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posana integrative wellness: A start-up Business

Vicky Roy wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

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In September 2016, Amanda Hanna, owner of Posana Integrative Wellness (Posana), a new start-up business in Calgary, Alberta, decided that she was ready to transform her part-time consulting services into a full-time integrated health and wellness centre. Hanna had attended the Canadian School of Natural Nutrition in 2014 and received a diploma in holistic nutrition as well as a certified holistic nutritionist designation. She was also aReiki master, continuing her journey the following summer to Mysore, India, where she received her Registered Yoga Teacher certification (RYT 200). For the past year, she had offered her services to health-conscious consumers who were open to pursuing a natural and holistic lifestyle. Now, she recognized a gap in the Calgary market, which represented a new business opportunity. She wanted to open a new brick-and-mortar enterprise within one year. Could Hanna determine a viable marketing strategy for opening a physical location and create a viable business plan to make this happen in such a short period?

POSANA INTEGRATIVE WELLNESS: the beginning

Calgary was the largest city in Alberta, owing its rapid growth to its status as the centre of Canada’s oil and gas industry. According to the 2016 census, the city’s total population stood at 1,392,609 million.[[1]](#footnote-1) Calgary was also a dynamic and vibrant city, offering everything that citizens, as well as leisure and business travellers, could desire. The health and wellness industry had been growing at a steady pace for more than a decade in Calgary and inspired Hanna to become involved in the fastest growing health and wellness movement in North America. Personally, Hanna found herself frequently ill and lacking energy throughout her day. Like most individuals, she visited many doctors, who tried to merely write her a prescription. She knew that the solution involved more than just taking some pills. As her true passion had always centred on nutrition, health, and yoga, she began looking for alternative remedies, which finally led her to a holistic medicine practitioner.

Hanna’s research into holistic products and other resources led to a life-changing moment. After starting her own integrative wellness journey, she had more energy than ever. Her sickness, migraines, and digestive issues dissipated. Hanna realized that people ran such busy lives and were so focused on working, earning money, and obtaining career success that they often forgot to concentrate on daily health and nutrition, as well as living a more organic and holistic life. Hanna started Posana as a way to help individuals reach their personal goals and lead healthier, happier lives in the most natural way.

TARGET MARKET

From the 1980s forward, lifestyle trends began to focus on living a natural and balanced life, incorporating more holistic practices.[[2]](#footnote-2) Hanna’s primary target market was women aged 35–65 with a medium to high income, although her services could appeal to men as well. Calgary’s corporate environment could also benefit from her services. The women Hanna was targeting tended to have disposable income to spend on the services she offered. Through her experience providing services to these women, she had learned that they felt excluded from the majority of today’s health and wellness services in Calgary. They were anxious to improve their own health and wellness as they entered the next stages of life.

Hanna was mainly focused on the business-to-consumer (B2C) market, but she also wanted to develop the business-to-business (B2B) market—in particular, corporate clients. Employers were searching for ways to improve the productivity of their businesses, and they were concerned about the health of their business as it related to the health of their people. More and more, organizations were turning to corporate wellness programs to support and raise awareness about their employees’ health needs as a way to improve their health. Many organizations made physical exercise facilities available for their employees, implemented fitness programs, and promoted healthy eating habits by providing workplace health programs, workshops, and training in nutrition.[[3]](#footnote-3)

HEALTH AND WELLNESS INDUSTRY

In 2016, an international market research report confirmed that wellness was one of the world’s fastest growing and most resilient markets. From 2013–2015, the global wellness sector registered double-digit growth, while the global economy/gross domestic product (GDP) shrank by 3.6 per cent—a “growth gap” of nearly 15 per cent. Moreover, the global wellness economy reached US$3.72 trillion, and growth was expected to continue. The wellness industry represented 5.1 per cent of global economic output in 2015 (see Exhibit 1).[[4]](#footnote-4)

Furthermore, in 2017, an international market research organization published a study on health and wellness that provided an outlook for the Canadian economy. The study suggested that growth for the next few years would remain modest and challenging in accordance with the latest macroeconomic indicators such as GDP growth, the unemployment rate, and growth in disposable income.[[5]](#footnote-5) For a new entrepreneur such as Hanna, the most interesting part of this report was where the researchers mentioned that the health and wellness trend would be supported by demographic changes, consumer demand for premium and quality foods and beverages, as well as rising health consciousness. Greater investment from industry participants—such as ingredient suppliers, product manufacturers, brands, and retailers—would lead to greater awareness and the enhanced availability of health and wellness offerings among Canadian consumers, keeping them interested and excited. The report predicted that the health-conscious culture would continue to evolve in Canada, as manifested in a wide range of areas (food and beverages, nutritional value, and more). It would be further reinforced by the growth of the elderly population and rising purchasing power among the younger generations.

