumers and commercialisation of traditional Indian home remedies are other emerging trends in this industry

International players need to clearly understand the dynamics of the Indian market before they venture here. While the market is attractive, getting your blueprint right is crucial.

Low entry barriers and growth potential of the wellness industry in India has attracted international players and domestic new entrants

Core segment	Established international players	Domestic players
Fitness and slimming	Anytime Fitness	Club Fitline
	Snap Fitness	
	Fitness First	Leena Mogre's
Rejuvenation	Elizabeth Arden Red Door Spas	CMYK Health Boutique (The Four Fountains Spa)
	L'Occitane	
	Aura Thai Spa	
Beauty	Neutrogena	Max Neeman
	M.A.C.	
	Clinique	YLG Salon & Spa
	The Body Shop	
	Kiehl	
Alternative therapies	-	Birla Kerala Vaidyashala
		AyurVaid
Nutrition	Daiichi Sankyo	Goldwin Healthcare
	Yakult Honsha Group	

Case study: The Four Fountains Spa

- Spa services in India were largely targeted at affluent customers. They were beyond the reach of many middle-class consumers.
- The Four Fountains Spa identified this opportunity and established a chain of affordable spas in India. Their services are priced approximately 25 to 40% lower than typical spas*.
- The Four Fountains Spa began operations in 2007 and has grown to 11 spas** across west and north India.

Case study: YLG

- Rising awareness of the importance of grooming for personal and professional reasons has fuelled growth in beauty services.
- There were few large organised chains in the beauty segment. Most salons were one-man businesses with no clear quality standards.
- Realising this opportunity, YLG entered the market in 2009 and has grown to more than 12 salons** in Bangalore. They have aggressive expansion plans for the rest of India.

*for members
** as on June 2011

> *"Demand for spa services is not evenly distributed through the year due to seasonal variations. In order to ensure steady footfalls and sustained revenues, many players have started offering cosmetic dermatology services and professional beauty treatments"*
>
> **Dr.Jairam Nair - General Manager Business Development Amatrra**

Existing players are pursuing revenue maximisation strategies through product/ service diversification

Offering consumers with a 'one-stop-solution' is key to maximising revenue per sq.ft.

- Existing wellness players are keen to add more wellness products and services to their portfolio:
  - On the services front, a wider array of products and services helps generate higher footfalls and maximise revenue per retail sq ft. It also aids in locking in existing consumers through a larger basket of offerings, ensuring a larger share of wallet.
  - Product companies are diversifying their portfolio to meet both cosmetic and nutrition needs of their cosumers.

Diversification by select players

Player	Nutrition	Fitness and slimming	Alternative therapies	Rejuvenation	Beauty		
					Cosmetics	Beauty treatments	Salons
Talwalkars		**✓**		✓			
Chisel		**✓**		✓			✓
VLCC		**✓**		✓	✓	✓	✓
Kairali			**✓**	✓	✓		
Kerala Ayurveda	✓		**✓**	✓	✓		
Med Spa				**✓**		✓	
Amatrra				**✓**			✓
Lakme*				✓	**✓**		✓
Blossom Kochar				✓	**✓**		✓
Shahnaz Hussain				✓	✓		**✓**
Himalaya	**✓**				✓		
Biotique	✓				**✓**		
Naturals				✓			**✓**

Launch segment: **✓**

** Offers select spa services in Lakme Studio outlets*

> *"Availability and affordability of real estate is a challenge in the metros. This is driving players to look at expansion to Tier 2 cities, going forward."*
>
> **Dr.Jairam Nair - General Manager Business Development Amatrra**

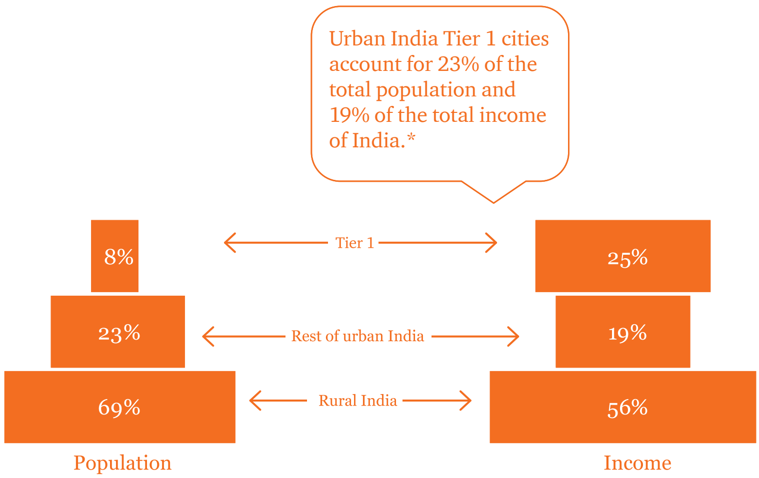
They are also looking beyond Tier 1 cities to fuel growth

While the market in Tier 1 cities is not fully saturated, organized wellness service players are actively looking at markets beyond Tier 1 cities to drive growth

There is growing demand for wellness products and services in urban markets beyond Tier 1 cities due to rising incomes and awareness levels. Players are expanding into these markets to address this growing demand.

Also, the penetration of the organised sector in these markets is very low. In addition to the favourable demand scenario, Tier 2 and Tier 3 cities have lower operating costs, primarily due to cheaper real estate prices.

Population and Income distribution across India*



Players are reworking their existing business models for growth beyond Tier 1 cities

Case Study – Talwalkars

- In 2011, Talwalkars Better Value Fitness launched a new brand of fitness clubs called 'Hi-Fi' (Healthy India, Fit India) focussing on Tier 2 and Tier 3 cities.
  - With its no-frills model, membership fees is about 40% lower for Hi-Fi clubs.
  - Hi-Fi clubs boast of 2500-3000 sq ft space as compared to 4500-5000 sq ft in a typical Talwalkars club.

