A Marketer's Guide to

Capitalizing on the Momentum of Wellness

trajectory

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Table of Contents

Welcome 3
The Wellness Opportunity 4
From Fad To Necessity 6
Social Trends 8
How Brands Can Respond 10
Thank You 16

Welcome

Hi. Thank you for downloading our e-book A Marketer's Guide To Capitalizing On the Momentum of Wellness.

We hope you find it educational and that these tips help you better your overall marketing strategy. Today, wellness is no longer a space reserved for health, beauty and fitness companies. Brands across all categories can take advantage of huge opportunities to be reimagined in the context of wellness – while creating better, more positive experiences for customers who have already moved beyond "health."

Our firm specializes in branding and marketing across the health + wellness continuum, i.e from cleaning products, skincare, vitamins and supplements, to beauty and medical devices, spas, associations, physician groups, hospitals and health systems. These are the brands and audiences we know best, and where we have helped grow better business for clients since 1999.

At Trajectory, our goal isn't just about driving your marketing and business results, it's about how we achieve them. We use every moment as an opportunity to connect and add value, and always combine our industry understanding with a fresh perspective. Ultimately, creating the momentum that move customers, brands and businesses upward to new destinations.

If you're launching, rebranding or needing to energize an existing health + wellness business, I would love to speak with you. Please feel free to reach out to me at the email address below!

Best,

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The Wellness Opportunity

FOR EVERY BRAND, THERE'S A WELLNESS OPPORTUNITY.

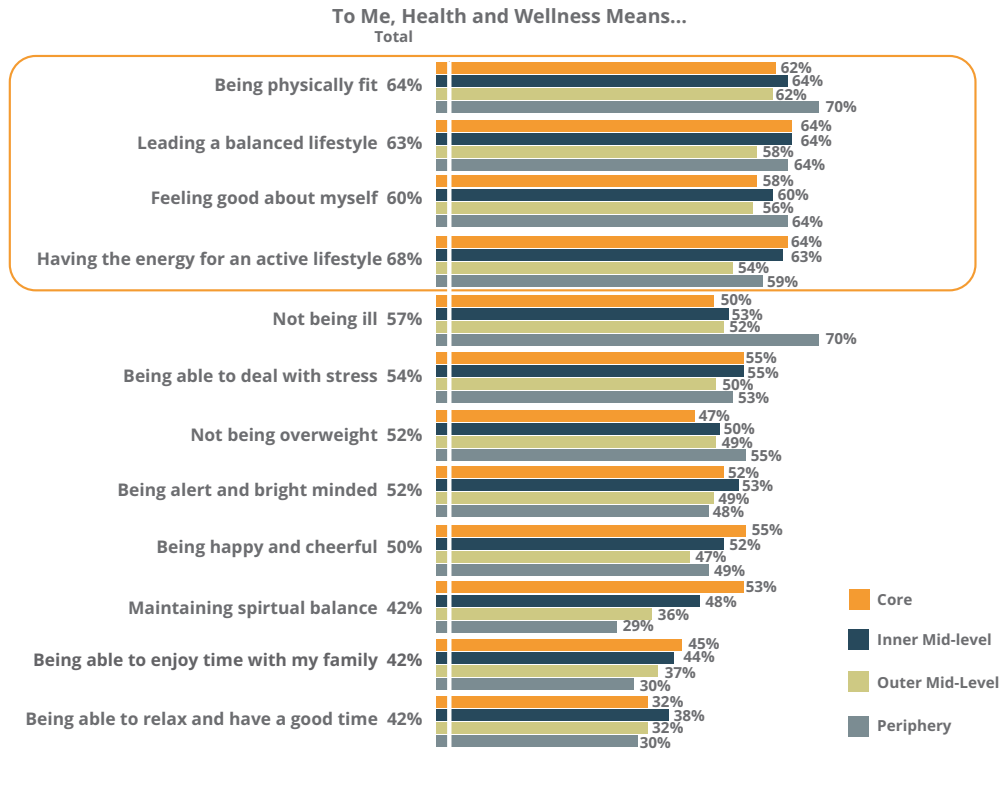
The future of health is wellness. And it's emerged as a key component of how we live – and measure – our lives. We're more aware than ever of what we put into and onto our bodies and are adopting positive lifestyle attitudes and behaviors to achieve higher levels of physical, mental, emotional and social well-being.

Health is a yes or no diagnosis based on tangible measures. It's also reactive and compliant-based. Wellness, on the other hand, is experiential, proactive and multi-dimensional.

The way we see it, "wellness" now encompasses virtually every vertical. And we see ample opportunity for brands across all sectors to connect with consumers who integrate aspirational and behavioral wellness goals into their everyday activities.