In 2017, another report by a women’s marketing and media agency mentioned that there would be a tremendous opportunity for marketers to meet the needs of health-focused consumers.[[6]](#footnote-6) The report identified strategic areas of growth ranging from beauty-enhancing supplements to eco-tourism, as wellness was the new luxury. It specified that health and wellness had become more than a lifestyle and was now a status symbol. Women aspired to own expensive leggings, eat the most nutritious foods, and work out at boutique fitness facilities, and were **embracing a more holistic and natural ap**proach toward their personal and professional lives. The report also mentioned that women with a wellness mindset tended to be more focused on transformational experiences. These women were still acquisition-minded, but only if products and services authentically aligned with their values while enhancing their status.

ALBERTA ECONOMIC AND POLITICAL ENVIRONMENT

In 2015, a recession hit Alberta’s economy, affecting workers and businesses. It was one of the most severe recessions the province had ever endured. In 2015, the Alberta economy contracted by –4.0 per cent, due in large part to the negative impact of the recent 40-per-cent oil price decline to US$70 a **barrel**. Despite this recent contraction, Alberta had led all Canadian provinces in economic growth over the previous 20 years, with an average annual GDP growth of 3.2 per cent per year. The province was still poised to have much higher GDP per capita than any other province.[[7]](#footnote-7)

Alberta’s average unemployment rate in 2015 was the third lowest in Canada at 6.0 per cent. The province had capitalized on its strengths in agriculture, energy, forestry, and industrial products to develop a dynamic and diverse economy. In 2015, out of the total GDP of CA$333.1 billion, the health-care industry represented 5.8 per cent, retail and wholesale represented 9.6 per cent, and business and commerce services represented 11.6 per cent. Even in recession, after so many years of country-leading growth figures, the strength of Alberta’s economic recovery would hinge on how well it would tackle the challenges of budget deficits, inadequate pipeline capacity, and addressing climate change, among other issues. The province continued to have a competitive tax regime and a young, highly educated workforce.[[8]](#footnote-8)

**Funding**

There were various sources of funding available to Hanna to finance her new brick-and-mortar business. Aside from her personal investment, a classic chartered bank loan, and potential investors, she could apply for special lending programs such as the Alberta Women Entrepreneurs (AWE) lending program, the Startup Canada Women Entrepreneurship Fund, the Futurpreneur Canada Start-Up Program, and a Business Development Bank of Canada loan.

MARKETING RESEARCH

Hanna knew that properly planned and executed marketing research would save her money and keep her from ineffectively targeting the wrong market segments and offering the wrong services at the wrong prices. By conducting proper marketing research in Calgary, she determined which target markets would be most interested in the types of services she had to offer. The population of interest from this research focused on women aged 35–65, but she was also interested in attracting males in the same age range. Most of her target population worked full-time, but it also included retired people, students, and stay-at-home moms. Hanna used a sample of 50 potential clients, selected randomly from four different quadrants in Calgary (northwest, northeast, southwest, and southeast). She wanted to focus her research on interviewing new potential clients and thus did not survey her current clients.

The research design Hanna used was in the form of an exploratory survey. She felt it was appropriate to use this type of design to gain more background information on potential customers’ needs and preferences. The exploratory research was not intended to provide conclusive evidence. However, it would help Hanna better understand the current market and allow her to change directions as a result of revelations from new data findings and insights about her customers. The Posana survey contained 11 questions. It covered areas such as the importance of various features of a wellness centre, the prices clients would be willing to pay, and client interest in private holistic wellness services. The research findings from her May 2016 marketing research, conducted in Calgary, helped her make the decision to open her first brick-and-mortar store. She developed a marketing strategy based on these results (see Exhibit 2).

