

**Canadian Health and Wellness Tourism:
Obstacles Impeding International Competitiveness**

Atipol Bhanich Supapol
Chair, Economics Area
Schulich School of Business, York University
asupapol@schulich.yorku.ca

David Barrows
Associate Director, Masters of Public Administration Program (MPA)
Schulich School of Business, York University
dbarrows@schulich.yorku.ca

Arthur Barrows, MBA

Canadian Health and Wellness Tourism (Obstacles Impeding International Competitiveness)

Atipol Bhanich Supapol
Chair, Economics Area
Schulich School of Business, York University
asupapol@schulich.yorku.ca

David Barrows
Associate Director, Masters of Public Administration Program (MPA)
Schulich School of Business, York University
dbarrows@schulich.yorku.ca

Arthur Barrows, MBA

Abstract

Canada's health and wellness industry has undergone a decade of expansion. Despite the great strides the sector must deal with a variety of pressing issues in order to ensure its long-term prosperity. A national marketing plan must be developed that effectively promotes the sector's various products. The federal government and industry associations must immediately create a set of nation-wide standards. Innovation programs should be reviewed and tourism offerings should be clustered whenever appropriate.

Key Words: Health and Wellness, Tourism Industry, Innovations, Clusters

Acknowledgments

The authors wish to thank the following individuals; Dr. May Aung, Dr. Clayton Barrows, Dr. Julia Christensen-Hughes, Dr. Wade D. Cook, Dr. Marion Joppe, Mr. Bruce MacMillan, Dr. Alan C. Middleton, Mr. Jack Morrison, Mr. Frank Verschuren, Ms. Lori Waldbrook, Dr. John Walsh, and Dr. Klaus Weiermair

Introduction

Over the last decade the health and wellness sector within Canada has undertaken a rapid expansion. Non-conventional treatments are being used by an increasingly larger segment of the population. As the popularity of health and wellness products increases repeat customers will inevitably become more discerning. Prospective clients have already raised questions about the legitimacy and safety of these unorthodox therapies. If government and industry do not adequately address the outstanding concerns held by the public they risk hindering the industry's long-term potential.

The objective of this paper is to assess the standards currently regulating the largest subset of the country's nascent health and wellness sector – the Canadian spa sector. The first section examines the intangible qualities that make the service sector distinguishable from manufacturing and its implications for health and wellness. Once finished the paper provides background information on the major activities taking place within Canada's health and wellness sector. The next section then presents the opinions of some of the country's top health and wellness professionals on the current state of their industry. The paper then concludes with some key recommendations for improving the country's health and wellness sector.

The Experience Economy

The purchase of an expensive good can be a very nerve-racking experience. Naturally a customer wishes to ensure that a product is reasonably priced and well made before making a purchase. However, in most instances the buyer does not possess the same amount of information as the seller and consequently will be more reluctant to complete a transaction. The asymmetrical information problem may cause consumers to purchase a less expensive product in order to minimize any losses or to simply postpone a purchase entirely. A smaller group may wish to only buy high quality goods in order to avoid items they believe are potentially defective. Once customer confidence is shaken in this manner it is difficult to recapture. Medium and high quality products will be purchased less frequently. This adverse selection on the part of customers may cause ambiguity in the market because no one will really know a product's true value (Pindyck and Rubinfeld, 2005). For example, a car recently bought with very few kilometres will have a noticeably lower resale value because of questions regarding its overall quality. Why would an owner wish to sell a car that was purchased so recently? Even if a client buys a well-made product it does not mean that its purchase was necessary or appropriate.

A customer may not know what sort of maintenance his/her car needs when it is brought into a service centre. In this circumstance the mechanic can offer a diagnosis that recommends unnecessary repair work. The service centre could even charge a client for work that was never completed. If consumers feel that this sort of fraud is widespread they may delay having work performed in the future. This inefficiency has profound implications. Car owners hesitant to go to the repair shop may decide to drive vehicles that are underperforming and perhaps even dangerous (Dulleck and Kerschbamer, 2006).

There may always be a certain amount of apprehension when buying a good; however, there are precautions that can be taken to increase a customer's confidence. Buyers and sellers can implement steps to make transactions more equitable as well as enjoyable.