Case Study - Jawed Habib

Jawed Habib Hair and Beauty Ltd has two different salon brands:

- Jawed Habib Hair & Beauty (JHHB)
  - Full service outlets (hair and beauty services)
  - 500+ sq ft and serviced by seven personnel
- Jawed Habib HairXpreso (HXO) Shops and Kiosks
  - Hair service outlets for price-sensitive consumers
  - Ranges from 100-150 sq ft for kiosks and 100-400 sq ft. for shops

JHHB and HXO outlets are expanding across cities.

** Source: NCAER/FCR, As of FY08. Note: Tier 1 cities corresponds to "Booming cities" of Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, Ahmedabad and Pune as classified by NCAER/FCR*

"While the franchising model is good for growth, it is necessary to continue to focus on the company-owned model as this gives us greater control over the brand."

Anant Gawande - CFO Talwalkars

While franchising is increasingly being used to drive growth, there exists a trade off between rapid scale up and risk of diluting brand equity

Company	Segment	Total no. of outlets*	Proportion of franchisee outlets*	Future plans
VLCC	Beauty and slimming	160	20%	• Plans to triple the number of franchise outlets in 12-18 months.
Gold's Gym**	Fitness	50	25%	• Aims to operate a 75:25 (franchise to company owned) model.
Jawed Habib	Salon	184	95%	• Plans to expand predominantly through franchisee route.
Mystic Spa	Spa	6	85%	• Plans to increase to 150 outlets in the next five years with franchising being the primary mode of expansion.
Strands Salon	Salon	18	85%	• Plans to have 50 centres by end of 2011 in north India, mainly through the franchisee model.
Talwalkars	Fitness	102	25%	• Plans to increase JV-franchised outlets, driven by expansion of their 'Hi-Fi' brand.

***Gold's Gym operates in India through a master franchisee*

"We choose to run all outlets ourselves to ensure that every person who walks into a Kaya gets the same quality of experience."

Ajay Pahwa - CEO Kaya Skin Clinic

Players in the organised wellness services segment are increasingly relying on franchising to drive growth as it enables rapid scale-up. It also provides access to local market knowledge and talent pool. However, several companies fear loss of control which may result in erosion of their brand equity.

New domestic and international entrants find it difficult to tie up with franchisees. Hence, new entrants are initially compelled to opt for a company ownership model to build their brand before exploring the franchisee option.

International markets can be a significant revenue booster for Indian players. E.g., 25% of VLCC's revenues in 2010 were from international markets.

For products companies, global markets present a large opportunity. Himalaya Herbal Healthcare generated about 40% of its revenues in 2009-10 from exports.

A large number of home grown Indian companies are going global

Middle East and South Asia are key international markets.

The business and consumer environments in these markets are similar to India, and hence it is comparatively easier for Indian companies to replicate their existing business models in these regions.

Global presence of Indian players

Player	Category/segment	Global presence	Future expansion plans
VLCC	Fitness and slimming, beauty	UAE, Oman, Bahrain, Qatar, Nepal, Sri Lanka and Bangladesh	Kuwait, Singapore, Egypt and UK
Kaya Skin Clinic	Beauty	UAE, Oman and Saudi Arabia	Egypt
Himalaya Herbal Healthcare	Ayurvedic healthcare products	Manufacturing: United States, Europe and Middle East Exports: 60 countries	Plans to launch its products in UK, France and Germany
Shahnaz Husain Group	Beauty	400 franchise clinics, 138 countries	N/A

Acquisitions are a popular entry route for global expansion for product companies.

Select recent cross-border acquisitions by Indian players*

Target company	Country of target	Buyer	Deal value USD (mn)	Year	Segment
Yardley	UK	Wipro Consumer Care and Lighting	45.5	2009	Beauty
Derma Rx Asia Pacific Pte Ltd	Singapore	Marico Ltd (Kaya Skin Clinic)	N/A	2010	Beauty
Personal care product manufacturing unit	Egypt	Emami	6.4	2010	Beauty
Namaste Laboratories and its subsidiaries	USA	Dabur India Ltd	100	2010	Beauty
International Consumer Products Corporation	Vietnam	Marico Ltd	57.5	2011	Beauty

**As on June 2011*

Source: mergermarket, ISI emerging markets

The wellness industry is expected to witness rapid growth over the next few years, thus offering attractive investment opportunities for early-stage investors.

With increasing maturity in the industry, private equity players can also target third and fourth stages of funding to fuel expansion plans of established players.

Companies are actively seeking private equity and public investments to fuel their growth ambitions

PE investors are showing interest

The industry is garnering increasing levels of interest from the private equity (PE) community as seen by transactions closed in recent years.

The majority of the service players have relied on internal funds and bank debt to fund their expansion plans. However, funding through internal accruals is not conducive to rapid growth. At the same time, rising interest rates and perceived risk in the services model among the lending community leads to high cost of debt. Service players are actively looking at private equity investment to fund their aggressive growth plans.

Select PE transactions in wellness

Investee	PE investor	Deal value USD (mn)	Year	Segment
VLCC	Indivision	11.3	2007	Fitness and slimming, beauty, rejuvenation
YLG	Helion Venture Partners	4	2009	Beauty, rejuvenation
Deccan Health Care Ltd.	Nexus Venture Partners	3.2	2009	Dietary supplements
Rx HealthCare Magic	Accel India	2.5	2009	Wellness retail

Some established service players have gone public.