Product

Since launching Posana in October 2015, Hanna had been busy offering clients a wide range of holistic nutritional consultations, yoga sessions, reiki, outdoor hikes, and much more (see Exhibit 3). She wanted to offer more services to her clients in the near future. Having started with only a few clients, she began conducting business throughout Calgary and the surrounding areas. She also began working with the Calgary Board of Education and hospitals, hosting nutrition seminars with parents, as she believed that healthy lifestyles began at home. Her typical clients (women aged 35–65) were looking to achieve better overall health and were open to new approaches and alternatives. She provided workshops and regular yoga classes out of Ascension Fitness in Calgary. She also traveled to clients’ homes and studios.

Hanna was open to offering customized lifestyle packages. Catered dinner parties enhanced the value factor for her higher income clients, as she could customize menus and themes to appeal to each client. To be able to perform her nutrition workshops, she needed to have the proper food certification to prepare and serve food to her clients. In Alberta, food facilities where food was prepared for and/or served to the public were required to employ staff holding a food safety certificate recognized by Alberta’s Minister of Health and Wellness.[[9]](#footnote-9) Although these services already existed in Calgary, not many competitors were offering the range of integrated services that Posana did. At that time, the B2C clients had the option of purchasing individual services, but Hanna also wanted to offer pre-bundled packages for both the B2C and B2B markets. She felt that if Calgary’s economy recovered quickly from the oil price crash of 2015 her current target market strategy could be continued. Other options included allowing clients to build their own package by purchasing her services individually or choosing from one of several pre-bundled packages. If a client chose the individual option, a discount could be offered for every three services bundled. With this option, discounts would be worked into the prices of the pre-bundled packages.

Price

Hanna knew that getting pricing correct was tricky, as pricing had to reflect supply and demand. Pricing a product too high or too low could mean the loss of sales for the business. She wanted to use a combination of follow-the-leader and variable pricing strategies to penetrate the market, and build her reputation and brand. Follow-the-leader entailed basing prices on existing competitor prices. Variable pricing gave the flexibility to offer different prices to different customers, depending on their specific needs and circumstances.

Hanna was currently offering her services at 25 per cent less than her competitors in order to be more competitive. However, she did not have to pay for employees and the operational expenses linked to a brick-and-mortar location, such as employees, commercial lease, advertising, and so on (see Exhibit 4).

Distribution

The distribution strategy outlined how and where consumers bought a company’s product or service. Hanna sold her services directly to her clients. This strategy gave her the advantage of controlling her entire supply chain and enabled her to better satisfy her customers’ needs. Product knowledge training was not applicable at this time, as she did not have any other employees. However, training would be taken into consideration once the wellness centre opened.

Posana’s main distribution channel was the B2C-oriented market. However, Hanna hoped to explore the B2B market as well. Becoming involved with corporate Calgary would allow potential businesses to fold her services into their employees’ flexible benefits. Her company was also becoming involved with Calgary schools by educating students and their parents on the benefits of healthy eating and living. She wanted to create strategic alliances with local businesses, and was wondering where to focus and how to create a win–win situation for both parties. Currently, her direct distribution channel allowed her to control her entire supply chain in the B2C market; however, she was looking at expanding to include B2B services to increase her brand recognition and market share.

Hanna also wanted to find a central location that was convenient, accessible, and comfortable for clients. She wanted to personalize packages to best fit the lifestyles of her individual clients. She was dedicated to treating each individual as a unique project.

Promotion

Hanna’s goal was to empower her clients to become the most authentic and healthy versions of themselves. The industry was in the growth stage of its life cycle, but Posana was still in the introductory stage. By offering customizable lifestyle packages to suit consumer needs, she would position her company as a premier teacher and partner in her clients’ holistic journeys. She invested in building an informational website that emphasized her different services in order to highlight them for potential clients. She needed to make her website more efficient and user friendly, and to increase her social media presence.Although social media had assisted in promoting her business, word of mouth was her greatest marketing tool. In order to strengthen awareness in her B2C markets, she wanted to find new ways to communicate and create a buzz with potential clients. She was active on Facebook Inc., Instagram Inc., Twitter Inc., and LinkedIn Corporation websites about upcoming promotions and events she was hosting or attending. She knew that she would need to attend trade shows and other local events to gain more exposure, as well as increase her public relations activities before her grand opening in September 2017.

