

# The Health Industry: In Great Shape

By Toshiyuki Nakazawa

It was in the early 70s that a new industry made its debut in Japan. It was called the "health industry," and now, stores throughout the country are overflowing with goods reputed to be "good for health." The fad is spreading to clothes, food, life-styles, leisure and countless other fields. "Health tea," "health underwear," "health *futon* (bedding)," and "health travel" are being sold with blurbs that they are "good for health." The debut of such innumerable goods and services is apparently based on consumers' invariable pursuit of health, and yet it somehow still seems no more than a transient fad.

"Health" is a vague word with which to describe the complex of mental and physical conditions that vary with environment, with age and with individual characteristics. Perhaps the health goods and services now on sale provide their own best definition: the health industry, so-called, is an industry offering "goods and services for and related to those who care

to maintain and improve their health."

The health industry today centers around health food, health equipment and sports and health facilities. Its image is rounded out by a range of peripheral goods and services, including preventive medical care and health control systems, sports wear and sports-related publications. The framework of the health industry is expected to continue to expand as new goods and services enter the marketplace.

Food is essential for maintaining health, and technically all food should be "health food." In practice, however, the concept is unclear. The Ministry of Agriculture, Forestry and Fisheries and the Ministry of Health and Welfare (HEW) take the stand that "health foods" do not exist. Anything that is eaten or imbibed is either a food or a medicine prescribed by the Pharmaceutical Law, and there is no place for anything in between. And while health foods are usually defined as foods intended to maintain and promote health

more positively than ordinary foods and containing characteristic ingredients for that purpose, it is illegal for suppliers to advertise their medicinal properties because they are not medicines.

Content-wise, health foods fall into five broad categories (see the table). Yet even among these, the so-called natural foods and health-oriented foods are simply variations on more conventional foodstuffs.

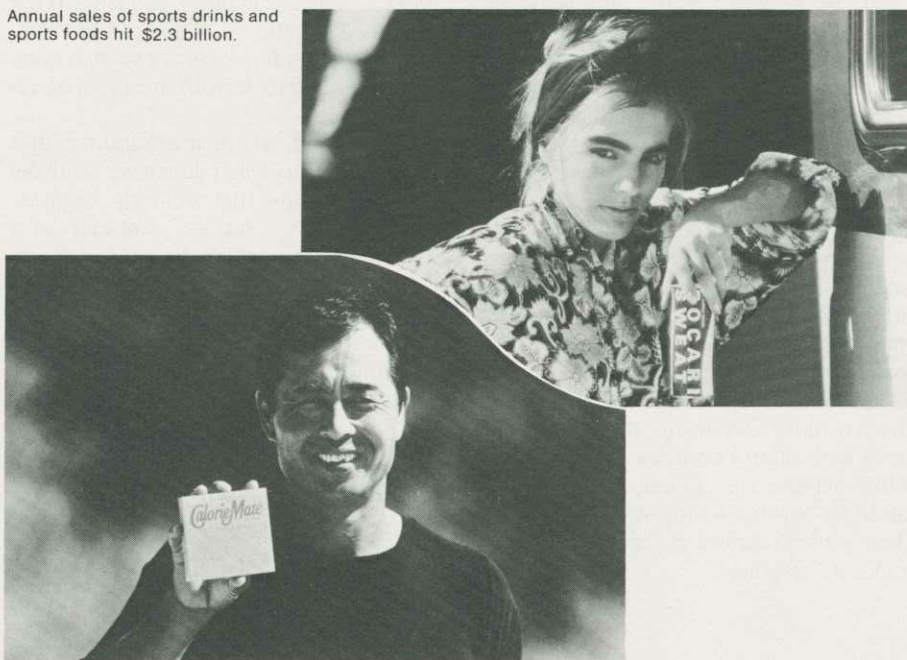
Such definitional vagaries make it all but impossible to calculate the size of the health food market. Industry sources put the market for sports drinks and sports foods at ¥550 billion (\$2.3 billion), and for all other health foods at ¥350 billion (\$1.4 billion). The health food market in the narrow sense of the word, as surveyed by the Japan Health Food Research Association, was worth ¥160 billion (\$670 million) in 1982, and had been growing at an average annual rate of 28% for the previous five years.

