

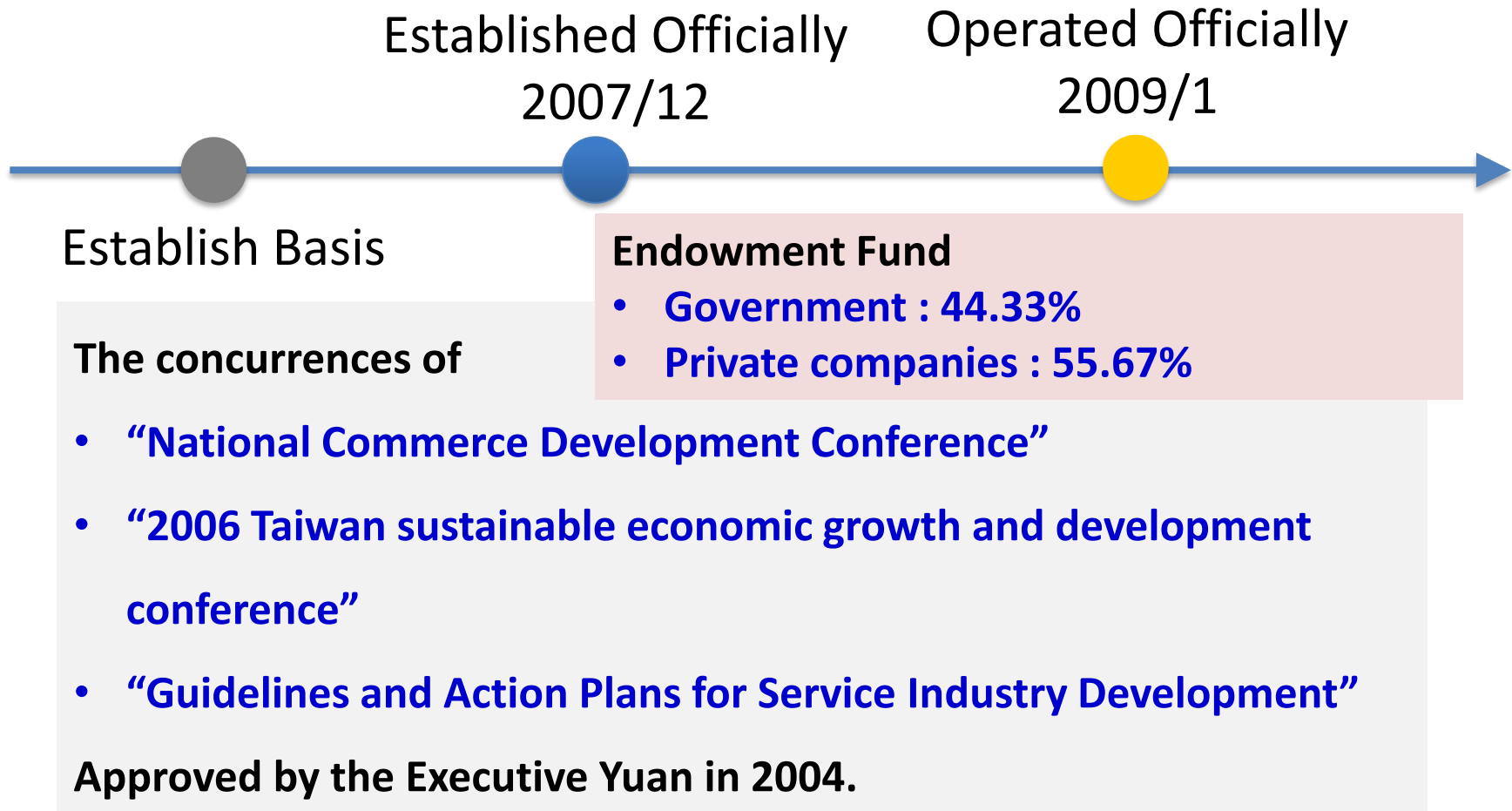


Taiwan Health Promotion Service Industry Development

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Commerce Development Research Institute
(CDRI)
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CDRI History



CDRI Vision, Position, Mission

Vision

The world-class think tank of service industry the foundation and leader of service innovation.

Position

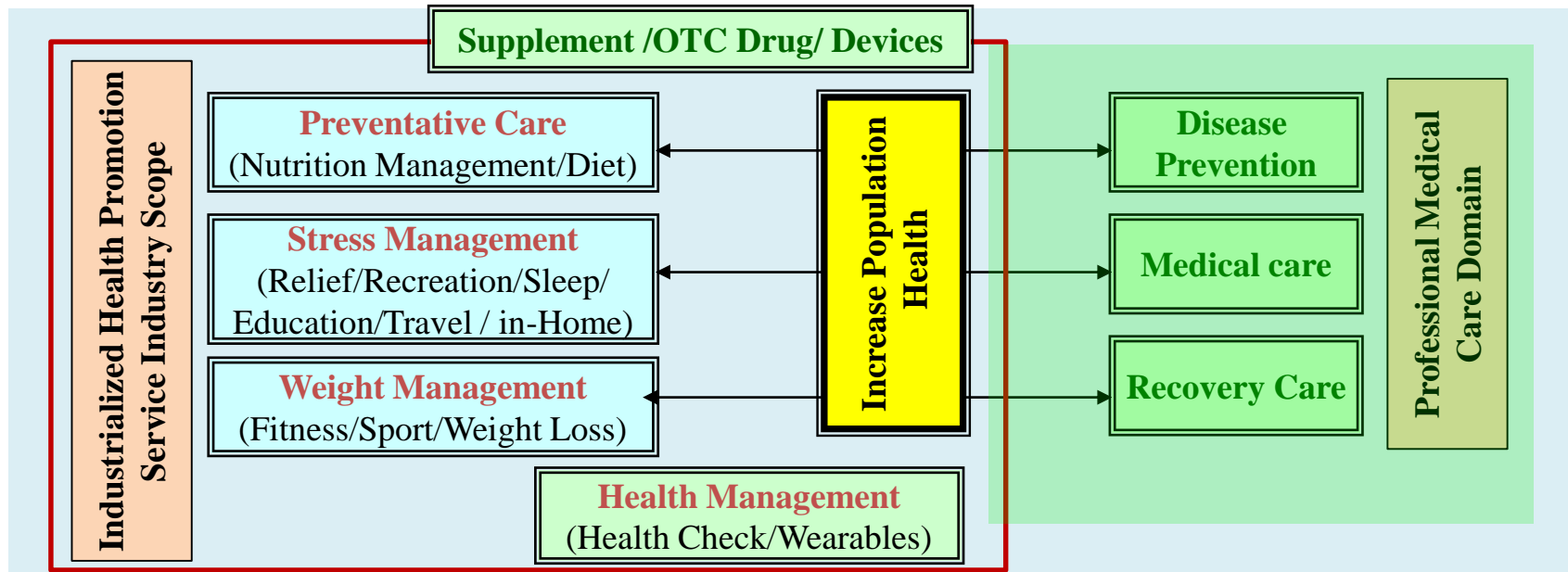
- Map out policies to support service industry to achieve high added-value, technological and internationalized development.
- Provide total solutions for enterprises as a platform of resource integration and knowledge continuation.