For her B2B markets, her plan was not as defined. She had collaborated with the Calgary Board of Education and select hospitals. She talked to parents and patients about how important a healthy lifestyle could be, describing the positive effects it could have on the mind, body, and soul. She knew she needed access to company decision makers who would allow her to demonstrate how her wellness services could benefit their professional employees. She needed to integrate both B2C and B2B markets into her marketing strategy. She planned for a total annual marketing cost for the first year of $11,000 and a 5-per-cent increase for the following year.

COMPETITION

While performing her market research, Hanna found several competitors that offered some, but not all, of the same services she did. There were similar businesses that offered a wide variety of alternative health services in Calgary. However, she found there was a gap in the market, as no other businesses offered the same integrated combination of services as Posana. Some businesses offered key aspects of holistic wellness and yoga, but not all in one location.

**Main Competitors**

Hanna’s business had three main competitors. Prema Health offered yoga, reiki, and other holistic services. Awaken Holistic Health & Wellness Inc. offered yoga, reiki, nutrition counselling, meditation, chiropractic care, physiotherapy, and alternative therapies. Samadhi Yoga (Samadhi) focused more on yoga. Other Samadhi services included a raw food and juice bar, reiki, holistic nutrition and reflexology workshops, and various wellness treatments. Samadhi had introduced corporate wellness into its studio, offering studio and in‑house classes. Samadhi represented the closest local competition for Hanna’s new business. Most yoga classes and nutrition consultations from these three competitors were more expensive. Their services were priced 25 per cent higher than Posana’s services, ranging from $70–$120 for the same amount of time. While her competitors did offer some of the same services, they generally did not offer them on a one-on-one basis.

Hanna created a competition map to help her position Posana’s performance level with her three main competitors. The map concentrated on the **rankings in** four **criteria that she had identified as key success factors for her start-up**: price, location, accessibility, and availability of services compared to her competitors. The ranking was done on a scale from one to four, with four being the highest performance level for each criteria (see Exhibit 5).

For price, Hanna positioned Posana at the highest value because her yoga classes and nutrition consultations were 25 per cent less expensive than her three competitors for the same amount of time and the same services.

For location, Hanna positioned Posana at the highest value, as she had tested the time to travel to some of her clients’ homes by taking some addresses from the far southwest and the far northeast quadrants of Calgary and averaged the time needed to travel to each competitor’s location.

For accessibility,Hanna positioned Posana at the highest level, as her current clients did not need to worry about parking availability and parking costs. Awaken Holistic received a score of zero only because it had not yet opened; Hanna therefore had no information on its location and accessibility. Samadhi and Prema Health were located downtown and in the beltline of Calgary—high car traffic locations with no reserved parking spaces, which represented a challenge for customers to find parking at a reasonable price.

For availability of services, Hanna positioned Posana with the highest value for offering all of her services on a one-on-one basis, with no group classes. While Posana’s three competitors did offer some of the same services as she did, they generally did not offer them on a one-on-one basis.

**Competitive Advantage**

The general factors that contributed to a company’s competitive advantage were price and value, unique service features, notable product attributes, customer service, and accessibility. The biggest factor contributing to Posana’s competitive advantage was the broad range of holistic and wellness services it offered. Posana’s competitive advantage was a focused differentiation strategy. In order for a differentiation strategy to be effective, the target market had to be convinced of the uniqueness and desirability of the services. In Posana’s case, the particular market segment being targeted was women aged 35–65 with disposable income. A focused differentiation strategy enabled Hanna to attract an exclusive market of individuals, mainly women nearing retirement age, who felt left out of the health and wellness industry. By being a first mover in targeting this group, Hanna felt she had successfully created a strong foothold in this market and could sustain her competitive advantage against any rivals hoping to enter.

moving forward: MARKETING STRATEGY

Hanna had many important decisions to make. She was unsure how to approach the Calgary market or where to find the right information to grow her business. She did not want to base her decision to enter into a full-time venture on intuition alone. Hanna also had to define her marketing strategy. She wanted to use the 4Ps (product, price, place, and promotion) of the marketing mix to build a marketing plan for her brick-and-mortar expansion in Calgary for September 2017.