## Equipped for health

Health equipment is more clearly defined. Besides health and therapeutic instruments recognized under HEW's Pharmaceutical Law and the Ministry of International Trade and Industry (MITI)'s Electric Goods Control Law, there are health and exercise outfits, health and beauty instruments and health control equipment. A recent HEW survey estimates the market for health and therapeutic instruments at ¥87.7 billion (\$365 million), that for health and exercise gear ¥22 billion (\$91 million), health and beauty instruments ¥18 billion (\$75 million) and health control equipment ¥120 billion (\$500 million), for a total of ¥250 billion (nearly \$1 billion). Sales of health and therapeutic equipment in particular have grown at a high 18% for the past five years.

Health and therapeutic instruments promise to enjoy continued buoyant

Annual sales of sports drinks and sports foods hit \$2.3 billion.



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Sales of health and therapeutic equipment in Japan have jumped in recent years.



demand with the advent of electronics, lasers, supersonic waves and permanent magnets. The integration of mono-functional equipment will result in more sophisticated, multi-functional products. The need for health control equipment is also expected to rise, all pointing to further diversification of health equipment and continued expansion of the market.

The market for sports and health facilities is estimated at ¥600 billion (\$2.5 billion) for golf courses, ¥50 billion (\$208 million) for tennis grounds and ¥35 billion (\$146 million) for athletic clubs. If other sports facilities are added, the mar-

ket is said to be worth ¥1,000 billion (\$4.2 billion). How has it grown? The market for golf links has expanded an average yearly 10%. The number of tennis courts has quintupled for the past five years. According to a Ministry of Education survey, the number of privately run sports facilities has increased from 12,700 in 1980 to more than 14,000.

The combined market for the above three sectors of the health industry stacks up to ¥2,050 billion (\$8.5 billion), and has registered high growth rates in Japan's present low-growth economy. The market swells to an unimaginable

scale if sports wear, sports goods and health-related publications and services are factored in.

## A new health consciousness

What lies behind the rapidly growing markets and strong future growth potential of the health industry? First, there is the marked and accelerating rise in the population of "semi-healthy persons"—the mainstay of the health industry. The abuse of cooked foods has thrown their nutritional balance out of kilter and lack of exercise weakened their physiques. Mental stress has risen under the strain of today's fast-changing economic community. Living under such conditions, people today are not necessarily healthy but not yet sick. They think they are healthy, but are in constant danger of sliding into ill health. According to a recent HEW survey, 34% of Japanese consider themselves "healthy," 53% "normal," and 12% "unhealthy." About 70% lack confidence in their health, a percentage that increases with age. Years have passed since the first warnings of the coming of a graying society. In five to ten years' time, 9% to 10% of the total population will be in their forties—the age when they must play an active role in Japan's economic community. It is also the age when they will be most "health-minded," mentally and physically. A rapid increase in the number of "semi-healthy persons" seems a certainty.

## Categories and Market Scale of Health Industry

(Figures in brackets are market scale: unit ¥1 billion)

Health foods	Nutritional-supplement—Vitamin E (28), prunes (25), health tea (10), Vitamin C (15), protein (20), oyster extract (8), chlorella (28), etc.		¥350 billion	¥800 billion
	Health-oriented foods—Low-salt <i>miso</i> (bean paste), low-salt soy sauce, yogurt, bean curd milk, low-sugar jam, low-sugar candy, etc.			
	Natural foods—Naturally fermented <i>miso</i> and soy sauce, unhulled rice bread, etc. } (40) (foods without preservatives or coloring agents)			
	Reputed health foods—Royal jelly (40), Korean ginseng (15), honey (20), etc.			
	New health foods—Sports foods, sports drinks, amino acid drinks, etc.			
Health equipment	Health and therapeutic equipment (87.7)—Subsonic waves, ultrasonic waves, supersonic waves, magnetic and other therapeutic equipment, inhalers, “warm” cauterizers, “warm-heat” applicators, etc.		¥250 billion	
	Health and exercise equipment (22)—Training equipment, exercise meters, hanging equipment, etc.			
	Health and beauty equipment (18)—Electric beauty appliances (facial treatment, etc.), massagers, beauty exercise equipment			
	Health control equipment (120)—Air purifiers, humidifiers, finger massagers, sauna equipment, health beds, etc. Electronic blood pressure meters, electronic thermometers, health meters, etc.			
Sports, health and leisure facilities	Athletic clubs (35), golf courses (600), bowling alleys (105), tennis courts (50), swimming pools, skiing, skating, calisthenics (aerobics, yoga, jazz dance), etc. Sports-related industries (500)—sports wear and gear, etc.		¥1,500 billion	

Health-related publications (circulation 8,220,000), services

Source: "Japan's Health Industry" by Sankei Research





The healthy demand for privately-run sports facilities continues unabated.