Mission

CDRI is operated on the basis of three key principles “Prospective, Innovative, and Global perspective”.

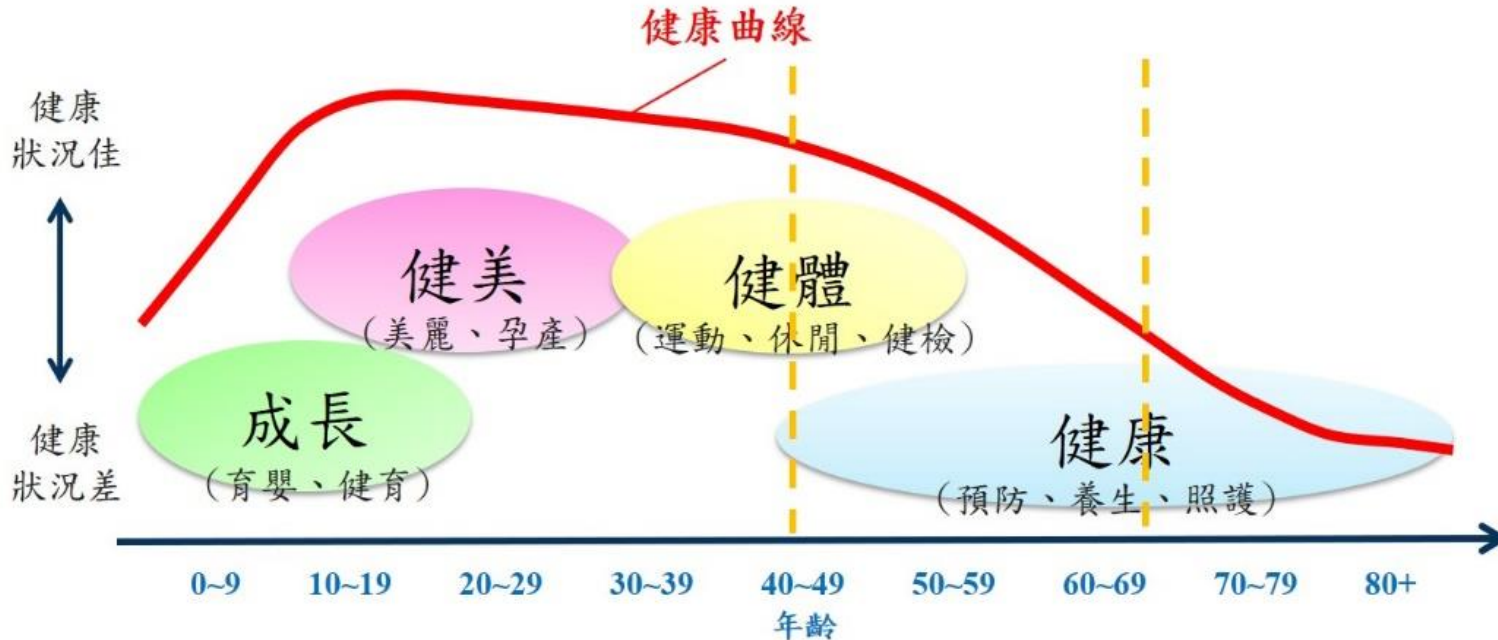
1. Industry Definition and Scope (1/2)

- “Health Promotion Industry” definition : **Economic activities that provide health promotion related products or services to satisfy physical, mental and social well-being.** (WHO, 1946; 1984; Ottawa, 1986; Laffrey, 1985; Pender, 1987)
- Health Promotion Industry scope :
 - ✓ Scope: Provide health related products and services to satisfy customers’ nutritional health, sport, health and stress management needs including aspects such as prevention, support maintenance, and promotion to reach optimal health status. (2016 Bio Taiwan Committee, BTC Conference)
 - ✓ From the view of prevention, there are 4 pillars, **“Health Management”**, **“Preventative care”**, **”Stress Management”**, **“Weight Management”**



1. Industry Definition and Scope (2/2)

- Use user motivation according to different age groups to understand customer usage behaviors on products and services . It is discovered that suboptimal health (age 45-65) has highest proportion at 75%.



2. Health Promotion Service Industry Value Chain (1/2)

- To fulfill customer needs, vendors cooperate across different industries and develop solutions under 4 major pillars.

Consumer

Target Audience :

Age 45~65

Suboptimal Health

Anti-aging

Obesity Prevention

Stress, Depression Prevention

Easy to Access

Weight Management

Stress Management

Preventative Care

Health Management

Cross Industry Integration

Providers

Product

Fitness devices, assistive devices, supplements, sleep aid, fitness, senior travel, senior sport.

