

THE SPA & WELLNESS AUTHORITY

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Wellzoomers:

THE NEXT
GENERATION
OF CUSTOMERS
AND GUESTS



WELLZOOMERS:

Learn More About This Emerging Market Segment

Peter C. Yesawich, Ph.D. of Hospitable Healthcare Partners and Kevin M. Kelly of Civano Advisory Services discuss ways to maximize growth potential with WELLZoomers, a new market segment in the spa and wellness industry.

By American Spa Contributor, Sep 26, 2024

Tracking consumers' interest in health and wellness for over two decades we have seen tremendous growth in the industry. And based on the results of the new WELLSurvey™ described in this article, we now know over 60% of U.S. households with an annual income above \$75,000 (top half of all US households) regularly make spa, alternative medical practices, and healing therapies part of their daily lives. The pursuit of, and desire for, healthier physical and emotional practices is now well-embedded in our culture. Furthermore, for many, the concept of "wellness" has evolved beyond functional health metrics to include a more ethereal level of one's state of "wellbeing," a concept more closely associated with a life journey to find a peaceful and joyful state and achieve greater longevity.

The rediscovery and ascension of Eastern traditions, coupled with evidence-based health science and access to data through today's technology, has evolved as the Baby Boomer generation came of age and matured. Yet, the health and wellness story – and its expansive market – does not end here. Baby Boomers accelerated interest in spa, alternative medical practices, and healing therapies, but their children – now between 25-34 years of age and we call WELLZoomers, display even greater interest in the values and practices associated with healthier living. The WELLSurvey identified four nuanced target markets in which the WELLZoomers is the newest addition. Each market segment requires some level of customized messaging and program design to reflect their attitudes, behaviors and beliefs to differentiate them and maximize growth potential.

THE WELLSURVEY™

The insights shared in this article derive from a national probability survey that examined the health and wellness attitudes, behaviors, and intentions of the top half of U.S. households defined by annual income.¹ The sample of 1,002 adults was drawn from a nationally representative panel of U.S. households that met the following criteria in 2023:

- Head of household between 25-74 years of age.
- Annual household income greater than \$75,000 (mean of \$155,400, median of \$127,500).
- Proportional representation by gender and race.

The survey instrument consisted of 84 attitudinal, behavioral, and belief statements, plus a battery of questions about respondents' demography and health metrics. Respondents completed the survey online in January of 2024.

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KEY MARKET INSIGHTS

Data analytics revealed the following:

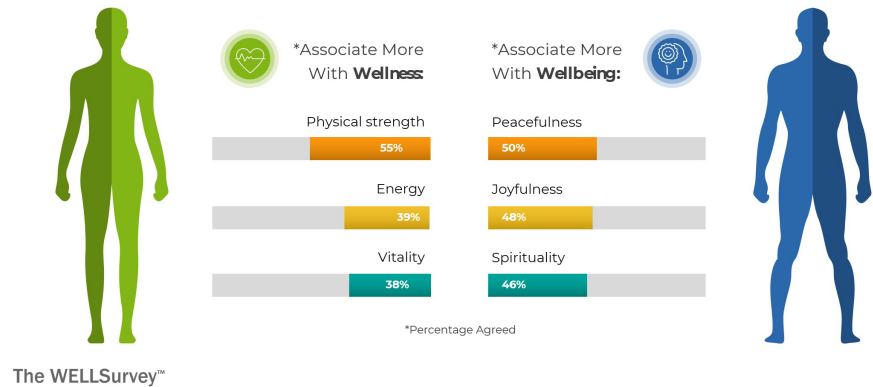
- Most households now incorporate some healthier lifestyle practices in their everyday lives and rely on evidence-based science to guide their choices.
- Consumers conflate the terms “wellness” and “wellbeing” and tend to use them synonymously.
- Yet, adults who believe that “wellbeing” describes a more holistic outcome of pursuing a healthy lifestyle display a significantly different attitudinal and behavioral profile.
- The scope and magnitude of this difference suggests that adults interested in enhancing their “wellbeing” represent a different market segment than adults who are solely interested in enhancing their “wellness.”