A consumer can diminish reservations by researching a product beforehand and by testing out the good, if possible, prior to buying. A seller can instil confidence by providing clients with assurances and warranties (Dewally and Ederington, 2006). For instance, if a product is considered deficient a customer may be able to return to the place of purchase in order to obtain a refund or replacement. In another case an older item may be repaired free-of-charge if covered by a longer-term warranty. Laws can be enacted which outline penalties for businesses that perform unnecessary repair work. Professional associations can establish a code of conduct for their various members. Some companies may even set standards which are more rigorous than those adhered to by their colleagues in an attempt to prove their professionalism. Assurances such as these can instil a sense of trust within the general public. As a result, consumers will be less apprehensive and more likely to make a variety of purchases. A wider selection of items can be sold if a consumer is confident that they will be able to purchase a reliable product. This can increase the frequency of sales for medium and high quality products. Warranties and commitments may enhance consumer trust for a particular good, but their value for the service industry is less definitive.

Unlike goods consumers are normally unable to try out a service beforehand and once consumed there is nothing tangible remaining for future inspection. The inherent intangibility of services makes them more difficult to evaluate. Of course goods and services are not entirely independent. When a customer buys a new car he/she will normally interact with a dealership's salesperson. Conversely, airlines may be considered part of the service industry but when flying the seat, beverages, and food are all very tangible. Airlines do offer goods to their customers but ultimately they are selling the public a service (Lewis and Chambers, 2000). If the intangible elements are not properly administered clients will likely consider the service inadequate.

Some feel that the health and wellness industry provides its users with perishable commodities; once a service is finished no tangible product remains for the consumer. Consequently, complementary and alternative treatments are inherently difficult to evaluate. The natural intangibility of health and wellness services is similar to what is found within other businesses that are part of the service or experience economy (restaurants and hotels encounter similar obstacles). Consequently, to ensure this industry operates successfully it is important for the sector to effectively "shape" its customers' expectations. Clients should be given more control over the planning and delivery of their experiences. The cruise industry appears to understand this multi-faceted approach to the service experience.

Cruise lines know how to empower their customers giving them the power to make decisions on all items relating to their trip. Additionally client expectations are managed throughout the process – they're given pictures beforehand of their accommodations and destinations and these images are

recreated perfectly during their travels. Afterwards they receive pictures in the mail showing them on the cruise enjoying themselves providing the customers with even greater positive reinforcement (Research Interviews, 2006).

Some argue that Canada should, at least in part, associate its health and wellness brand with its country's First Nations. Aboriginal "healing circles" could be marketed to customers seeking a profound and different health and wellness experience (Research Interviews, 2006). In order to deliver this kind of managed, holistic experience Canada's health and wellness industry must try to collaborate with other sectors whenever possible. By providing information to clients on bundled services beforehand, clients' expectations can be more effectively managed. For example, a prearranged package can be made for a customer ensuring a more cohesive experience. This is not only applicable for the health and wellness sector but also for the entire tourism industry. Canadian tourism currently consists of a series of vertical silos; a collection of restaurants, hotels, attractions & so forth. The lack of coordination may be one of the factors contributing to Canada's tourism slump (Prewitt, 2003). Although Canada has a great deal of positive attributes its inability to set and manage expectations may be contributing to its ongoing tourism problems. This issue is pertinent for the health and wellness industry because the challenges it faces, in many respects, mirror the more severe obstacles being encountered by the broader tourism sector. Since 2003 Canada's tourism industry has been unable to rebuild its strong international reputation. During the completion of our primary research (which will be discussed more thoroughly in the following sections) the respondents we interviewed were asked if certain countries promoted their "tourism brands" more effectively than Canada. The nations mentioned to the participants (France, Spain, America, and the United Kingdom) have received more international arrivals than Canada every year since 2003 (WTO, 2005).

Interestingly, almost all of the experts interviewed said, without hesitation, that the abovementioned countries have all done a better job of managing the expectations held by prospective visitors. In other words, in spite of Canada's large number of services (restaurants, hotels, and public transportation) its poor marketing (branding) has been at least partially responsible for its decline in international travellers. It is obviously important to keep in mind that SARS almost single-handedly accounts for Canada's poor performance in 2003. Nonetheless, other countries that were afflicted with SARS have managed to rebound from the crisis more effectively than Canada. For example, China's tourism industry was able to successfully overcome any lingering negativity and in 2004 dramatically increased its overall number of international arrivals (WTO, 2005). Despite Canada's many strengths, its national brand is currently lacking. The lessons available from these findings are obvious. The health and wellness industry must implement reforms to avoid the types of problems being experienced within the rest of the marketplace. One potential solution to this issue is the creation of a tourism service cluster that focuses primarily on standards and innovation. Before we begin to examine the importance of standards and innovation for Canada's health and wellness industry it is important that we first learn more about this burgeoning sector.