Service

Physical exam, nutrition consult, stress relief, health education

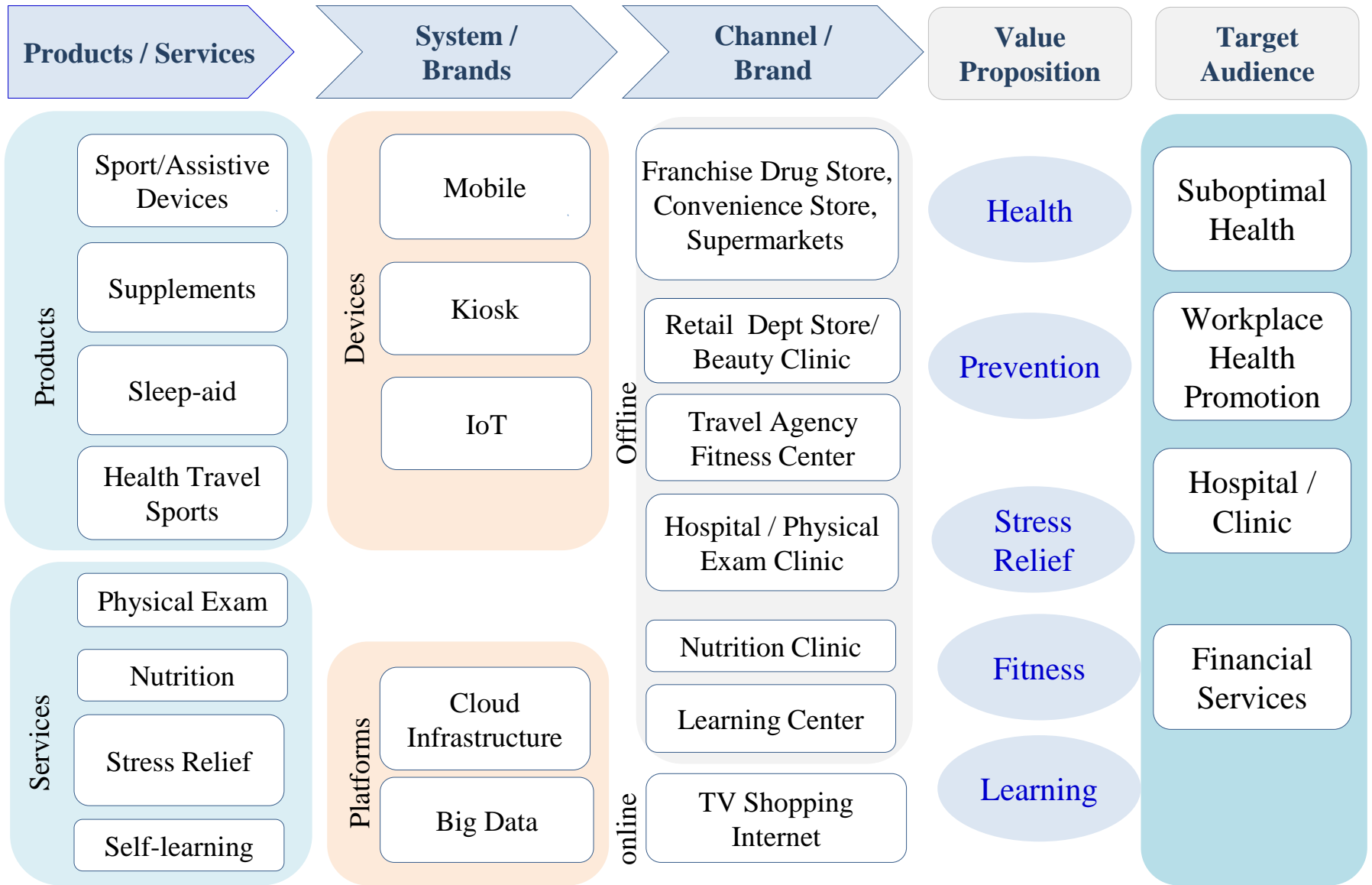
System / Platform

Mobile, Kiosk, IoT, Cloud, Infrastructure, Big data Analysis

Brand/Channel/Location

Drug stores, convenience stores, supermarkets, department stores, clinics, travel agencies, senior fitness centers, hospitals, physical exam clinics, physical exam clinics, nutrition clinics, learning centers

2. Health Promotion Service Industry Value Chain (2/2)



3. Global Trend

Technology companies are focus on health care

- Global technology companies are watching healthcare domain closely and invest in experimental projects to provide more clinical solution.
- Non-traditional health companies are competing. This will increase cross industry integration and provide products and services that can scale.

Digitalization changes modern healthcare

- Digitization driving health promotion has become basic management requirements for businesses
- Product digitization technology and service development is more mature and this changed how people perceive health management and makes health promotion easier to realize. For example: medical wearable devices and data analysis.

New Technology is mature, telemedicine can be realized

- Driven by consumer willing to receive instant exam, In vitro diagnostic (IVD) device manufacturers are more inclined to invest in digital devices.
- Consumer centered design produces more user-friendly device, to increase number of future remote devices with internet capabilities and makes it easier to collect data.

Consumers become healthcare decision maker

- Connecting wearables, medicine, artificial intelligence and virtual reality into an ecosystem. This positions consumer as main decision maker in healthcare
- For human centered healthcare promotion to succeed, cross industry / service integration is the key success factor to address customer needs.

4. Population Health Trend(1/2)

Main purchase drivers: prevention of obesity, disease, occupational injury /stress.