This e-book explores the current state of the wellness category, examines some emerging trends, and provides a way forward for both existing and emerging "wellness" brand marketers to capitalize on the momentum of wellness.

Health + Wellness encompasses the physical and the emotional, the tangible and the intangible



From Fad to Necessity

FROM FAD TO NECESSITY.

Wellness is no longer something we're willing to trade off. Because it's our lifestyle. This means actively seeking solutions that provide better, easier, "self-serve" ways to manage and improve our health.

The Global Wellness Institute estimates that the world's wellness economy exceeds US$3.4 trillion, and is expected to grow 17% in the next five years. To put this into perspective, this is three times larger than the global pharmaceutical industry. Here are the key category sectors and their 2015 market sizes (because of sector overlap, these numbers add up to more than the total):

- Beauty and anti-aging ($679 billion)
- Healthy eating, nutrition, and weight loss ($574 billion)
- Wellness tourism ($494 billion)
- Fitness and mind-body ($466 billion)
- Thermal baths and hot springs ($450 billion)
- Preventive and personalized medicine ($433 billion)
- Complementary and alternative medicine ($187 billion)
- Wellness lifestyle real estate: ($100 billion)
- Spa industry ($94 billion)
- Workplace wellness ($41 billion)

Market watchers agree that the trajectory of consumer spending in the wellness category will continue to increase in the future. In fact, consumers report they are willing to pay an 8.9% premium for products with health and wellness attributes, increasing from 6.2% just a few years ago. The beneficiaries of this spend will be the brands that best assist consumers in their quest to live balanced and healthy everyday lifestyles – encompassing physical, mental, emotional and social wellness.

Social Trends

Regardless of category, there's a sizeable opportunity in the growing wellness market

SOCIAL TRENDS.

Some of the major social trends that have come together to accelerate the momentum of the wellness movement include:

Aging baby boomers, born between 1946 –1964, are now suffering from chronic diseases and conditions. Their demand to counteract these effects and to maximize overall wellness is soaring. Upshot: don't ignore their relevance or their huge spending power.

For Millennials, wellness is a mainstream daily pursuit. They're armed with apps and trackers to assist with, monitor and share their fitness and health success with friends. Upshot: they're active networked stakeholders in their own (and their friend's) health.

Clean beauty. Concerned that chemicals may be hazardous to their and their families health, almost 50% of women are planning on purchasing natural or organic beauty and personal care products within the next year. Upshot: with trust in business already low, don't claim it if you can't deliver it.

Wellness in place. With growing awareness that dwellings affect wellness, our homes are becoming our sanctuaries with wellness features baked-in. Travel is also getting healthier, with travelers demanding experiences that help bring calm amidst the chaos. Upshot: Architects, household goods, hospitality, airlines - rethink your value propositions.

Health as Achievement: In a world where we constantly measure ourselves against others, being healthy is becoming an achievement. The product of discipline, wise choices and willingness to take on a challenge, healthy vitality is becoming an expression of where one stands in the pecking order. Upshot: let people see their aspirational selves in your brand.

Sleep is Health. Lack of sleep can lead to heart disease, high blood pressure, stroke, weight gain and diabetes. According to the CDC, 70MM Americans suffer from chronic sleep problems. Upshot: U.S. is the single largest market for sleep aids. Can you weigh in?

Balance is key. Knowing we can't do it all, we follow the healthy habits we know we should but reward ourselves with things that are comforting, relaxing or simply make us happy. Upshot: health and wellness is about developing a healthy lifestyle focused on the long term, customized to each individual and incorporating trade-offs of everyday life. Regardless of category there's a connection to be made and a sizeable opportunity to be captured in this growing market.

How Brands Can Respond

HOW BRANDS CAN RESPOND.

There's plenty at stake for brands to win in wellness. Across categories, brands should be rethinking their propositions, and telling and delivering their brand stories through this lens. Brands that ultimately rise to the top will be the ones who enable the greatest number of people to live balanced lives in mind, body and spirit.

Experience has taught us that a **precise playbook of characteristics and behaviors impact the ability of brands to pull people towards them.** And they should guide how brands capitalize on the momentum of wellness. Here are those eight factors, along with examples of brands using them to their advantage.

1. Know-how

Knowledge is power. Brands on the rise demonstrate their expertise, providing our System 2 "thinking" brains with credible proof that they know what they're doing and are the best solution to our particular needs. The proof will take different forms, depending on the particular wellness segment. For *GNC*, it may take the form of demonstrable scientific support for their formulas. For *Lululemon*, it's speaking the language of the latest trends in yoga and the expert opinions of their community ambassadors.