Health and Wellness Tourism

Since time immemorial people have sought treatments to help them look and feel better. The complementary and alternative medicines (CAMs) that are now becoming commonplace were in many cases used before the development of conventional medicine. For example, the traditional Chinese herbs found within today's health food stores have been prescribed to patients by Eastern physicians for thousands of years. Acupuncture is an ancient healing technique that has been practiced by acupuncturists throughout Asia for several centuries. Thousands of years ago Bian Que, considered by many to be the founder of Chinese medicine, used a combination of acupuncture and traditional herbs to revive the moribund Prince within the Kingdom of Guo, now known as the Henan province (ATS, 2006). Although the efficacy of health and wellness treatments may be fiercely disputed, from all accounts Henan's prince was demonstrably satisfied!

Of course traditional medicines are not simply used to treat diseases but are also designed to help individuals remain healthy and vibrant. Ayurvedic medicine originated in India over 2000 years ago and is now followed by practitioners throughout North America. Ayurveda is a holistic medical system which teaches practices that create harmony between the mind body and spirit. Ancient practices are used to not only prevent illness but also to promote wellness (NCCAM, 2006). Popular treatments being used right now, such as yoga and massage, are both integral parts of Ayurvedic medicine. It is apparent that health and wellness professionals incorporate traditional (non-conventional) medical practices from a variety of cultures. A native healer's herbal remedy for a common cold and the revitalizing hydrotherapy treatments offered in a Western European spa are both examples of health and wellness therapies. On the surface the practices mentioned above may not appear to be interconnected however many practitioners believe that they are both part of a wider trend commonly referred to as the wellness movement.

The term "wellness" was originally used by Halbert L. Dunn in a book he wrote titled "High Level Wellness" released in 1961 (Ardell, 2004). The book was based on a series of lectures that occurred at a Unitarian Universalist Church in Arlington, VA. Since then several people have attempted to define the term but there is no one generally accepted definition. Mary Tabacchi, a professor at Cornell University's School of Hotel Administration, believes that health tourism encompasses "any kind of travel to make yourself or a member of your family healthier" (Ross, 2001, p.1). The definition provided by resort spa developer and health and wellness specialist, Mel Zuckerman of Canyon Ranch in Arizona, is one that is frequently cited by experts and practitioners.

Today's total spa-places [provide] programs devoted to an individual's health and fitness, are designed to make the guest feel significantly better than when they arrived. The combination of fun, exercise, a healthy and balanced diet, pampering relaxation, and education on managing stress offers magnificent chance for renewal. A spa is a comfortable environment [for a person] in which to learn how to use the tools of life enhancement and get motivated to

[go] back into the real world and practice what they have learned.
(Verschuren, 2004).

Some feel that health and wellness services can be placed within two separate categories, pampering and wellness. Pampering is fairly self-explanatory – services such as massages, herbal wraps, and exfoliating scrubs – are pleasurable experiences used to make a person more relaxed and contented (Ross, 2001). On the other hand, wellness is designed to prevent a specific health problem from occurring so that a person can maintain or improve his/her physical and/or mental well being. Marion Joppe, Director at the University of Guelph's School of Hospitality and Tourism Management, emphasizes the holistic aspect of wellness products and identifies some of the daily stressors that drive users to access these services.

We are desperate to find an oasis, a place where we can be at peace, breathe deeply, regain our internal balance, re-establish the harmony between our body, mind and soul so we can confront this fast-paced, complex and increasingly scary world of ours another day. But we are no longer prepared to make big efforts and huge sacrifices to look and feel better, as we were told we had to do only a decade ago. The time has come to be kind to ourselves: to strive for balance, harmony but also pleasure. Welcome to the wellness revolution! (Joppe, 2003).

The myriad of benefits attributed to health and wellness services are obviously enticing. Overworked adults concerned about their health and appearance are naturally drawn to these non-conventional therapies. In 1998/99, close to two million Canadian's said that they had visited a complementary and alternative care provider (for example, a massage therapist or homeopath) while about 2.5 million Canadians reported visiting a chiropractor (CIHI, 2000). This hunger amongst Canadians for complimentary and alternative treatments is palpable. The spa industry, generally regarded as the health and wellness market's largest player, has responded to this demand by undertaking a rapid expansion.