Preventative Care

- ✓ Obesity, prevention and dementia prevention are the main focus
- ✓ Current market hotspots: Product-professional recommendations, Service-social activities
- ✓ Future opportunities: nutrition management 、body revitalization related diet



Weight Management

- ✓ Obesity and aches/pain prevention are key recurring purchasing reasons.
- ✓ Current market hotspot: Product-performance cloths/device/wearables, Service- video fitness coach
- ✓ Future opportunities: purchasing guide to services that combine exercise and social



Health Management

- ✓ Occupational injury and dementia prevention are key recurring purchasing reasons.
- ✓ Current market hotspot – wearables connecting to social networks
- ✓ Future opportunities: fitness coach, mental motivation

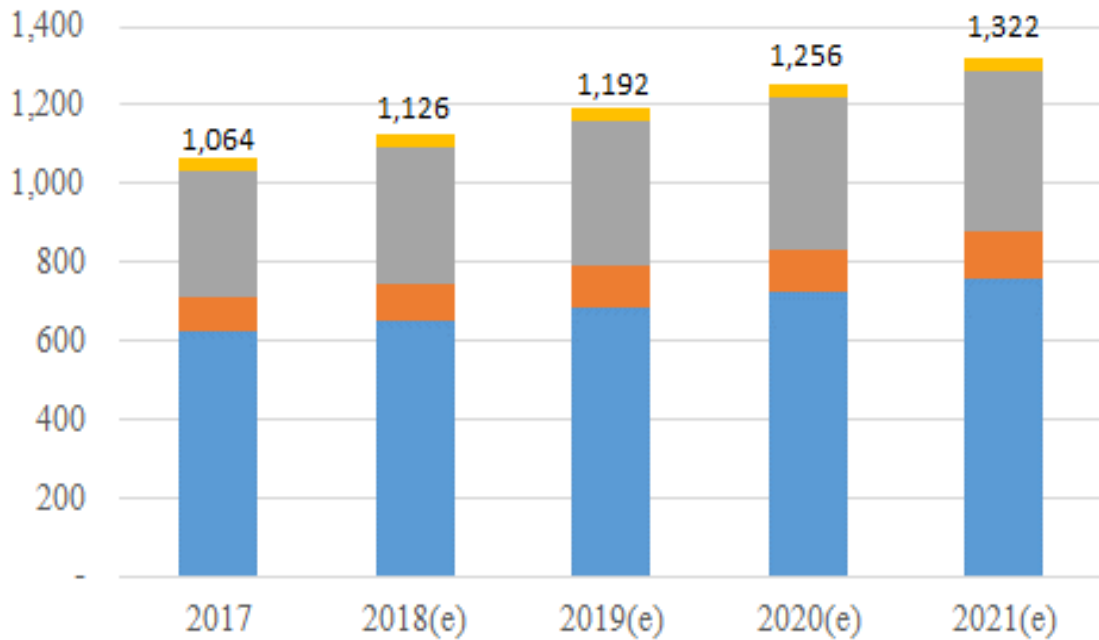


Stress Management

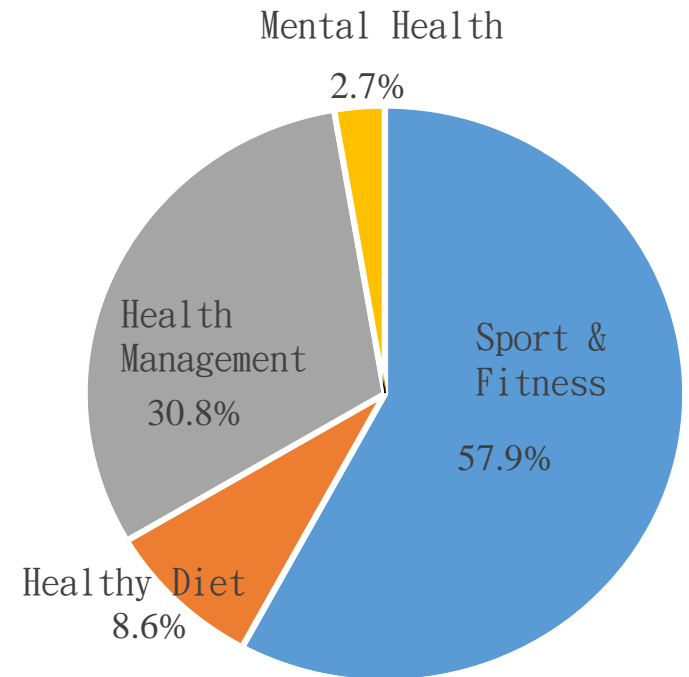
- ✓ Disease prevention, vitality maintenance, health status alert are key recurring purchasing reasons.
- ✓ Current market hotspot: product-stress relief device, Service- theater/video
- ✓ Future opportunities: loneliness, stress relief, lesson in balance of body and mind

4. Population Health Trend(2/2)

- Market size: 2017 NT\$106.4 billion. 2018 NT\$112.6 billion. Forecast: 2021 NT\$ 132.2 billion, average 5.6% annual growth for the next 3 years.
- Proportion: sport & fitness has the largest share, followed by health management services.



Health Promotion Service Core Revenue Forecast



2018 Health Promotion Service Revenue by Category

5. Taiwan Health Promotion Service SWOT Analysis

S : Strength

1. Highly developed Information and Communication Technology foundation to support health promotion industry development.
2. Access to many and high quality research & development resources and talents.
3. Part of 「5+2」 industry development program heavily backed by government; Easier to obtain resources.

W : Weakness

1. Users willingness to purchase health promotion hardware, software and devices still needs development, long term profitable business still need to be developed.
2. Health promotion services requires professional and multifaceted parts, but related businesses inter-connectedness and cooperation is low.
3. Many new health technology applications are still immature and in early funding stages , they are still searching for profitable business models.
4. Cross industry cooperation is difficult , many businesses prioritize their own benefits first.

O : Opportunities

1. According to survey, age 45~65 age group has strongest purchasing power.
2. Society is fast aging /increase in chronic disease.
3. Heavy government health insurance burden results in strong incentive for disease prevention and health promotion.
4. Europe, USA and Japan markets have high need for health promotion related products and services.
5. Willingness is high for different health promotion businesses to cooperate.