EXHIBIT 1: Excerpts from global wellness institute ARTICLE

“WELLNESS NOW A $3.72 TRILLION GLOBAL INDUSTRY—

WITH 10.6% GROWTH FROM 2013–2015”

**Kitzbühel, Austria—October 17, 2016**—The global wellness industry grew 10.6% in the last two years, from a $3.36-trillion market in 2013 to $3.72 trillion in 2015, according to research released today by the Global Wellness Institute (GWI). This new data on the 10 markets that comprise the global wellness “cluster” provides fresh evidence that wellness is one of the world’s largest, fastest growing, and most resilient markets.

**Economic context**:

* From 2013–2015, the global wellness sector registered double-digit growth, while the global economy/GDP [gross domestic product] shrank by –3.6%—a “growth gap” of nearly 15%.
* The wellness industry now represents 5.1% of global economic output.
* Wellness expenditures are now nearly half as large as total global health expenditures ($7.6 trillion).

Among the 10 wellness markets analyzed, the fastest growing from 2013–2015 were: 1) Preventative/Personalized Medicine & Public Health (+23.5%); 2) Fitness & Mind-Body (+21.4%); 3) Wellness Lifestyle Real Estate (+18.6%); 4) Wellness Tourism (+14%); and 5) Healthy Eating, Nutrition & Weight Loss (+12.8%).

These topline numbers were released today at the 10th annual Global Wellness Summit being held in Kitzbühel, Austria, which has attracted 500 industry leaders from 45 nations. The in-depth report, the 2016 Global Wellness Economy Monitor, with detailed data on regional and national wellness markets, will be released in early 2017.

“Recent years have been marked by global economic contraction and disruptive geopolitical events, but a ‘wellness economy’ just keeps rising, with an upward trajectory that seems unstoppable,” said Ophelia Yeung, Senior Research Fellow, GWI. “And we predict that consumers, governments and employers will continue to spend big on wellness because of these megatrends: an emerging global middle class, a rapidly aging world population, a chronic disease and stress epidemic, the failure of the ‘sick-care’ medical model (resulting in uncontrollable health care costs), and a growing subset of (more affluent, educated) consumers seeking experiences rooted in meaning, purpose, authenticity and nature.”

**Global Wellness Markets—2013–2015**

Note: Growth percentages are conservative, as revenues are reported in U.S. dollars,   
which appreciated significantly from 2013–2015 against the currencies of major wellness markets, including the Euro, Russian Ruble, Canadian Dollar, Japanese Yen, Indian Rupee and Brazilian Real.

**2013 revenues—2015 revenues**

* Beauty and Anti-Aging: $1.02 trillion—$999 billion
* Healthy Eating, Nutrition & Weight Loss: $574.2 billion—$647.8 billion
* Wellness Tourism: $494.1 billion—$563.2 billion
* Fitness & Mind-Body: $446.4 billion—$542 billion
* Preventative & Personalized Medicine & Public Health: $432.7 billion—$534.3 billion
* Complementary & Alternative Medicine: $186.7 billion—$199 billion
* Wellness Lifestyle Real Estate: $100 billion—$118.6 billion
* Spa Industry: $94 billion—$98.6 billion
* Thermal/Mineral Springs Facilities: $50 billion—$51 billion
* Workplace Wellness: $40.7 billion—$43.3 billion

**EXHIBIT 1: Continued**

**Spotlight on 5 Markets (Original GWI Data)**:

**Wellness Tourism**: From 2013–2015, wellness tourism revenues grew 14%, more than twice as fast as overall tourism expenditures (6.9%). World travellers made 691 million wellness trips in 2015, 104.4 million more than in 2013. Wellness tourism now accounts for 15.6% of total tourism revenues—nearing 1 in 6 of total “tourist dollars” spent. That is, in part, because wellness travelers spend much more per trip: international wellness tourists spend 61% more (US$1,613/trip) than the average international tourist, and the premium for domestic wellness travellers is even higher: $654 per trip, 164% higher than the typical domestic tourist. Wellness tourism is responsible for 17.9 million jobs worldwide.  
  
**Spa Industry**: The spa economy, including spa facility revenues ($77.6 billion) as well as education, consulting, associations, media, and event sectors that enable spa businesses ($21 billion) grew to a $98.6-billion market in 2015. Spa locations jumped from 105,591 in 2013 to 121,595 in 2015. Since 2013, the industry has added 16,000 spas, more than 230,000 workers (to reach 2.1 million), and $3.5 billion in revenue. The modest 2.3% annual revenue growth rate (2013–2015) is largely due to the U.S. dollar currency conversion from large spa markets across Europe and Asia. If global spa facility revenues are converted to the Euro, the market actually grew a robust 25%: from €56 billion to €70.1 billion.