The Canadian Spa Industry

Over 75% of all Canadian spa properties are less than 10 years old showing the large increase in demand for these services (Verschuren, 2004). The Canadian Spa Association believes that the domestic industry will continue to grow and is expected to double in size within five years. The International Spa Association (ISPA) estimates that there are approximately 2,100 spas in Canada, with 75% of them classified as day spas. Like the US, the Canadian spa industry segment is largely comprised of Small and Medium-sized Enterprises (SMEs) and most properties are independently owned. The amount of revenue generated by this developing industry is already substantial.

Revenue collected by the Canadian spa industry in 2003 exceeded \$1.5 billion (Verschuren, 2004). The sector is also a large employer, containing approximately 33,189 workers. In 2003, the average number of visits per spa was 10,100 with average revenues of C\$752,000. Retail space, treatment rooms, dedicated relaxation areas, and beauty salons are the core program areas for the majority of spas. As spas begin to add to their existing programs they will cultivate a new group of enthusiasts. For example, customized packages coupling golf getaways with spa services are beginning to attract male customers – a fast growing part of the market. The spa market in Canada is still relatively novel and has a long way to go before it is fully expanded. The spa industry may be poised for long-term growth however we must remember that no business, no matter how popular, is immune from retraction. A few years ago Canada's tourism industry was enjoying rapid expansion. The country was considered by many to be a premier destination for international travelers (WTO, 2004). Since 2003 international tourism has dwindled and domestic tourism, although strong, remains susceptible to erosion (Statistics Canada, 2006). If Canada's health and wellness industry wishes to increase its long-term viability it must constantly innovate. If clients do not feel satisfied with the industry's products they will become more inclined to use spa services outside of Canada. In order to find out what steps Canada's health and wellness industry could take to continue and improve upon its current successes the authors interviewed several of the sectors top thinkers and practitioners.

Discussion

Profile of Subjects

Over a fourth month period several one-on-one interviews were conducted with high profile decision-makers from within Canada's health and wellness industry. Senior members of academia, heads of industry associations, and executives within the private sector were contacted and interviewed. Many of the respondents interviewed were responsible for a wide range of tourism offerings in addition to health and wellness. For instance, one participant was a senior board member with the public agency responsible for Ontario's tourism marketing strategy. Another respondent was head of the organization in charge of destination marketing for the City of Toronto. Other participants were prominent academics and practitioners from within Canada's health and wellness sector. The interviews were all very thorough and lasted (on average) for approximately one hour. The experts answered several questions and provided us with a great deal of pertinent information.

Current Popularity vs. Future Popularity

At the start of the interviews the participants were asked if they considered health and wellness more popular than conventional medicine. Many of the respondents said that health and wellness was a fast-growing sector but the majority still felt that Western medicine was more popular. Although the majority of respondents consider Western

medicine to be the more popular alternative, many believe that Canadian's will become increasingly dissatisfied with its widely perceived shortcomings.

As populations in the Western world age the costs associated with healthcare will continue to balloon creating an overwhelming demand on these services. Like many other developed countries, Canada has been grappling with serious issues surrounding its healthcare system and many of the respondents believe that the current system is simply unsustainable. Funding for Canada's health system takes up a large component of the country's budget and has been responsible for a great deal of acrimony amongst its various levels of government. "We're already paying too much for healthcare and aren't receiving the commensurate level of service" (Research Interviews, 2006). The high cost of medication and unavailability of drugs are highly controversial issues that have received tremendous media attention across North America.

Changes to formulary systems and the introduction of ethical pricing in the United States have helped to alleviate some of the concerns however the participants we interviewed felt that prescription medication, equipment, and technology would still remain important issues for the foreseeable future. In addition to the high costs, many Canadians have become increasingly dissatisfied with what they perceive as a reactionary medical system. Many experts believe that Western medicine does not effectively prevent problems from emerging but instead neglects patients concerns until they are serious. Many of our respondents believe that dissatisfaction with conventional treatments is one of the forces driving clients towards complementary and alternative medicines. "I've heard stories from friends whose allergies haven't been helped by their doctors...of course they're going to try other treatments" (Research Interviews, 2006). In spite of the problems plaguing Western medicine the issues affecting the health and wellness industry are just as significant.