T : Threats

1. Health promotion services are managed by many government departments; goals and resource coordination can be improved.
2. Health promotion prevention business models are restricted by insurance and privacy regulations.
3. Innovative business models for health promotion are developing quickly in China.
4. Health promotion data consolidation is difficult

6. Health Promotion Service Industry Core Structure.

Needs

Pillars

Products

Taiwan local Vendors

Services with Potential

Anti-aging

Sport / Fitness	Fitness Center	健身工廠、輕適能
	Fitness Equipment	明躍國際
	Wearable Fitness Platform	圖現、虹映、研鼎崧圖、天來、運動筆記

- Smart Gym
- O2O Fitness

Obesity Prevention

Nutritional Health	Organic Food Shop	永豐餘生技、有心事業、天和鮮物、有心肉舖子
	Health Food Services	食在舒活

- Health Snack/ Drink/ Ready to Eat.
- Nutrition Management

Stress / Depression Prevention

Health Management	Health Management	聯安、新光健檢、萬國健康、佑全&健康人生、受恩+寶山科技
	Measuring Devices Health Platform	阿瘦、麗臺、蓋德科技、天來創新
	In-home Healthcare	台灣福祉、媽咪樂

- Weight Management /Recommendation
- Oral Health
- Women Health Tracking
- Asian Health Regimen

Easy to Access

Mental Health (Stress relief)	Sleep Aid System	雅博、藝術達、世大化成
	Recreation	雄獅、華人健康網、多扶

- Stress Relief (SPA, Massage)
- Health Recreation

Vision and Goals

Vision

Position Taiwan as Asia premiere health promotion service industrial center.

Goal

Using ICT/IoT, AI and cross industry integration, develop innovate business models, bring in vendor partners.

Strategy

- **Technology: use Smart Technology to increase value of service**
- **Connect : Integrate multi-faceted service producer and build new service ecosystem.**
- **Brand : leverage existing / new first rate brand / channel partners , driver health services / products.**

Annual Plan

2020

- **Use IoT 、 AI to integrate multifaceted businesses.**
- **Encourage multifaceted businesses to join and supplement 4 main pillars.**
- **Existing first rate brands to drive integrated service ecosystem.**

2021

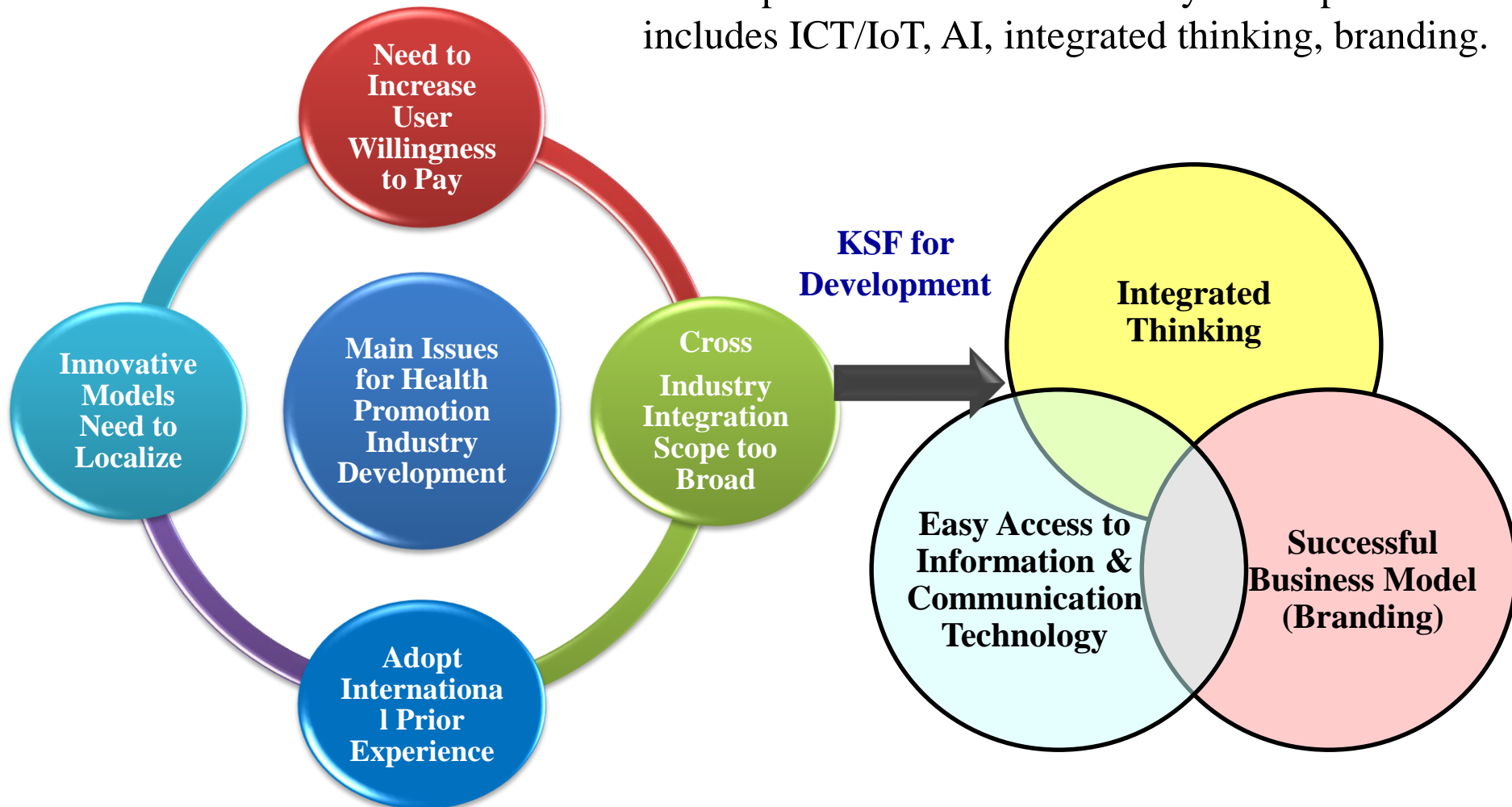
- **Use IoT 、 AI to integrate multifaceted businesses.**
- **Encourage multifaceted businesses to join and supplement 4 main pillars.**
- **Leverage existing brands and design innovate business models, increase output.**