Talwalkars Better Value Fitness and Birla Pacific Medspa, a Yash Birla group company, have launched IPOs to raise funds

IPOs in wellness services

Company	Issue size (USD mn)	Year	Segment
Talwalkars Better Value Fitness Ltd.	16.5	2010	Fitness and slimming
Birla Pacific Medspa	14.4	2011	Rejuvenation

Note: Jawed Habib Hair and Beauty Ltd is planning to raise upto USD 13.2 mn via an IPO and has filed a draft prospectus with SEBI in Jan, 2011

Source: ISI Emerging Markets, mergermarket, PwC analysis and research

"Each spa centre has its own dynamics of operation… Players may find it difficult to replicate success across centres. "

Dr Manish Patwardhan - President ISWA

While there is strong optimism about growth prospects, recovery of investments may be impacted by long gestation period

Payback period across wellness service segments

	Salons	Day spa	Gym
Average area (sq ft)	1200 – 1500	1200 - 1500	4000-5000
Average capex (INR lakh)	40 – 45	40 - 50	180-220
Average revenues per annum (INR lakh)	40-60	30 – 40	180-200
Operating margin (%)	25 - 30%	30 – 35 %	40-45%
Payback period* (years)	4 – 5	4.5 – 6.5	2.5-3.5

**factoring time to stabilise operations*
Source: PwC research and analysis

For a destination spa, break-even period is usually 10 to 11 years due to very high capex requirement.

Payback for wellness services varies from three-six years.

Most organized players have a mix of established centres and new outlets. Achieving stable operations for a new centre (in terms of footfalls and enrolments) depends on location, positioning, local competition, etc. and varies between 6-36 months. Having achieved stable operations, payback may vary between 2-4 years, depending on the type of service and business model.

- *The Indian market is currently characterised by a discernible shift from a one-size-fits-all to customised products and services to meet the requirements of specific target consumers.*
- *Players are looking to capitalise on this and are introducing offerings that are consumer-centric and differentiate their services based on demographic, physiological and economic needs of consumers.*

Micro segmentation to develop more targeted value proposition for consumers has gained momentum

Age- and gender-based segmentation

- GlaxoSmithKline has launched Junior Horlicks (for preschool kids), and Horlicks Women (for women between 19 and 50 years of age).
- Fitness One has launched an exclusive chain of women fitness studios under the brand name Pink.
- Curves, the largest women-only fitness franchise in the world, was launched in India recently.

Need-based segmentation

- Functionality-driven offerings
  - Strands Salons Pvt Ltd has ventured into nail care with its outlet Perfect 10 Nail Salon.
  - Kellogg's has introduced cereal brands that are targeted at weight management.
- Convenience-driven offerings
  - O2 has launched mobile spas and airport spas.

Price-based segmentation

- CavinKare targets the high-income group through its salon brand Limelite and the middle-income group through Green Trends.
- In the colour cosmetics segment, Hindustan Unilever has Elle 18 targeted at the mass market segment while Lakme products are targeted at the mid-priced segment.

Key decision-making triggers

To what extent is the model scalable and replicable given the demographic, socio-economic and geographical diversity in India?

To what degree can markets continue to fragment before niches become too small to be attractive?

Case study: Himalaya Herbal Healthcare

Founded in 1930, Himalaya has become synonymous with natural products today. The company is expected to record revenues of INR 12.5bn in 2012.

Himalaya has converted the traditional practices of ayurveda into a precise science. Their proprietary formulations, backed by thorough research has given a high level of acceptance to their products in domestic and export markets.

Companies are capitalising on the business potential of traditional Indian practices

Companies are commercialising widely prevalent home remedies.

While exposure to western culture continues, Indian consumers remain connected to their roots and traditions. Benefits of natural ingredients, herbs and natural foods is ingrained in the psyche of most Indians and they are considered 'safer' than their chemical counterparts. Recognising this opportunity, companies have launched products and services with traditional Indian practices, home remedies and ayurveda as their core proposition.

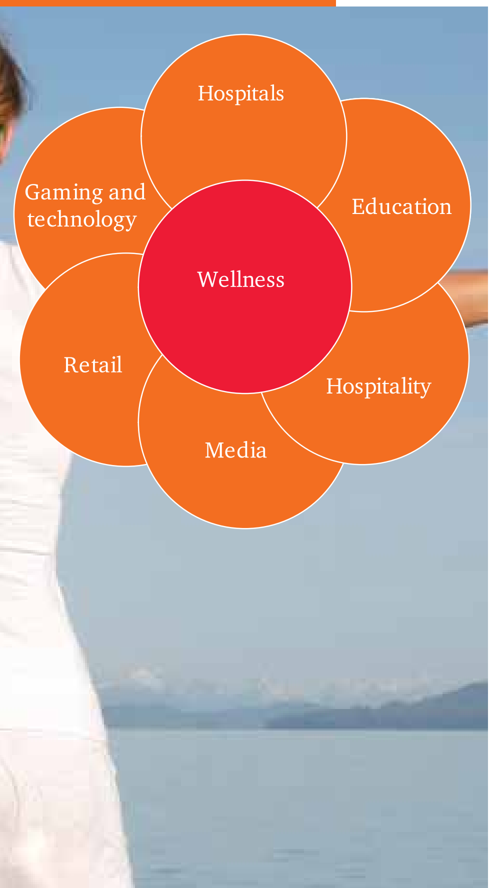
Segment	Examples
Cosmetics • Herbal and ayurvedic beauty products	• Biotique • Shahnaz Husain • Blossom Kochhar • Lotus Herbals
Salons and spas • Salons and spas with herbal beauty treatments as core positioning	• Shahnaz Husain • Blossom Kochhar
Fitness	• 136.1 – India's first chain of integrated yoga studios
Health and wellness foods and beverages • Naturally healthy packaged food	• Amul (Sour milk drinks) • Dabur Honey • Golden Tips green tea • Jain Agro (Bottled tender coconut water)
Dietary supplements • Supplements with ayurvedic herbs as their main ingredient	• Dabur • Himalaya Herbal Healthcare • Herbalife • Charak • Baidyanath

Source: PwC research and analysis

Wellness ecosystem: Adjacent industries

Adjacent industries such as healthcare, media, retail, gaming, hospitality and education are converging on the wellness space to capitalize on its growth.