The experts all agreed that as baby boomers age they will continue searching for non-conventional forms of treatment to help them sustain their physical, mental, and spiritual well being. Baby boomers are desperate for the "fountain of youth" and are willing to try less traditional forms of medicine in an attempt to stay perpetually youthful. Nonetheless, their eagerness to seek out new treatments may be hampered by the various issues affecting these non-traditional services. Deficiencies in marketing are impugning the health and wellness industry's reputation and this problem will persist until countrywide reforms are thoroughly implemented. A lack of uniform standards is hurting complementary and alternative medicines credibility and our respondents feel that this has led to confusion within the Canadian marketplace. "Rightly or wrongly alternative medicine's practitioners are not considered as respectable as the stereotypical family doctor" (Research Interviews, 2006). The Canadian government has been reluctant to cover alternative forms of medical treatment and private insurance has also been conspicuously hesitant. Standards for non-conventional treatments are not homogeneous but instead vary from province to province. In some instances government standards are non-existent but are instead created and enforced by the industry. For example, the regulations covering massage therapists vary by province thus creating a geographic gap in knowledge and services.

The usage of the word spa is completely unregulated and can simply be adopted by any new business. “We tried getting the term spa copyrighted but were simply unable to” (Research Interviews, 2006). Certain industry associations have tried to resolve this problem by establishing their own set of standards but their enforcement and promotion capabilities are simply inadequate. Membership in a spa association is non-compulsory and there are many associations to choose from making it difficult for the industry to speak with a unified voice. “Different associations represent different interests; consequently it is tough for them to come up with a one-purpose blueprint” (Research Interviews, 2006). Thus it is very difficult for the industry to impose and enforce a lone set of standards. Some of the experts feel that the appetite for health and wellness products will become so great that clients will try these services despite the ambiguity surrounding their cost, regulation, and standards. One expert believes that the demand is so strong that the sector will be able to survive and recover from unwanted publicity. “Baby boomers are so desperate to stay healthy looking they’ll continue to use new treatments even if they hear bad things about them from their friends or the newspaper” (Research Interviews, 2006). In this case the customer’s desire for complementary and alternative medicine will eventually trump any negative publicity surrounding safety and training.

The participants all agreed that baby boomers would continue to spend large sums of money on complementary and alternative services. As this segment of the population ages their increased free time and disposable income will further strengthen their ability to purchase these products. “This baby boom generation is the most self-absorbed generation in the history of the country...they grew up on peace and love but don’t let that fool you, their control freaks who will stop at nothing to stay young looking” (Research Interviews, 2006). Canada’s multicultural composition (especially within Toronto, Montreal, and Vancouver) will also fuel the rise in demand for non-conventional treatments. It is believed that these new immigrants will be more familiar with complementary and alternative therapies and will have fewer inhibitions about using them. Young affluent men are becoming increasingly concerned about their appearances and the respondents believe this group will begin to purchase spa treatments on a more regular basis. Spas are now marketing products specifically for men and they are seemingly more receptive to using these services.

Although the domestic market may appear very secure if the issues affecting health and wellness treatments are not forcefully dealt with clients may grow dissatisfied with the industry’s offerings. Some prospective clients may abandon the Canadian market, instead opting for services abroad; others may simply forgo these treatments entirely. “Canada’s ability to attract tourists from abroad is questionable; the wellness market’s number one priority should be maintaining its Canadian client base” (Research Interviews, 2006). Although the health and wellness industry will probably be able to withstand a decrease in customers, the sectors ability to attract international tourists may become irreversibly damaged. The outstanding issues surrounding complementary and alternative medicine and Western medicine not only hinder their domestic and international reputations but also endanger their ability to cooperate with one another.

Many of the experts interviewed believed that complementary health and wellness products would continue to be overlooked because of hesitancy amongst conventional physicians and insurance companies to seriously research their efficacy. Many doctors and insurers still view health and wellness services with scepticism and are reluctant to incorporate these practices with more conventional treatments. Insurers are unwilling to cover treatments which are unscientifically proven and medical researchers are reluctant to examine non-conventional services. Some of the experts feel that if a mainstream medical researcher were to promote complementary treatments they would likely be ostracized by their more conservative colleagues. As a result, this type of research is less likely to be contained within the more mainstream journals and is instead typically found in more obscure publications. “The problem is not only that not enough research will be done in this area but that the research that is done will not find its way into the right publications” (Research Interviews, 2006). Until there is a paradigm shift within the medical community this research will not be given the requisite amount of attention. Some of the respondents believe that in order to have a truly integrative system, Canada must begin replicating the healthcare system typically available within Europe.