2022

- **45-54 age group as major out-of-pocket market.**
- **Health management, preventative care, stress management, weight management as 4 main pillars.**
- **Europe, USA and Japanese as main focus.**
- **Use IOT 、 AI and innovate business models to build first rate model for export.**

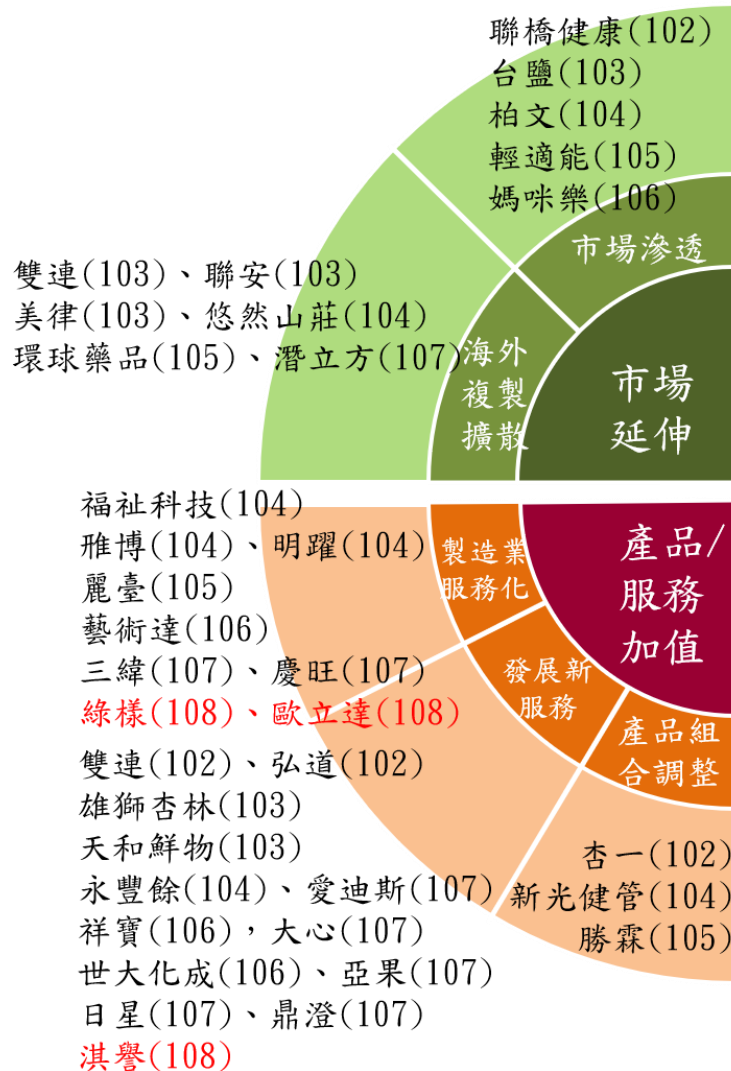
Health Promotion Service Industry Key Success Factors(KSF)

- Health promotion service industry development KSF includes ICT/IoT, AI, integrated thinking, branding.