Micro segmentation to develop better targeted value propositions for consumers and commercialisation of traditional Indian home remedies are other emerging trends in this industry



"Hospitals are transcending the realm of curative care and moving towards preventive care."

Yogesh Sethi - CEO
Apollo Life

Adjacent industries are converging on the wellness space to capitalize on its growth

Healthcare: Transition of hospitals from pure play healthcare provider to a holistic wellness care provider

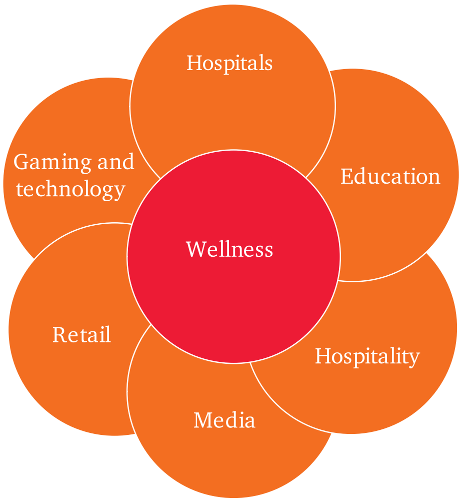
- Emergence of hospitals providing the entire spectrum of services: Preventive check-ups, curative care, surgeries and wellness services
    - Apollo Life, an initiative by Apollo Group, addresses issues of health promotion, disease prevention and health maintenance through corporate and school wellness programmes, health magazines and wellness centres
    - Manipal Cure and Care, a wellness chain set up by the Manipal Group of Hospitals, offers preventive care (health check-ups and diagnostic services), beauty services (cosmetic dentistry and dermatology) and wellness services (stress management, weight management, etc.).

Hospitality: Wellness offerings driving incremental revenues

- Many five-star hotel chains have branded spas across their properties. For e.g., Taj Jiva, Leela Four Spas, The Park Aura
- For city-based hotels, spas contribute around four to six per cent to the topline while at resorts the figure can go up to eight to 10%.
- Several players are also setting up salons and fitness clubs within their premises to target in-house guests as well as outside consumers.

Education and training: Education facilities for wellness industry

- Recognising the demand for trained professionals in the booming wellness industry, players are using their in-house capabilities to provide training to outside participants as well.
    - VLCC has set up a chain of the VLCC Institutes of Beauty and Nutrition which offers specialised courses in beauty, hair, make-up, spa therapies and nutrition.
    - Gold's Gym has launched a fitness management institute, Gold's Gym University (GGU) that offers certified courses in fitness management.



Adjacent industries are converging on the wellness space to capitalize on its growth

Media: Wellness focused media content gaining impetus

- Increased consumer demand for health - and wellness related information is driving specialised media content.
  - NDTV Goodtimes is a dedicated channel for wellness and lifestyle.
  - TLC India (Discovery Networks) focusses on lifestyle programmes, covering topics such as fitness and health.
  - The Times of India has launched an online portal, Times Wellness.
  - B Positive is a health and lifestyle magazine published by Apollo Life.

Retail: One-stop shop for wellness products

- Increasing number of corporate retail players and hospitals are setting up wellness retail chains.
- Major wellness retail chains include Reliance Wellness, Dabur's New U, Health and Glow, Yash Birla's Rebirth and Religare Wellness, among others.

Gaming & Technology: Fun way to get fit

- Through gaming consoles (such as Nintendo Wii, PlayStation Move and Xbox Kinect) that use motion control and user movements as inputs, video games are transitioning from a device that encourages passivity to a platform to boost physical activity
- Technology innovations have contributed to a growing number of applications ('apps') and devices that can be used for monitoring physical activity, diet, health indicators and even sleep patterns!

Wellness ecosystem: The facilitators

Insurance companies and schools are likely to play a key role in encouraging and inculcating pro-wellness habits among individuals. Employers, too, have started providing a supportive environment to promote wellness as a part of their employee's lifestyle.

Insurance companies and schools are likely to play a key role in encouraging pro-wellness habits among individuals

Insurance companies

Globally, insurance plays a significant role in influencing wellness. In the USA, for instance, the benefits of being healthy are transferred to policyholders in terms of discounts on premiums. E.g., Phoenix Cos. Inc. offers discounts up to 20% on life insurance policies to customers with a Body Mass Index (BMI) between 19 and 25.

Health insurance in India is taking the first step towards moving away from a traditional indemnity-based product to a benefit-driven plan that incentivises people to lead a healthier lifestyle.

ICICI Lombard, Tata AIG, Apollo Munich and Bajaj Allianz have products that offer discounts at select spas, gyms, yoga institutes, etc.

The challenge to launching such products in India is that the healthcare and wellness sectors need to have appropriate standards and regulations in place before insurance can significantly influence the wellness industry.

Schools

India is facing a 'double jeopardy', with obesity emerging as a serious health concern on the one hand and under-nutrition, on the other.

- A 2009 N-DOC study covered 20,000 schoolchildren in six cities across India and found 25.3% overweight and 8.6% obese.

School wellness programmes can effectively raise students' awareness of their lifestyle choices. Developed countries like the USA and UK have several school wellness programmes to fight the problem of obesity amongst children.

A similar movement is bearing shape in India, though at a nascent stage.