In Europe there are spas designed to treat particular ailments and they play a key role in a patient’s recovery. Health related spa trips can in many cases last several weeks and are integrated into a plan which includes more conventional treatments. Spa facilities are subsidized by government and patients are routinely referred to these destinations by their family doctors. The medical treatments are in some cases preventative and the services prescribed are normally longer-term in duration. For example, if a patient is suffering from high blood pressure he/she will be given time off of work and sent to a spa to receive targeted treatment. This type of pre-emptive care is designed to help the patient avert more serious problems. The strategy is not simply altruistic – these policy makers realize that it can be less expensive to prevent a serious illness from surfacing as opposed to dealing with a disease after its commencement. “Europe understands the need for these types of spas and governments cover these trips as part of their healthcare programs” (Research Interviews, 2006). It is apparent that Canada’s health and wellness sector is flawed but the respondents believe that other industries still contain significantly more drawbacks.

Bed and breakfasts (B&Bs) are traditionally thought of as sanctuaries for overworked people to rest and rejuvenate. B&Bs have enjoyed success in certain areas of Canada but many of the experts we interviewed believed that these quaint dwellings were no longer popular. Stratford and Niagara on the Lake (Ontario) have typically attracted a large number of international tourists. However, as mentioned previously a variety of factors have recently damaged the country’s traditionally high reputation. SARs, increased gun crime, tighter border security, and a higher Canadian dollar helped precipitate the rapid erosion. American travellers, a tremendously important part of the country’s travel market, are now less likely to journey north of the border. “Look, Canada was able to historically rely on its low dollar and safe international image – however these two things are gone and we don’t have other things to attract these visitors” (Research Interviews, 2006).

Sports tourism can be a cathartic pick-me-up for tourists to burn excess steam. A sporting event can be exhilarating to watch for a passionate spectator. Other tourists prefer to actively participate in a sport (running, skiing) as a way to keep themselves physically active. Although the respondents did not necessarily consider sports tourism a high-growth segment of the market, some believe that domestic travellers will increasingly seek out more physical experiences. Canada does offer hunting and wilderness tours which in many cases are provided by the country's native population but these have not generated a great deal of national interest. The country's sports tourists in some cases will choose biking or hiking tours abroad (for example in Ireland or England) over nature tours being offered in Canada. These tours in many cases are combined with a stay in either a bed and breakfast or a more upscale resort and these packages can be very enticing. However, despite the apparent charm of these activities they are not bringing in increased numbers of tourists. In fact the experts believe that it is not simply active sports tourism that is currently suffering but that passive tourism (i.e. being a spectator at a sporting event) is also a weak part of the market.

Fans in Canada will travel to certain large scale sporting events (Grey Cup) but they generally are not considered as rabid as fans within Europe. The cross-country trips taken by European soccer fans are not as common amongst sport fans within Canada. "Rugby will get spectators to travel to it in England, Australia, and New Zealand but this kind of thing just isn't happening in Canada" (Research Interviews, 2006). In fact, during international tournaments many Canadians will root for the country of their forefathers instead of for the team representing their birthplace! The Calgary Stampede is a show that is fairly well known internationally but the country has very few sporting events that generate this type of interest. At the collegiate level Canadian sports are not nearly as popular as they are in America. While certain teams may be extremely popular locally (Toronto Maple Leafs) they simply do not entice a large number of international tourists. Although sports may be considered auxiliary to the health and wellness market this is yet another area which will have trouble increasing its client base.

Although Canada's health and wellness industry may be performing reasonably when compared to other parts of the tourism sector many of the respondents feel that other countries offer health and wellness products that are markedly better. It is important to keep in mind that Canada's health and wellness market is still relatively novel and it has not had the opportunity to become fully established. Additionally, there are certain areas within the country that have successfully promoted themselves as health and wellness destinations but these are relatively small subsets of the overall market.

"Argentina's mentality is relevant for Canada. Argentina seems like it has a great future but always seems like it has a great future. Other than the Maritimes and Newfoundland Canada has been losing market share in tourism – we simply don't market ourselves well" (Research Interviews, 2006). Obviously, Canada's health and wellness sector will have to make some large-scale changes to ensure it effectively capitalizes on its potential.

Conclusion: Improving Canada's Health and Wellness Industry

The experts identified several issues which must be resolved in order for the health and wellness industry to reach its potential. The respondents feel it is essential for the provinces and industry associations to collaborate on a set of national standards. It is important for the standards to be homogeneous and not variable from province to province. A set of standards outlining requirements for training and services would force the industry to achieve a certain minimal level of quality. "Staffing is the most important issue facing not only the CAM industry but the entire Canadian Economy – something needs to be done to ensure that this becomes better" (Research Interviews, 2006). If regulations were compulsory it would reduce any ambiguity thus consumers would be able to know what to expect before accessing a service. As service levels improve these could be advertised locally and regionally while at the national level the country's image could be changed so it effectively showcases the industry's products.