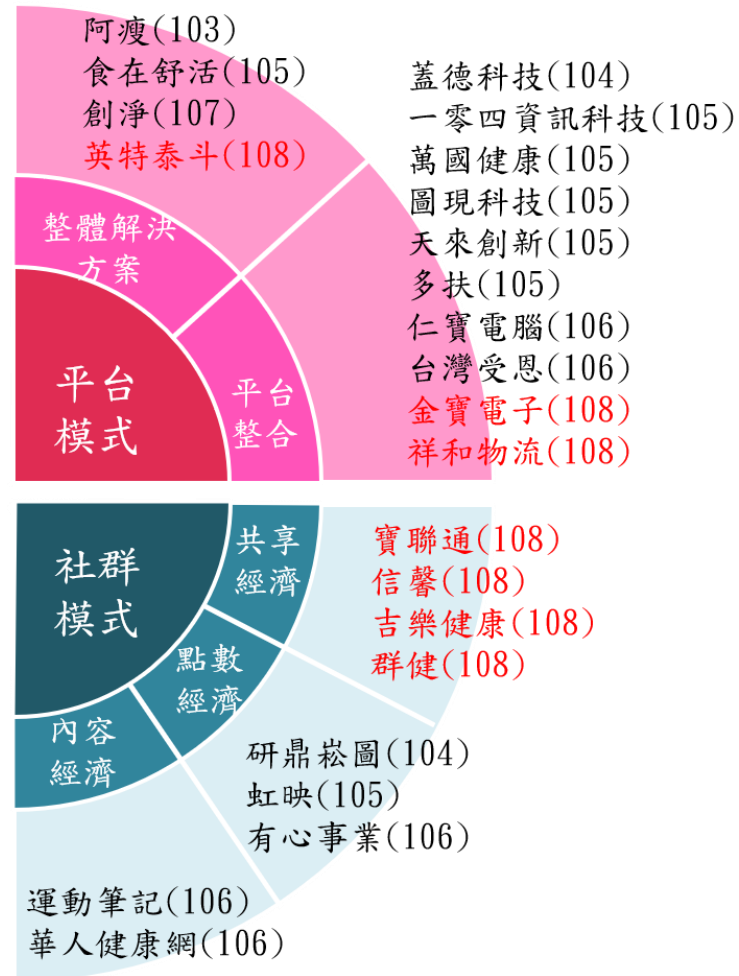


Industry integration and value-added service consulting

運用策略改變帶動的商模創新



運用科技帶動的商模創新

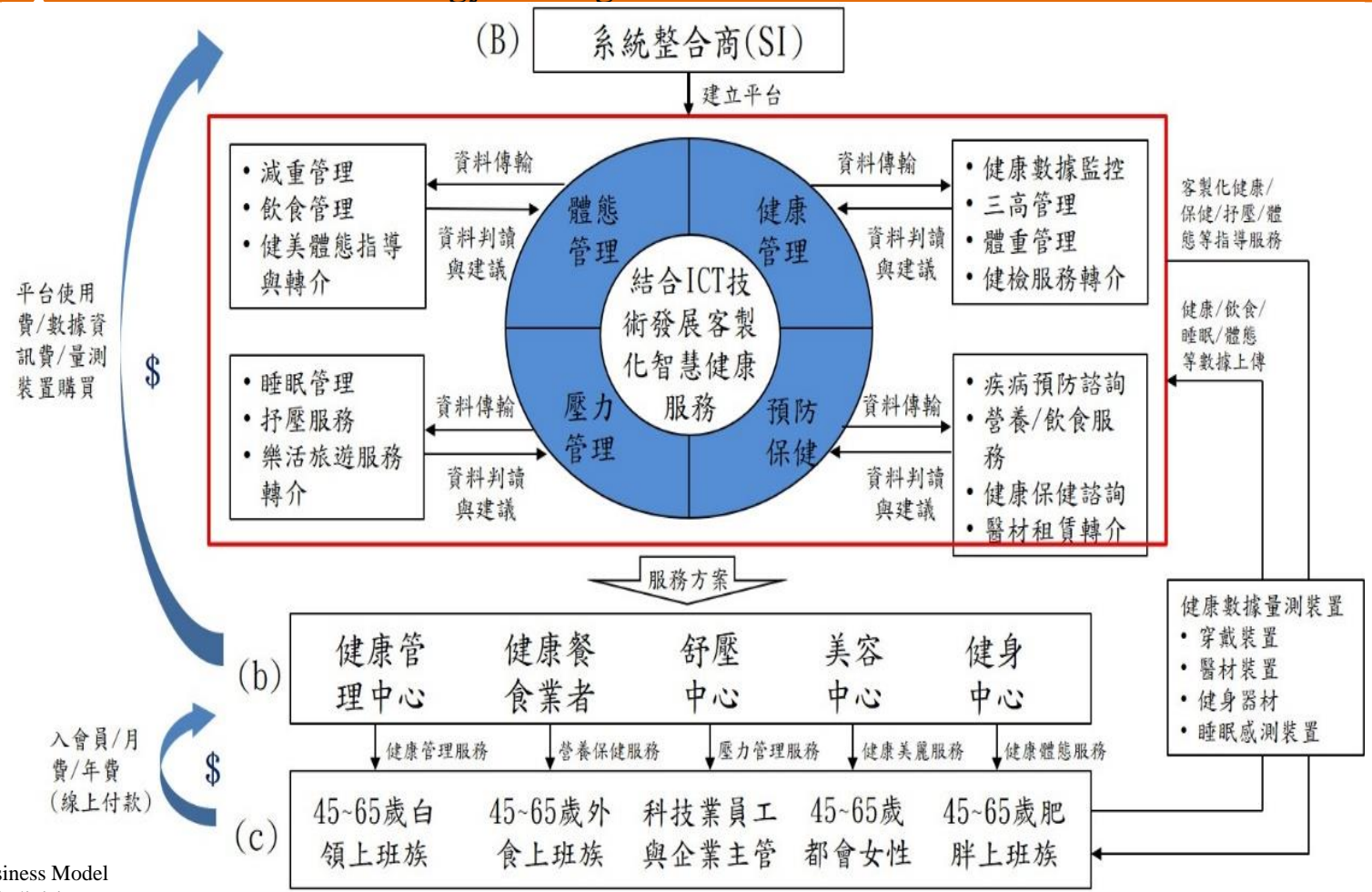


Industry integration and value-added service consulting

【Strategy 1】 : Combine information and communication technology, smart technology and cross industry integration to develop innovative business models (B2b2C)

Consulting
Focus

Extract organizations' domain knowledge and standardize processes. Use information and communication technology to integrate and scale services.



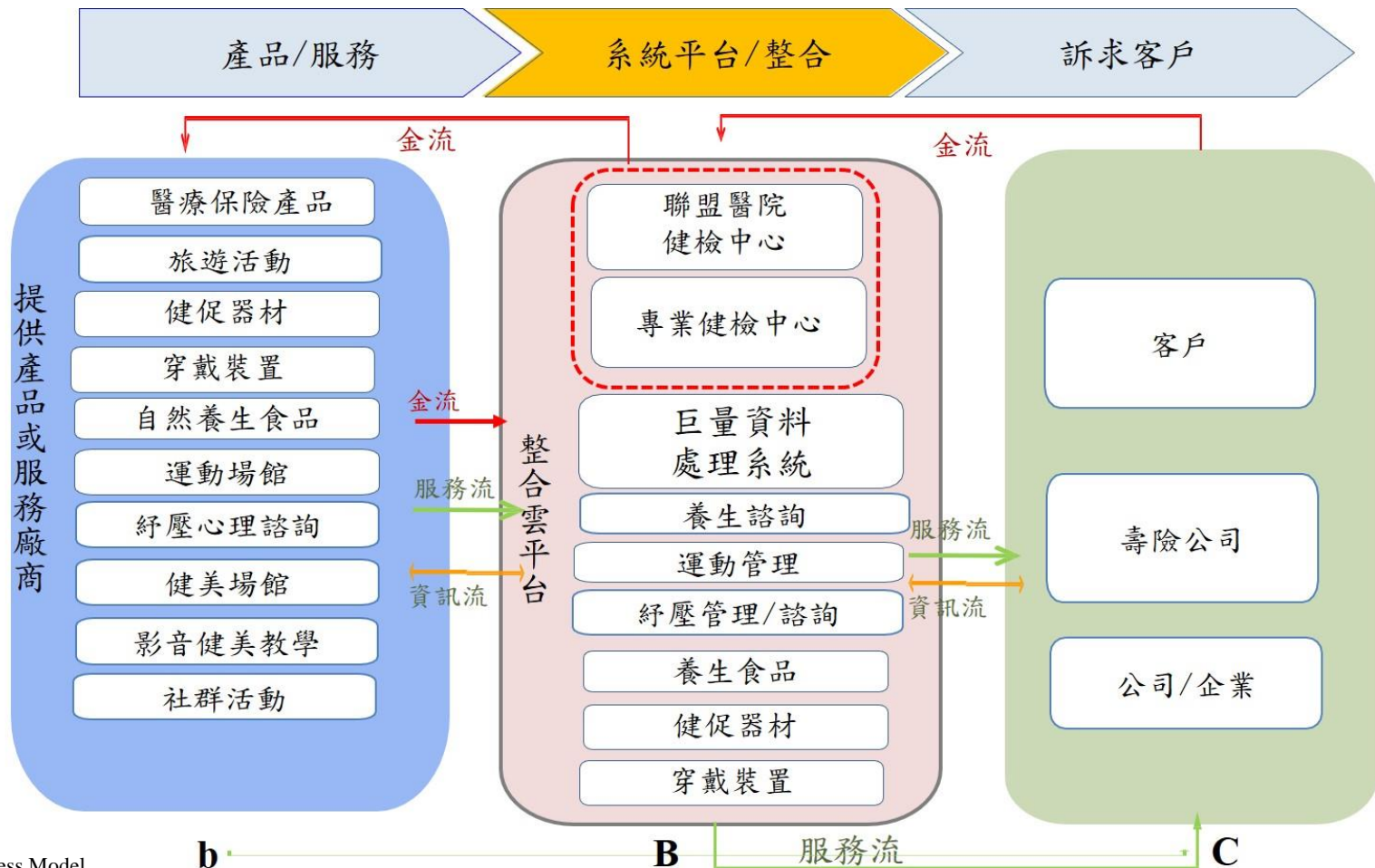
Source : CDRI Business Model
Innovation Research division
(2019/12)