- Apollo Life National School Wellness Programme
- SHARP (School Health Annual Report Programme) nutritional counselling programme
- Sports and fitness programmes by Leapstart

Apollo Life National School Wellness Programme targets all schools in urban India, with the plan of reaching out to millions of children each year. It undertakes health assessments, wellness prescriptions and lifestyle counselling.

"Our Wellsurance product is a unique health insurance offering that not only provides financial coverage to customers but also encourages them to lead a healthy life. There has been a very positive response to the product in urban and semi-urban areas."

Gaurav Garg - CEO & MD Tata AIG General Insurance Company

Source: PwC research and analysis, National Diabetes, Obesity & Cholesterol Foundation Study (N-DOC)

Employers have started providing a supportive environment to promote wellness as a part of their employee's lifestyle

For Wipro, encouraging employee wellness is an integral part of its corporate culture.
Wipro runs a number of wellness programmes that include nutrition consulting, health centres, medical camps, employee well-being events and counselling.

Wellness at the workplace

Companies are affected by reduced productivity due to absenteeism caused by chronic diseases amongst staff. This can be prevented through a combination of healthy eating, physical activity and measures to improve personal wellbeing.

The workplace is an important location for prevention strategies because employees today spend an increasing amount of time at work and employers can influence behaviour by providing a supportive environment. A regular employee health assessment, paid for by employers, can greatly inform individuals and the employer about health risks.

Employer benefits

- Improves performance and productivity and reduces loss due to illness and absenteeism
- Improves image when seen as more socially responsible

Wellness programmes benefit both employees and employers

Employee benefits

- Cuts healthcare costs
- Improves motivation and morale. A World Heart Federation survey shows that nine out of ten Indian employees believe that employers are responsible for creating a healthy work environment

Source: 'Working towards wellness' PwC Thought Leadership

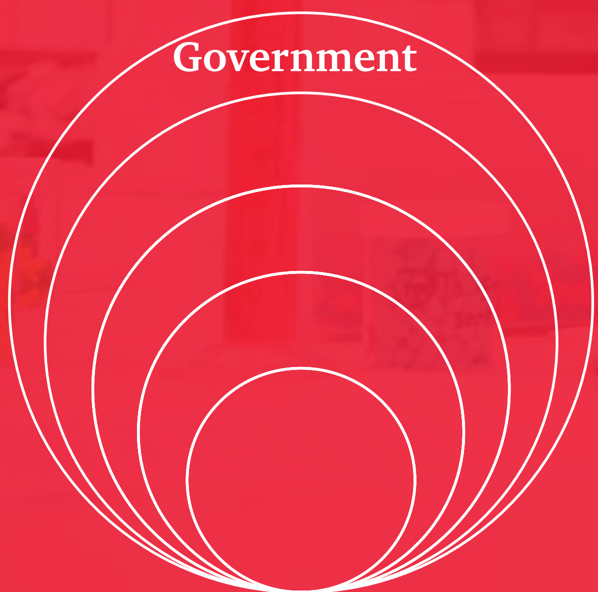
The economic burden of illness in India

By 2020, over 65% of all mortality will be linked to chronic diseases. Projected foregone national income due to heart disease, stroke and diabetes between 2005-2015 is estimated to be around INR 9000 bn.

Wellness ecosystem: The Government

The wellness industry is of strategic importance to the Indian government. By 2015, wellness services in India have the potential to generate over three million jobs.

Recognising the importance of this industry, the government has already initiated measures to stimulate growth.



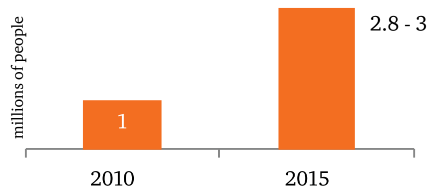
- *International tourist footfalls in India stood at five million in 2009, generating revenues of USD 11 bn.*
- *In comparison, Thailand had international tourist arrivals of 14 mn, with corresponding revenues of USD16 bn.*

By 2015, wellness services in India has the potential to generate 3 million jobs

Employment generation potential

- Currently, wellness services employ around one million people.
- By 2015, the total employment potential of wellness services is expected to touch around three million.
- Wellness can play an important role in providing gainful employment to India's growing population.

Employment potential of wellness services



Source: PwC Analysis

Potential to accelerate foreign exchange earnings

There is significant room for growth of international tourism in India. Presently, India lags behind its peers in the Asia-Pacific region in terms of international tourist footfalls and revenues.

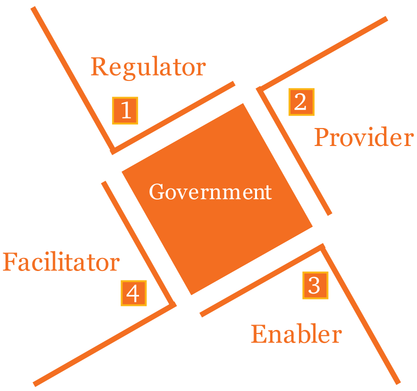
Wellness can be an integral part of the plan to promote India as a tourist destination among international tourists seeking physical and mental healing. Positive government measures can give a strong impetus to the growth in wellness tourism. The government of Thailand for instance, has taken effective policy measures to successfully position Thailand as a leading wellness destination in Asia.

Case study: Initiatives by the government of Thailand to promote spa tourism

The Thai government has been committed to promoting spa tourism in Thailand.

The government worked with private operators and the Thai Spa Association to develop and enforce standards for the Thai spa industry. All spas have to register with the government and employ certified spa therapists.

The Tourism Authority of Thailand (TAT) joined hands with the Association of Thai Travel Agents (ATTA), Thai Airways International and the Thai Spa Association on a promotional campaign called 'Visit Thailand, Visit Thai Spa', targeting the airline's passengers.