Canada's international advertising could explicitly mention the country's alluring natural surroundings and culture – giving potential tourists a fresh perspective (for a more detailed explanation of this and the remaining recommendations please refer to Table 1.1 located at the end of the section). Once interest is generated individual regions should have information available for consumers promoting their localized products. The national standards could also be advertised domestically as well as internationally. By fostering sector collaboration the federal government can ensure that regions are offering more comprehensive services. Some of the experts recommend that the federal government should try to entice the different sectors (spas, B&Bs) by offering them marketing assistance and infrastructure improvements. Others consider this type of intervention inappropriate.

The ability of the federal government to help with collaboration is constrained by a lack of resources and its free market principles. For example, the government cannot force different entities to collaborate – different sectors must decide to work together on a voluntary basis. However, in spite of the obstacles the federal government (along with the provinces) can try to initiate projects. Perhaps if financial rewards are offered it may be a way to win over approval.

By offering the different players incentives to collaborate, the federal and provincial governments can help this industry to grow and allow it to reach its full potential. It is imperative that the various levels of government do all they can to engender collaboration and innovation whenever possible. The health and wellness industry is too important for our national economy to be left fragmented and unstructured. The sector must function at an optimal level so that it can effectively compete with its international rivals while providing its customers with a superlative level of service.

Table 1.1: What can be done to increase the industry’s national and international recognition?

Marketing	Coverage	Standards	Training	Government
<ul style="list-style-type: none"> ▪ The federal and provincial governments must intensify their inter-jurisdictional collaboration ▪ Canada should market the following desirable characteristics: <ol style="list-style-type: none"> 1. Tolerance – Canada is known for being socially progressive 2. Geography – Canada contains breathtaking landscapes 3. First Nations – Canada’s Natives possess a revered health and wellness culture 	<ul style="list-style-type: none"> ▪ An important issue but should not supersede the other priorities ▪ Governments and private insurance must re-examine their policies ▪ Individuals will likely continue paying for the majority of their health and wellness expenditures (receiving minimal supplemental assistance) 	<ul style="list-style-type: none"> ▪ The spa associations must develop a set of industry-wide standards ▪ A new inter-provincial agreement must be created to ensure existing laws are nationally consistent 	<ul style="list-style-type: none"> ▪ A new inter-provincial agreement must be ratified outlining a set of national standards (i.e. massage therapy) 	<ul style="list-style-type: none"> ▪ The federal and provincial governments must continue to market Canada both at home as well as internationally ▪ Marketing campaigns must be done in conjunction with industry ▪ The federal and provincial governments must ensure that the industry is regulated by a set of national standards

About The Authors

Atipol Bhanich Supapol received his Ph.D in Economics in 1988 at Carleton University. He is currently the Chair of the Economics department at the Schulich School of Business at York University in Toronto. Supapol is also a visiting professor with the School of Management at the Asian Institute of Technology, at Chulalongkorn University in Thailand, and with the College of Economics at Nankai University in China. He was also a consultant to the United Nations (UNCTAD/ESCAP) and a number of Canadian government organisations including the Economic Council of Canada, Transport Canada and the Canadian International Development Agency.

David Barrows is the Associate Director of the Public Administration Program at the Schulich School of Business at York University in Toronto. He is also a former Director of Industry and Trade Policy at the Ministry of Industry for the Government of Ontario.