- There are four addressable market segments in the target population based on cluster analysis of their unique attitudes, behaviors, and beliefs: **WELLFanatics** (by exercise frequency), **WELLSearchers** (by use of spa, alternative medical practices, healing therapies), **WELLTrackers** (by use of a wearable to track health metrics), and **WELLZoomers** (by age cohort: 25-34 years of age). (This article focuses on the latter.)

Respondents’ understanding of the difference between the concepts of “wellness” and “wellbeing” was revealed in a word association test. Eighteen descriptive words were tested to determine how closely they were associated with each concept. The results were very illuminating: “wellness”

conjures up images of strength and vitality, while “wellbeing” is more closely associated with peacefulness and spirituality. The perception of wellness is based on objective, measurable activities, and functions that enhance healthier living, such as REM sleep, HRV, heart rate, oxygen intake, cholesterol, blood pressure, and mental acuity, etc. Wellbeing is described in more subjective, aspirational, relational terms that include an emotional component, with 65% of respondents agreeing they measure their wellbeing by “how hopeful, joyful, and energized they feel.” Respondents were then asked to express their understanding of, and agreement with, separate definitions of “wellness” and “wellbeing.”

The **top three** words associated with **wellbeing** differ considerably from the top three words associated with **wellness**, revealing that consumers believe these are two different concepts:



These were developed from an examination of the published literature on both terms and refinements by the authors to, in their judgment, add clarity as follows:

- “Wellness is a state of physical and mental health: you feel fit, energized, and vibrant through the pursuit of specific activities, behaviors, choices, and lifestyles.”
- “Wellbeing is a state of self-actualization that derives from your wellness (physical and mental health) and emotional health (how you feel about your spiritual awareness, personal and community relationships, career achievements, financial security, and environmental factors); you feel happy, healthy, joyful, socially connected, spiritually aware, and purposeful through the pursuit of specific

activities, behaviors, choices, and lifestyles.”

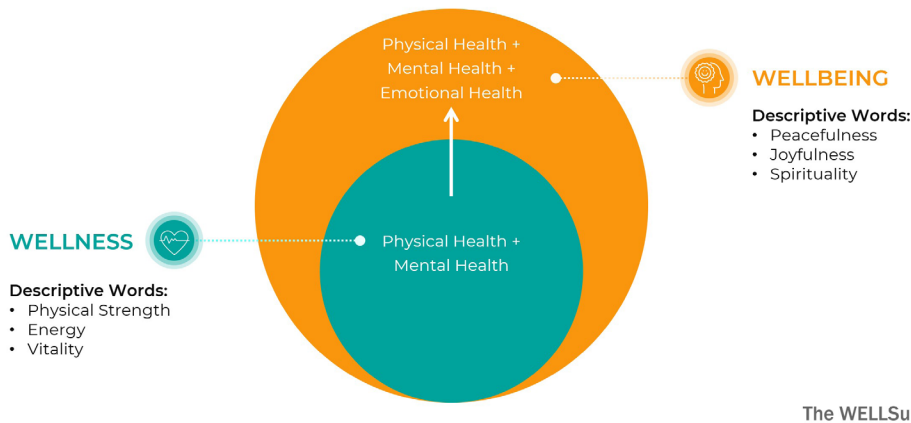
While respondents initially conflated wellness and wellbeing, there was considerable agreement on the definitions, 88% and 79% respectively, once they were introduced. This implies that consistent use of these terms and related standards in practice would alleviate much of the confusion that prevails about the two concepts in the marketplace today.

Notably, they experience anxiety 45% more often compared to older generations. Although 70% of WELLZoomers are optimistic about their future and 80% believe you can accomplish almost anything if you're determined.

Seventy-six percent of WELLZoomers describe themselves as joyful and have a desire to spend more time with their spouse/significant other. While the majority of all age cohorts agreed their

Today, there are 15.8 million WELLZoomer households in the US. Although the smallest of the four addressable market segments identified in the WELLSurvey, their size and importance will grow as the overall population matures. As revealed in this analysis, they are distinguished by their age and unique attitudinal and behavioral profile. They are therefore more likely to be engaged through messaging and marketing communications crafted specifically to appeal to their nuanced interests.

Visualization of Wellness and Wellbeing



WELLZOOMERS

Compared to their older counterparts (between 35-74 years of age), WELLZoomers have a 30% higher interest in consuming wellness products and services, use wearable technology to collect their health data 26% more often, and use recreational marijuana 60% more. They represent the highest concentration of health and wellness consumers utilizing the widest array of data and technology.