Salient features of the QCI-NABH accreditation

- *Covers gyms, and slimming centres, fitness centres, spas, skincare and cosmetic treatment centres*
- *Voluntary accreditation*
- *Lists 85 criteria covering hygiene, trained staff, equipment and safety, customer rights and education, etc*
- *Criteria to be followed for at least three months before applying for accreditation*
- *Valid for three years*

Recognizing the importance of this industry, the Government has already initiated some measures to stimulate growth

1

- The government had launched an accreditation programme for wellness centres in 2008-2009, under the authority of the National Accreditation Board for Hospitals and Healthcare (NABH) and the Quality Council of India (QCI).
- The government also has a number of regulations and acts governing quality enforcement in other wellness segments. E.g., Drugs and Cosmetics Acts and Rules for cosmetics and herbal beauty products, the Food Safety and Standards Act (FSSA) for nutrition products

2

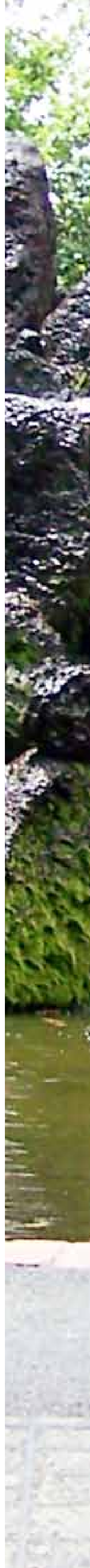
- The government is a provider of alternative therapy services in India, with the formal institutionalisation and integration of Ayurveda, Yoga, Unani, Siddha and Homeopathy (AYUSH) into the national health delivery system.
- The Department of AYUSH runs various alternative therapy hospitals and clinics across India.

3

- The Ministry of Tourism (MoT) has outlined key initiatives to enable and boost wellness tourism in India:
  - The Marketing Development Assistance scheme (MDA), run by MoT, provides financial support to wellness tourism service providers for participation in wellness conferences, fairs, road shows, etc.
  - MoT has been promoting India as a wellness tourism destination with the help of print, electronic, internet and outdoor media across target markets.
  - MoT provides financial assistance for the augmentation of tourism infrastructure in certain circuits promoted as centres of wellness tourism (e.g., Puducherry , Chitrakoot etc.)

4

- The government has also planned initiatives to develop training infrastructure to facilitate employment in the industry:
  - Skill Development Initiative Scheme (SDIS), a vocational training scheme run under the Ministry of Labour & Employment includes various courses on wellness , such as beauty and hair dressing, yoga, naturopathy and spa and wellness.
  - The Department of AYUSH has set up national institutes for imparting education in AYUSH.
  - MoT has plans to develop training centres for yoga and other traditional therapies.



Challenges

Wellness services will require 600,000 additional skilled personnel over the next five years. However, their availability is a concern.

Effective monitoring of the industry is a challenge and initial attempts at quality accreditation have not been effective.

Companies facing the impact of increasing costs find it difficult to ensure consistent experience for consumers across touch points.

Wellness services will require 600,000 additional skilled personnel over the next 5 years. However, their availability is a concern

> *“While we invest significantly in our internal training programmes, we risk losing our staff to competition due to the dearth of skilled people.”*
>
> **Kartik Sheth - COO**
> **Lakme Lever**

> *“Rental costs as a proportion of the topline is very high in India at 20 to 25%, compared to only eight to 10% in developed markets.”*
>
> **Istayak Ansari - COO**
> **Gold’s Gym**

Talent crunch

1

Rapid growth in the wellness industry, together with increased penetration of the organised sector, has led to huge demand for trained professionals. The industry will require over 600,000 additional skilled personnel during the next five years. Lack of a universally accepted accreditation or standard of education affects the quality of training imparted in local academies. Few players offer reliable education with adequate practical training.

While consumers grapple with unreliable quality of service and even risk injury due to untrained personnel, this talent crunch impacts scalability plans of organised players and presents a huge challenge in employee retention.

Absence of an accreditation body for recognising wellness courses restricts the development of good quality training institutes. This also deters prospective students from considering such courses as a viable career alternative. There is a clear need to motivate private players to participate in wellness education and training. Lack of sufficient incentives has limited the number of participants in this space.

Managing increasing costs

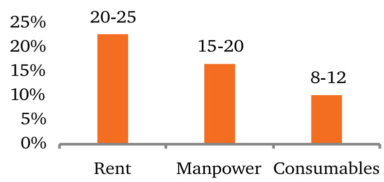
2

Input costs of rent, manpower and consumables constitute about 50 to 60% of revenues for wellness service providers.

Rental costs are increasing, especially in metros and Tier 1 cities. Other input costs have also risen considerably over the last few years impacting profitability and delivery standards of industry players.

In a bid to manage costs, some players have started using sub-standard products and poor quality equipment endangering the health and safety of consumers.

Typical cost structure for a wellness services player (% of revenue)



Source: PwC research and analysis

Effective monitoring of the industry is a challenge

> *"Many local gyms do not use the correct equipment nor do they have qualified trainers. In a fitness environment where injuries can happen overnight and take weeks to heal, this is dangerous."*
>
> **Srilekha Reddy - Director, Snap Fitness**

3 *Controlling industry malpractices*

The proliferation of unorganised players due to low-entry barriers has had a two-fold effect on the industry-pricing pressure on organised players and negative impact on the overall image of the industry due to misconduct of some unscrupulous players.

There is no visible mechanism for consumers to distinguish between a good service provider and a mediocre player. Consumers often learn the hard lesson through expensive trial and experimentation. Lack of substantiated evidence and overstated claims lead customers to doubt the veracity of wellness products and services, contributing to consumer scepticism.

There are no checks enforcing usage of licensed personnel. Punitive measures to check misconduct are few and ineffective in implementation. A large number of players (ranging from one-man shops to established corporates) and a wide range of service and product segments have made monitoring of the industry a complex and costly exercise.