People tend to be more conscious of being healthy than of working too hard, and invest positively in their own health. The HEW survey found that 61% of those surveyed consider "health" the most important thing in life, followed by "work and study" at a distant 22%.

In this age of affluence, material and economic desires are easily satisfied. People naturally seek things of better quality, together with spiritual satisfaction. These goals require that they remain healthy and avoid being stricken by disease. They can afford to keep health uppermost in their mind.

Growth industries in today's low-growth era consist mainly of OA (office automation) equipment and other electronic and high-tech industries. It's impossible to break into these fields without advanced technological know-how. But the health industry is a different ball game. It's a field that entrepreneurs can get their hands on without high-tech backgrounds. And yet it's one of the very few left with high growth potential. It is for this reason that almost every industry, from food, pharmaceuticals and cosmetics to electric home appliances, publishing and distribution, is branching out into the health industry as a means of shaking free of the business slump.

There is good reason to believe the health industry will continue to grow, and grow fast. But anyone wishing to cash in on this industry must also have a good grasp of and ability to respond to the changes sweeping consumers' health consciousness.

Consumers first became acutely conscious of their health when industrial pollution threatened to affect their lives between 1965-74. Demand for natural foods and other non-artificial foodstuffs surged as the effects of chemically-contaminated marine and farm products

on human health triggered a wave of national debate.

Over the next decade, concern over pollution faded, and people began to seek to improve their personal health by exercising with training equipment. Expanders and hanging gear caught on with people living in cramped, big city apartments. It was the start of the "health building boom."

National affluence further fired citizens' worries. People were warned against an increasing incidence of "adult diseases," and advised against gaining weight. Public interest stirred in foods and drinks with less salt, less sugar and more nutrition. Mushrooms, aloe and other traditional foods, long known for their efficacy, gained in popularity. Consumers became strongly conscious of health as something to achieve by themselves.

## Fitness, fad and fashion

In the early 1980s health began to merge into fashion. To jog, people bought the latest jogging wear and shoes. To play sand lot baseball, they bought resplendent uniforms. Surfers were seen at the wheel with surf boards prominently arrayed on the roofs of their cars. Young girls toting tennis rackets and youngsters in yacht parkas strutted the street. Health consciousness had become intimately linked with individual life-styles. Today the desire for a healthy life has crystallized into the routines of fashion.

At the same time, the heightened health consciousness has made consumers more selective. Last year, an instant *genmai* (unhulled rice) porridge with the improbable brand name of "Gambare Gen-san" ("Stick with it, *Genmai-san*") became the talk of the town. Consumers

seized upon it as being healthier than other instant foods, but they also wanted to be part of the latest fad in food.

The tendency among consumers to select healthy foods over the sweet or salty favorites of the past is expected to gain momentum, and health is now firmly entrenched as a basic motivation in consumer behavior. Chances are excellent that many health goods targeted not only on the semi-healthy but on those who already consider themselves models of fitness will soon be pouring into the market.

The more conscious of health consumers become, the better informed they will be about what health requires. Suppliers will have to offer goods and services of unimpeachable quality. Already, hotels offering hospital-like services, sports clubs with a health counseling function, and credit cards tied to health control are making their debut. The physical condition of consumers varies by age and environment, and so do their needs for food intake and exercise. It is becoming necessary to provide health goods together with information and software on consumers' health conditions and how best they can preserve their health.

People of different age groups consider health in different contexts. The younger generation thinks of physical power and recreation, those in middle age of refreshment and medical care. Senior citizens seek medical care and a life worth living. Women add to their health awareness the equation "health equals beauty."

Now that health is being integrated into fashion, it will no longer be enough to offer goods and services on the merits of health alone. What seems essential for the health industry is to review the concept of health from the core of consumers' daily life, and to appeal to their feelings and sentiments about a healthy life. ●