2. Authenticity

Leading brands live their values and practice what they preach. In the U.S., 62% of respondents of a Cohen & Wolf study said they would either purchase or be interested in purchasing from a brand that they viewed as authentic. Authenticity is particularly important to millennials, who avoid brands that try to appear to be something that they're not For *Method Cleaning* products, authenticity is about staying true to its purpose of "people against dirty." For *Dove*, it's championing women's empowerment and changing the conversation around beauty.

Experience has taught us that a precise playbook of characteristics and behaviors impact ability of brands to pull people towards them.

3. Dynamism

Magnetic brands stay ahead of the game. They evolve in ways that keep consumers interested and engaged and show that they can anticipate and lead change. Important to their audiences, they do this while remaining true to their values and beliefs. Given their energy, they're brands that people are instinctively drawn to as they set the agendas in their categories. Twenty years after its "t-shirts" start, Sports apparel company *Under Armour* sets the pace with technology that reaches customers where they hang out and its "gut" messaging that gets to the heart of its brand and customers. On the media front, *Well + Good* is a media company dedicated to creating content related to all corners of health and wellness.

4. Differentiation

Of all the components fueling a strong brand, one of the most critical is a point of difference. Particularly one that really matters to consumers. But beyond identifying a meaningful point of difference, brands must possess the courage to focus on this differentiation even when it means being rejected by some of their prospective audience. In hospitality, *EVEN hotels* is a distinctive brand concept created by InterContinental Hotels Group to help travelers' stay healthier and happier away from home. And then there's the ballet "barre." Founded in 2001 by choreographer and fitness teacher Carrie Rezabek Dorr, *Pure Barre* is a fitness company that focuses solely on "barre workout" techniques.

5. Emotional pull

Emotion creates unique meaning and an instinctive attraction beyond rational reasons for making a purchase. All brands on the rise have a mastery of emotion that connects with our System 1 brains at a deeper level. In our wellness-oriented culture, astute marketers know that mental and emotional health is as important as physical health and that "feeling good" is prioritized over "looking good." *Tough Mutter* delivers an inspiring message that whether you're a seasoned endurance athlete or just starting your fitness journey, there's a Tough Mudder event made just for you.

6. Symbolism

Great brands develop their own emotional shorthand and incorporate it into everything they do. They use shapes, colors, images, fonts and sounds to build brand equity and to evoke particular emotions that trigger our intuitive System 1 brains. In skincare, *Khiel's* is a great example of a brand using every opportunity for its own emotive language to shine through – in its packaging and truly unique, apothecary-based in-store experience. In technology, *Apple's* familiar silhouette of an apple with a bite taken out of it logo is everywhere that someone encounters the brand.

Emotion creates unique meaning and an instinctive attraction beyond rational reasons for making a purchase.

7. Alignment

It's imperative (though quite challenging) for brands today to present a consistent look, message, emotion and experience across all consumer touchpoints. Achieving this not only creates attraction and belief, but builds brand equity and maximizes marketing budgets. *CVS Health's* increasingly health-focused business now includes pharmacy services, retail, in-store health clinics and its own Digital Innovation Lab aimed at creating smart devices and apps to improve healthcare. On the fitness front, technology-led *Peloton* streams live classes to thousands of people across 14 countries. The app can send content to iPhones, iPads, and even the Apple TV, so anyone can use it to get a workout in their living room.

8. Tribe

Brands on the rise create, foster, and facilitate communities of like-minded individuals. This is particularly important in the wellness category, given that the "we" factor influences so much behavior. American indoor cycling company *SoulCycle* has built a cultish following of "spinners" across the country. On the beauty front, *Fenty Beauty* (launched September 2017) created a frenzy among options-starved beauty consumers with its YouTube tutorials logged 132 million views in a single month.

Fenty Beauty's YouTube tutorials logged **132 million** views in a single month

Summary

SUMMARY

The trends all point in a single direction – more and more consumers are spending on health and wellness. It's a way of life that now touches everyone and everything, and consumers of both sexes and across all demographics are propelling it forward.

For brands, it represents enormous potential to be reimagined in the context of wellness while simultaneously creating better, more positive experiences for customers who have already moved beyond "health". On the other hand, it represents enormous risk to relevance and revenue if you choose to sit on the sidelines.

So let us ask you — is your brand thriving or just surviving in what should be the impossible-to-ignore wellness market?

Healthfully yours...

Thank you again for downloading our e-book. We hope these tips for capitalizing on the wellness of momentum are beneficial to your efforts.

At Trajectory, we've specialized in working across the health + wellness continuum since 1999. While clients benefit from our deep category experience, they also benefit from how we approach their challenges. We understand the rules of the road, but help them to see new possibilities to set themselves apart, engage audiences more deeply and find new avenues for growth. We hope you will consider us for your branding and marketing needs and allow us to discuss with you how we can use every moment as an opportunity to move your brand and business to a new destination.

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