4 *Implementation and acceptance of quality accreditation*

Acceptance and penetration of QCI-NABH guidelines in wellness space is low. Industry participants seem to be unaware of quality guidelines. Even among those who are aware, an oft-cited reason for not getting accredited is that the guidelines are not customised to meet requirements of the specific industry category.

Customers are yet to appreciate the distinction between accredited and non-accredited centres. This hampers the motivation of players to invest in getting themselves accredited.

5 *Ensuring consistent experience across touch points*

Many large players and international brands have used the franchise route for scale-up. However, this has given rise to concerns on inadequate control of operations and lack of uniformity in service delivery. The industry is characterised by the presence of a large number of first-generation entrepreneurs who lack the expertise to establish effective processes to manage large-scale operations. They also do not have the necessary checks and balances in place to ensure a consistent customer experience.

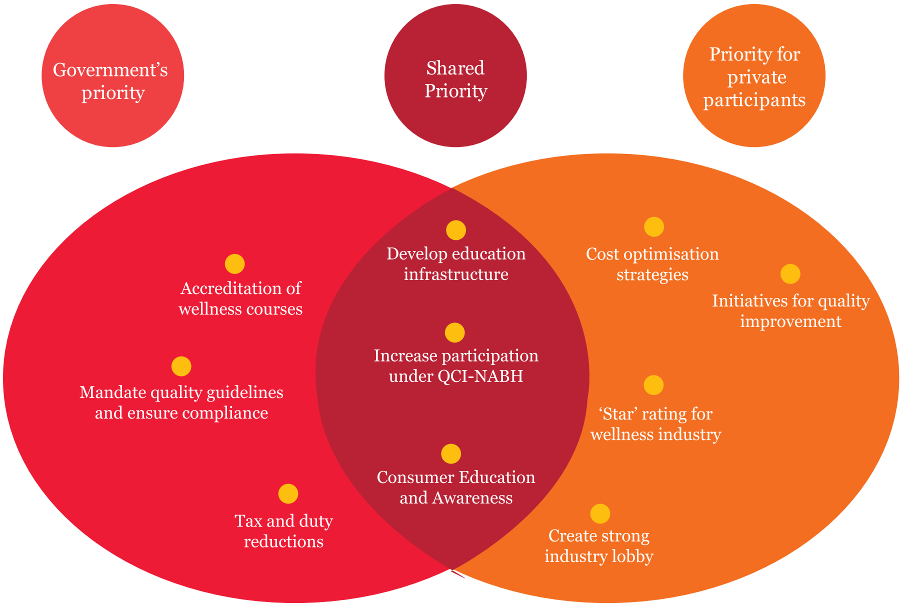
Disparity in ambience, differing service levels and experience across outlets confuses the consumer. While industry players are rapidly scaling up operations, this is often unstructured. Hence players are unable to operationalise their brand promise effectively.

The way forward

To address these challenges, there are individual initiatives outlined for the government as well as private participants.

They share a common agenda in developing education infrastructure and improving quality standards in the industry.

The government and private sector: Partners in action



Agenda for private participants

Challenges	Action points
Talent crunch	• Private participants need to participate better in creating education infrastructure: Collaborate with the government in the form of public private partnerships (PPPs), where private players can provide expertise in terms of pedagogy, faculty and practical training. • Private participants need to work with the government to formulate accreditation guidelines for education and training institutes in wellness.
Managing increasing costs	• Private participants need to adopt best practices from other industries such as retail and real estate. E.g., revenue-sharing in lieu of fixed rentals, outsourcing of non-critical operations, loyalty, reward and customer referral schemes, etc.
Controlling industry malpractices	• Private participants need to create a strong industry lobby that can present a unified voice across various industry segments and liaise with the government for better monitoring and compliance within the industry. • Private participants need to create a visible rating mechanism that provides an assurance of quality to consumers . E.g., 'Star' classification system of the hospitality industry and by manufacturers of electrical products to grade the quality of the service or product. This classification is well understood by consumers and can be modified to suit the specific requirements of the wellness industry
Implementation and acceptance of quality accreditation	• Private participants need to proactively participate in the accreditation process: Conduct dialogue with government agencies to suitably amend or modify guidelines to conform with industry requirements. • Create awareness among customers regarding accreditation and the associated advantages through road shows, events and media campaigns.
Ensuring consistent experience across touch points	• Private participants need to implement procedures for regular internal audits and centralised training systems to familiarise staff on quality and compliance. • They need to use social media effectively as a low-cost way to reach customers and create a positive buzz.

Agenda for the government

Challenges	*Action points*
Talent crunch	The government and the private sector need to work in close collaboration to develop suitable education and training infrastructure for wellness. Public private partnerships (PPPs) can play a key role. • For instance, the National Skills Development Corporation (NSDC) in India is a PPP formed to promote skill development across industry sectors. The wellness industry could be brought under the ambit of NSDC. Specific autonomous institutions could be established under the University Grants Commission (UGC) for the accreditation of wellness-related educational and training institutes, on the lines of the Central Council of Homoeopathy (CCH).
Managing increasing costs	The government should consider removing wellness from customs and service tax ambit. • Reduce customs duty on imports of capital equipment by wellness players, in line with medical and sports equipment. • Reduce service tax on select wellness services to bring them in line with healthcare services.
Controlling industry malpractices	Minimum quality norms need to be defined across wellness segments to ensure adherence to them within the industry. Only certified and licensed personnel should be employed for critical service areas.
Implementation and acceptance of quality accreditation	Discussions need to be conducted with stakeholders across various industry categories within wellness to suitably modify QCI-NABH guidelines in line with the needs and specifications for each category. Regular campaigns and forums need to be organised for industry players in order to create awareness regarding accreditation norms. Consumer awareness programmes such as road shows and media campaigns need to be conducted in order to advertise the benefits and safety of accredited versus non-accredited centres.