**Thermal & Mineral Springs**: The number of revenue-earning thermal/mineral springs properties grew from 26,847 in 2013 to 27,507 in 2015—a gain of 660 facilities across 109 countries. These businesses earned $51 billion in 2015, up 2% from 2013. While this gain looks modest, GWI research finds rapidly rising consumer interest in springs-based activities—and 2015 revenues are heavily impacted by the depreciation of European currencies against the dollar, as Europe represents 39% of industry revenues.   
  
**Workplace Wellness**: As the cost of unwell workers skyrockets (reaching 10–15% of global economic output), employers are spending more on employee wellness each year. The global industry grew 6.4% from 2013–2015, to $43.3 billion. But two-thirds of that spend is concentrated in North America ($16.2 billion) and Europe ($16.1 billion). And the GWI estimates that with only 9.5% of today’s workforce covered by a workplace wellness program, this remains a wellness market with some of the largest growth opportunity.   
  
**Wellness Lifestyle Real Estate**: The market for residential, hospitality, and mixed-used real estate that incorporates wellness elements (i.e., human, social, and environmental health) into its design, construction, amenities, and services was one of the fastest-growing wellness sectors from 2013–2015: growing 19% to $118.6 billion.

“A profound shift in the way people consume wellness is underway: once a luxury or ‘add-on’, it’s now being infused into every aspect of daily life—from how people work to how they travel,” noted Katherine Johnston, Senior Research Fellow, GWI. “And the spending on proactive healthy choices—on wellness—will continue to comprise a greater percentage of massive multi-trillion industries, whether real estate, food and beverage, or travel.”

Source: With permission, “Wellness Now a $3.72 Trillon Global Industry—with 10.6% Growth from 2013–2015,” Global Wellness Institute, October 17, 2016, accessed December 18, 2017, https://www.globalwellnessinstitute.org/wellness-now-a-372-trillion-global-industry.

EXHIBIT 2: POSANA’S MARKETING QUESTIONNAIRE AND RESEARCH RESULTS

**Question 1: What is your gender?**

The majority of participants were female (70 per cent), with a minority of males (30 per cent).

**Question 2: What is your age?**

The majority of participants (54 per cent) were between the ages of 35 and 65.

**Question 3: What was your total income in the past year?**

The majority of participants (64 per cent) were in the CA$50,000 to $74,999 bracket.

**Question 4**: **Do you work full-time or part-time?**

The majority of participants (90 per cent) worked full-time, while 6 per cent worked part-time and 4 per cent mentioned “other.”

**Question 5: Which area of Calgary do you live in?**

A large portion (45 per cent) of participants lived in the northwest part of Calgary. Among the rest, 24 per cent lived in the southwest, 15 per cent lived in the northeast, 8 per cent lived outside of Calgary, 6 per cent lived in the southeast, and 2 per cent lived downtown.

**Question 6**: **Please indicate the maximum price you would be willing to pay for the following services.**

All of the price options are actual competitor prices, and are both above and below Hanna’s current prices (in C$):

* **Group Yoga:** 78 per cent of participants were willing to pay $60 per session, 7 per cent would pay $75, and 5 per cent would pay $100.
* **Grocery Tours:** 76 per cent were willing to pay $30 for one session, 19 per cent would pay $60, and 5 per cent would pay $75.
* **Nutrition Consultations:** 57 per cent were willing to pay $85 for one session, 36 per cent would pay $110, 5 per cent would pay $125, and 2 per cent would pay $150.
* **Private Yoga:** 79 per cent were willing to pay $70 per session, 9 per cent would pay $140, 7 per cent would pay $110, and 5 per cent would pay $125.

**Question 7: How long would you be willing to travel to receive private yoga sessions?**

The majority (91 per cent) of participants were willing to travel up to 30 minutes to receive private yoga sessions.

**Question 8: Please rank the following features that are most important when selecting a wellness centre on a Likert scale from 1 Not Important to 5 Very Important (location, parking, surrounding amenities, price, availability of services, accessibility).**

The availability of services appeared to be the most important feature for 89 per cent of participants, followed by location at 83 per cent, parking at 79 per cent, price at 70 per cent, surrounding amenities at 67 per cent, and accessibility at 60 per cent.