WELLZoomers tend to be more racially and culturally diverse, reside in urban areas, and are more likely to be unmarried and own a pet.

wellbeing is determined by an emotional outcome, WELLZoomer's track 16% higher than other groups in their focus on wellbeing.

MARKET OPPORTUNITY

The 2022 \$5.6 trillion global health and wellness marketplace has grown in scale, sectors, and complexity, and is projected to achieve a compound annual growth rate (CAGR) of 8.6% through 2027². It is therefore logical to conclude that “one size doesn't fit all” when targeting today's customers. Market segmentation is necessary for more effective strategic positioning, brand/product differentiation, and growth.

Children of Boomers, WELLZoomers are 25-34 years old and are more focused on their wellbeing than other groups.

Today there are 15.8 million WELLZoomer households in the US.

FOUR VERTICAL MARKETS

U.S. households headed by 25-74 YOA, annual HHI >\$75,000*



52.8 Million are WellSearchers

$(.60) \times (88,160,000)$
= 52,896,000 HHS



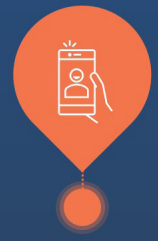
27.3 Million are WellTrackers

$(.31) \times (88,160,000)$
= 27,329,600 HHS



15.8 Million are WellFanatics

$(.18) \times (88,160,000)$
= 15,868,800 HHS



15.8 Million are WellZoomers

$(.18) \times (88,160,000)$
= 15,868,800 HHS

SOURCE: THE WELLSURVEY ©2024 CIVANO ADVISORY SERVICES, LLC

*88,160,000 HHS per 2022 Census data

IMPLICATIONS FOR INDUSTRY PROVIDERS

The health and wellness industry has evolved from a “healing arts” counter-cultural movement to the delivery of mainstream products and services designed to appeal to practically every lifestyle category, including but not limited to travel, real estate, food, fitness, mental health, medical, and technology companies.

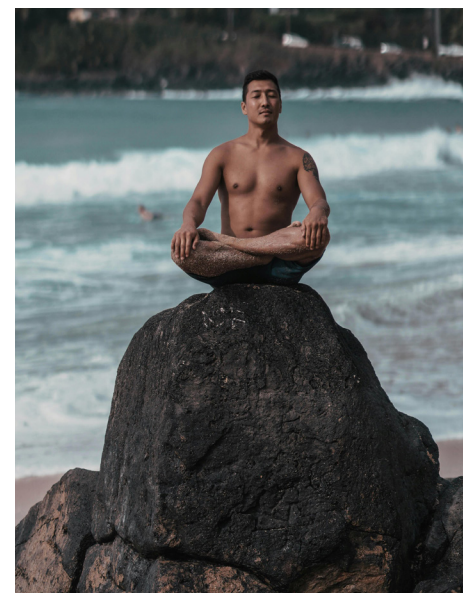
WELLZoomers grew up while the health and wellness industry was maturing. They have appropriated every healthier living tool available. They are nervous yet optimistic, believe in science but also adopt certain ethereal – even spiritual – aspects to enhance their wellbeing. They are technologically sophisticated and track their own health data and readily access other information. They are connected and represent the most important emerging market for companies providing spa, alternative

medical practices, and healing therapies, as well as the latest movement and nutritional products and wearable devices.

WELLZoomers fluidly live online and have access to the information technology now provides. Like many, they are inundated with messages promoting sound health science, new theories, market speak that may be misconstrued as science, and experiences and traditions that have been proven over time. Their antennae are tuned to discover the latest information, newest products and services, and condemn those who make false claims to attract their patronage.

WELLZoomers display the highest propensity to utilize health and wellness products and services among all affluent adults. They are growing, influencing other segments, and early adopters of new technology. While the underpinnings of the health and

wellness industry remain consistent for all users, programming, brand positioning, and the use of technology will need to be adjusted to appeal to this fascinating demographic as it begins to dominate the marketplace.



SOURCE: PEXEL/DANIEL TORBEKOV

¹ WELLSurvey, www.civanoadvisors.com

² Global Wellness Institute, 2023 Global Wellness Economy Monitor