Sources

- Adams, S. 2006 *Quick escape tourists: Day spa getaways the remedy for many overworked Canadians*, Calgary Herald, F4.
- Anonymous 2006 *Personal services industry shows steady growth: Statistics Canada*, Canadian Press News Wire.
- Anonymous 2003 *SARS devastates restaurants in Toronto*, Restaurant Business, 102 (9): 12.
- Ardell, Donald. 2000, *What is Wellness*, retrieved January 2006 from the following website: www.seekwellness.com
- ATS. 2006, *Bian Que*, retrieved February 2006 from the following website: www.traditionalstudies.org
- Bennett, T.B. 2004, *Rubbed the wrong way: Massage therapists concerned by proposed new training programs at private colleges*, Telegram, A3.
- Canadian Institute for Health Information 2000, *Healthcare in Canada: A First Annual Report*, Canadian Institute for Health Information, Ottawa, Ontario
- CMTA. 2004, *Perspective Regarding the Issue of Legislation*, retrieved June 2006, From the Canadian Massage Therapist Alliance's website: www.cmta.ca/pdf/perspectiveonissueoflegislation.pdf
- Constantineau, B. 2006, *Pampering spas fastest-growing tourism niche*, the Vancouver Sun, D3
- CTC. 2005, *2004 Tourism Highlights*, Canadian Tourism Commission, Vancouver.
- CTC. 2005, *For the Health of it...A Business Strategy for Health and Wellness Tourism in Canada*, Canadian Tourism Commission, Vancouver.
- CTC. 2005, *Overnight Spa Tourists: A Special Analysis of the Travel Activities and Motivation Survey (TAMS)*, Canadian Tourism Commission, Vancouver.
- Deirdre, K. 2006, *One ring to save our tourism industry*, Globe and Mail, M1.
- Dewally, M. and L. Ederington. 2006, *Reputation, Certification, Warranties, and Information as Remedies for Seller-Buyer Information Asymmetries: Lessons from the Online Comic Book Market*, the Journal of Business, 79 (2), 693-730.
- Dulleck, U. and R. Kerschbamer. 2006, *On Doctors, Mechanics, and Computer Specialists: The Economics of Credence Goods*, Journal of Economic Literature, 44 (1), 5-42.

Ebner, A. 2000, *Schumpeterian Theory and the Sources of Economic Development: Endogenous, Evolutionary or Entrepreneurial?* Originally presented at the *International Schumpeter Society Conference on 'Change, Development and Transformation: Transdisciplinary Perspectives on the Innovation Process,'* Manchester.

Haigh, R. 1999, *Reconstructing paradise: Canada's health care system, alternative medicine and the Charter of Rights*, *Health Law Journal*, 7, 141.

Hall, D. 2006, *Booming spa industry hungry for qualified staff*, *The Ottawa Citizen*, F11.

Hickton, C. and T. Padmore. 2004, *Patterns of Innovation in the Okanagan Wine-Making Cluster*. Presented to *Innovation Systems Research Network Annual Meeting*. Innovation Systems Research Network, Toronto.

Joppe. 2003, *The Impact of the Wellness Revolution on the Spa Industry*, originally presented at the Spa Ontario Media Event

Lewis, R. and R. Chambers. 2000, *Marketing Leadership in Hospitality: Foundations and Practices*, Third Edition, John Wiley & Sons, New York.

McFarland, B., D. Bigelow, B. Zani, J. Newsom, & M. Kaplan. 2002, *Complementary and alternative medicine use in Canada and the United States*, *American Journal of Public Health*, 92 (10), 1616-1618.

NCCAM. 2006, "What is Ayurvedic Medicine," retrieved February 2006 from the following website: <http://nccam.nih.gov>

Pindyck, R. and D. Rubinfeld. 2005, *Microeconomics*, Sixth Edition, Pearson Prentice Hall, New Jersey.

Prewitt, M. May, 2003, *Toronto struggles back as SARS warning lifted*, *Nation's Restaurant News*, 37 (19), 8.

Ross, K. 2001, *Health Tourism: An Overview*, retrieved February 2006, from the following website: www.hospitalitynet.org

Ruttan, S. 2005, *Therapists denied recognition: Rivalry scuttles professional college*, *Edmonton Journal*, A7.

Spencer. C. 2005, *World of difference in massage therapy*, *Edmonton Journal*, E15

Statistics Canada. 2006, *National Tourism Indicators: Quarterly Estimates Third Quarter 2005*, retrieved February 2006, from the Statistics Canada website: www.statcan.ca:8096/bsolc/english/bsolc?catno=63-011-X

Sullivan, D.S. 2002, *Massage therapists urged to meet high standards*, Telegram, A4.

Teece, D. 1986, *Profiting from technological innovation: Implications for integration, collaboration, licensing and public policy*, Research Policy 15, 285-305.

Verschuren, F. 2004, *Spa Health and Wellness Tourism: A New Product Portfolio at the Canadian Tourism Commission*, Canadian Tourism Commission, Vancouver.

Weiermair, K. 2004, *Product Improvement or Innovation: What is the Key to Success in Tourism?* OECD, Paris.

WTO. 2004, *Tourism Highlights: 2004 Edition*, World Tourism Organization, Madrid.

WTO. 2005, *Tourism Highlights: 2005 Edition*, World Tourism Organization, Madrid.