**EXHIBIT 2: CONTINUED**

**Question 9: Would you be willing to pay for private services such as yoga and nutrition consultations? Yes/No**

A majority of participants (55 per cent) stated they would be willing to pay for private yoga and nutrition sessions. The most common responses for why they would be willing to pay were “they prefer private sessions,” “to get an overall idea,” and “to get help and guidance.” The most common responses for why they would not be willing to pay were “doctor already provides this service” and “not important.”

**Question 10: Would you be more willing to pay for private services if they were offered in your own home? Yes/No**

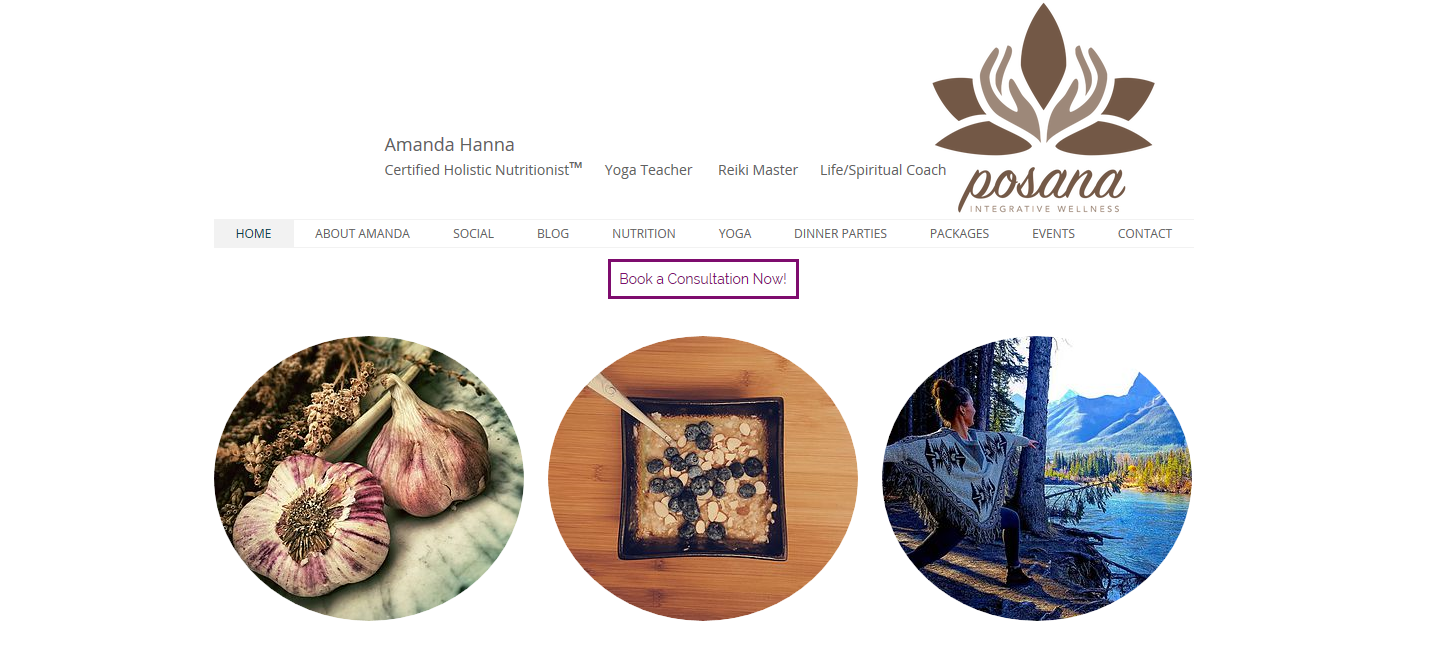
A majority of participants (58 per cent) indicated they would not be willing to pay for private services if they were offered in their own home. The most common responses for those not willing were “prefer a facility” and “privacy,” followed by “travel is not an issue,” “not interested,” and “my house is too small.”