A peek into the future

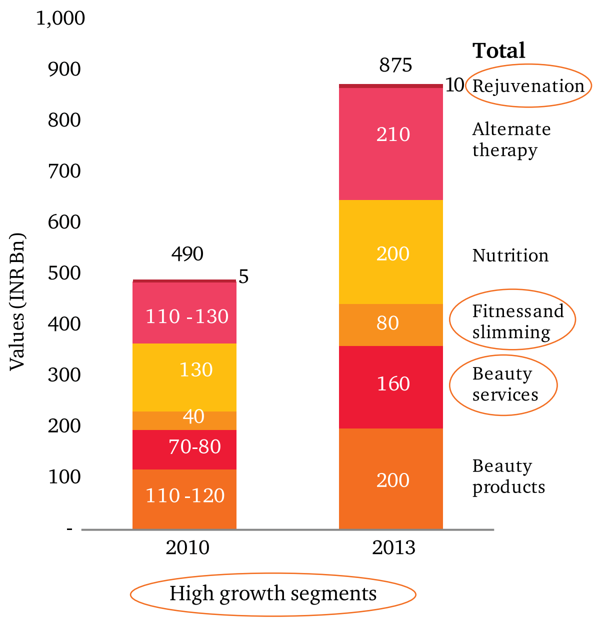
The Indian wellness industry is estimated to grow at a CAGR of 20% to touch INR 875 billion in the next three years.

The way consumers gratify their curative and enhancements needs will continue to evolve, driving the transition from remedial care to a more holistic view on preventive care.

The way consumers gratify their curative and enhancements needs will continue to evolve, driving the transition from remedial care to a more holistic view on preventive care

The wellness industry is estimated to grow at a CAGR of 20% to reach INR 875 bn in the next 3 years

Growth in wellness industry



Source: PwC analysis

The young generation will continue to be conscious of personal appearance, pushing the demand for beauty services, fitness and slimming and rejuvenation. **1**

Markets beyond Tier 1 cities will drive future growth for most service and product providers. However, the top eight cities will continue to be the mainstay of these businesses. **2**

Other adjacent industries will continue to converge on the wellness space, paving the way for alliances between wellness players and allied sectors. **3**

The growing motivation for healthy and better living, coupled with time constraints of consumers will give rise to a number of instant solutions and remedies that can be bought off-the-shelf and bundled with health and beauty offerings. **4**

Glossary and Citations

Glossary of terms and abbreviations

Term	*Definition*
CAGR	Compound Annual Growth Rate
CAPEX	Capital expenditure
c.	Close to
INR	Indian National Rupee
Mn/mn	Million
Bn/bn	Billion
Sq. ft.	Square feet
Tier 1/2/3 cities	Cities with a population of: 4 Mn and above, 1 -4 Mn, .5-1 Mn respectively
IPO	Initial Public Offering
N-DOC	National Diabetes, Obesity and Cholesterol Foundation
Alternate Therapy Services	Services rendered in Ayurveda, Unani, Siddha & Homeopathy treatment centres
Alternate Therapy Products	Medicines and products formulated according to Ayurveda, Unani, Siddha, Homeopathy or other alternative systems
Hair & Skincare Products	Personal care products for skin and hair
Colour Cosmetics and Fragrances	Make-up, Deodorants and Perfumes
Salons	Services rendered in beauty centres including hair cuts, facials, pedicures, manicures and hair styling among others
Rejuvenation	Services rendered in day spas, destination spas and resort spas
Day spas	Offer a variety of spa by trained professionals on a day-use basis
Hotel/Resort Spas	Similar to a day spa, but the spa facility is located within a resort or hotel property.
Destination Spas	Offer all inclusive spa packages that all guests participate in

Term	*Definition*
Non Invasive cosmetic treatments	Non-surgical cosmetic procedures (e.g. botox, dermal fillers)
Invasive cosmetic treatments	Surgical cosmetic procedures (e.g. liposuction, abdominoplasty)
Meal Replacement Slimming Products	Nutritionally fortified, calorie-restricted products consumed as a replacement for a meal (e.g. snack bar)
Weight loss supplements	Includes supplements positioned as actively aiding weight loss (e.g. appetite suppressants, craving suppressants)
Slimming products	OTC (over-the-counter) drugs and supplements specially formulated and marketed as being suitable for individuals who want to lose or control their weight
Slimming Services	Includes slimming centres which focus on weight loss through combination of machine -based and floor exercises, along with diet counselling
Fitness Equipment	Includes cardiovascular equipment (e.g. treadmill, stationary bicycles) and weight training equipment (e.g. weight lifting machines, barbells)
Fitness Services	Includes gymnasiums, dance studios, martial arts etc.
Dietary Supplements	Products intended to supplement the diet by providing additional nutritional substances (e.g. calcium supplements, mineral supplements, protein powder). Also includes vitamins, tonics & nutritive drinks
Fortified foods & beverages (FFB)	Includes packaged food and beverages to which healthy ingredients (e.g. calcium, omega3) have been actively added. Health benefit needs to form part of positioning/marketing of the product
Better For You (BFY)	Includes packaged food and beverages where the amount of a substance considered to be less healthy (fat, sugar, salt, carbohydrates) has been actively reduced during production
Naturally Healthy (NH)	Includes packaged food and beverages which are considered healthy in their natural form (e.g. 100% fruit juice, herbal tea, high fibre food)

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The Spa & Wellness Association of India (ISWA)

Sparsh Spa, Talwalkars Better Value Fitness Ltd.

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Anticlock Age Reversal Clinic and Medispa

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