**Question 11: Would you be interested in a fully catered dinner party in which you would receive recipes and information on healthy living?**

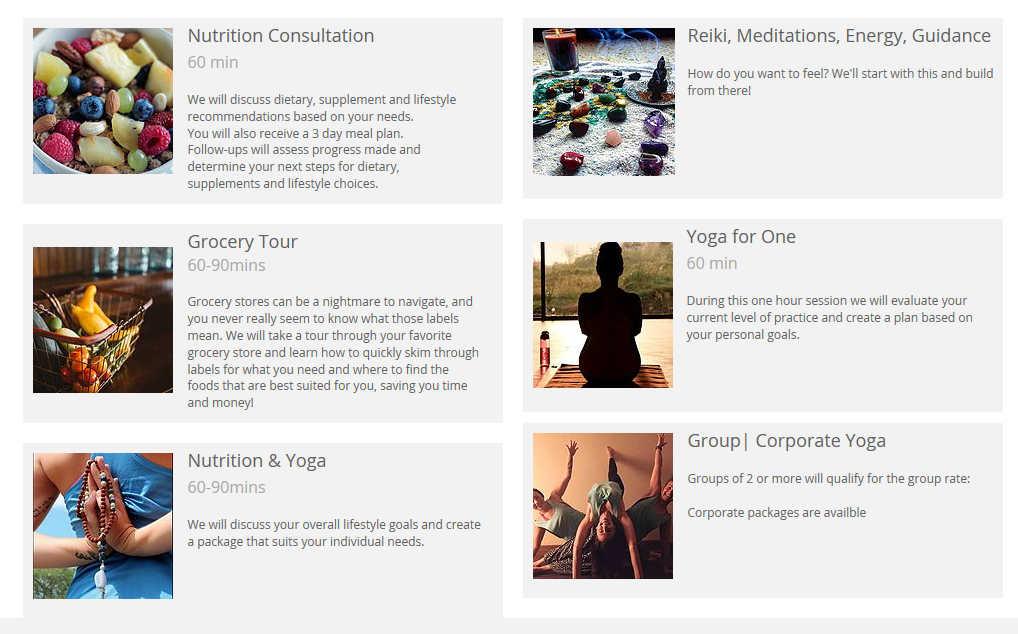
A majority of participants (64 per cent) stated they would be interested in a fully catered dinner party. The most common response for those who were interested was “sounds like fun.” The most common responses for those who were not interested were “not interested” followed by “privacy.”

Source: Company records.

EXHIBIT 3: POSANA’S SERVICES detailed on the company website



***Nourishing. To supply with what is necessary for life, health, and growth***

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Source: Company website.

EXHIBIT 4: BUSINESS-TO-CONSUMER MARKET LIST

|  |  |
| --- | --- |
| **Nutritional Consultation** | **Price (in CA$)** |
| Initial consultation (60 minutes) | $80 |
| **Reiki, Meditations, Energy, and Guidance** | **Price** |
| Per session (60 minutes) | $60 |
| **Grocery Tours** | **Price** |
| Per session (90 minutes) | $60 |
| **Yoga Individual Session** | **Price** |
| Private—per session (60 minutes)  Group—per session (60 minutes) | $75  $55 |
| **Nutrition and Yoga Workshop** | **Price** |
| Per workshop (30-minute consultation and 30-minute private yoga workshop) | $80 |
| **Business-to-business: Group/Corporate Yoga Session** | **Price** |
| Per workshop (60 minutes) | $30 |

Source: Company records.

EXHIBIT 5: COMPETITION MAP

Source: Company records.

1. Statistics Canada, “Population in Canada Cities – 2016 Census,” TodoCanada, February 8, 2017, accessed May 15, 2018, https://www.todocanada.ca/population-canadas-cities-2016-census/. [↑](#footnote-ref-1)
2. The Hartman Group, “Consumer Trends in Health and Wellness,” *Forbes,* November 19, 2015, accessed December 15, 2017, <https://www.forbes.com/sites/thehartmangroup/2015/11/19/consumer-trends-in-health-and-wellness/#642fe2a4313e>. [↑](#footnote-ref-2)
3. Firas Kittaneh, “Developing a Healthy Strategy for Happier, More Productive Teams,” HuffPost,October 9, 2015, accessed March 16, 2018, https://www.huffingtonpost.com/firas-kittaneh/developing-a-healthy-strategy-for-happier-more-productive-teams\_b\_8247624.html. [↑](#footnote-ref-3)
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