Industry integration and value-added service consulting

【Strategy 2】 : Through existing health related brands, maximize brand effect and promote integrated services (b2B2C)

Consulting
Focus

Provide businesses consultation to use ICT / IoT and form alliances with other businesses, integrate products and services and develop innovative service models.

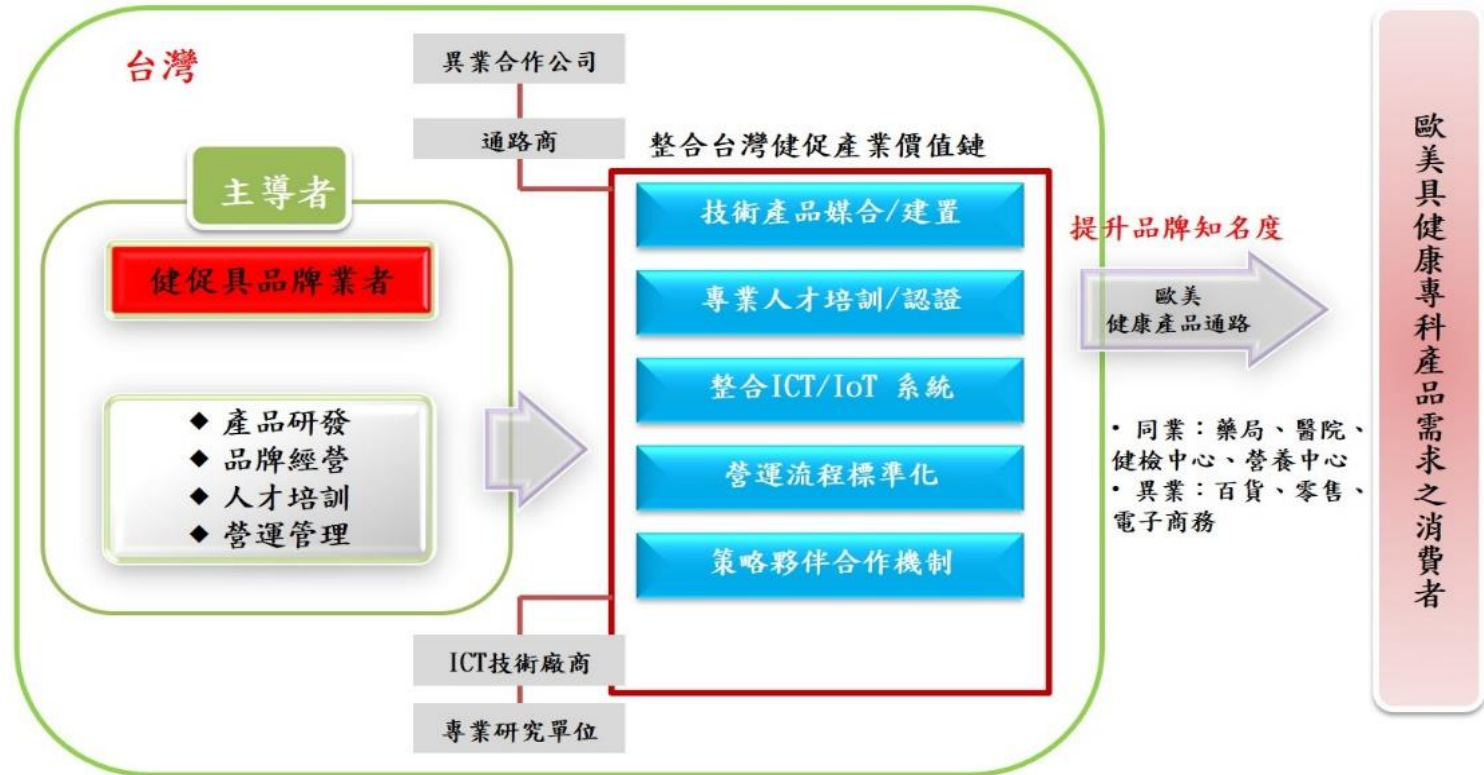


Industry integration and value-added service consulting

【Strategy 3】 : Through first-rate health service corporate brand image, bigger brands support smaller brands and develop in Europe, US and Japan markets.

Consulting
Focus

Encourage branded business, integrate health related industries, build health promotion service business models and brands.



1. 市場區隔/目標客戶/產品定位
2. SIG / 價值鏈成員媒合
3. 經營模式設計與進入策略規劃



1. 同異業結盟合作機制
2. 利潤拆分機制設計



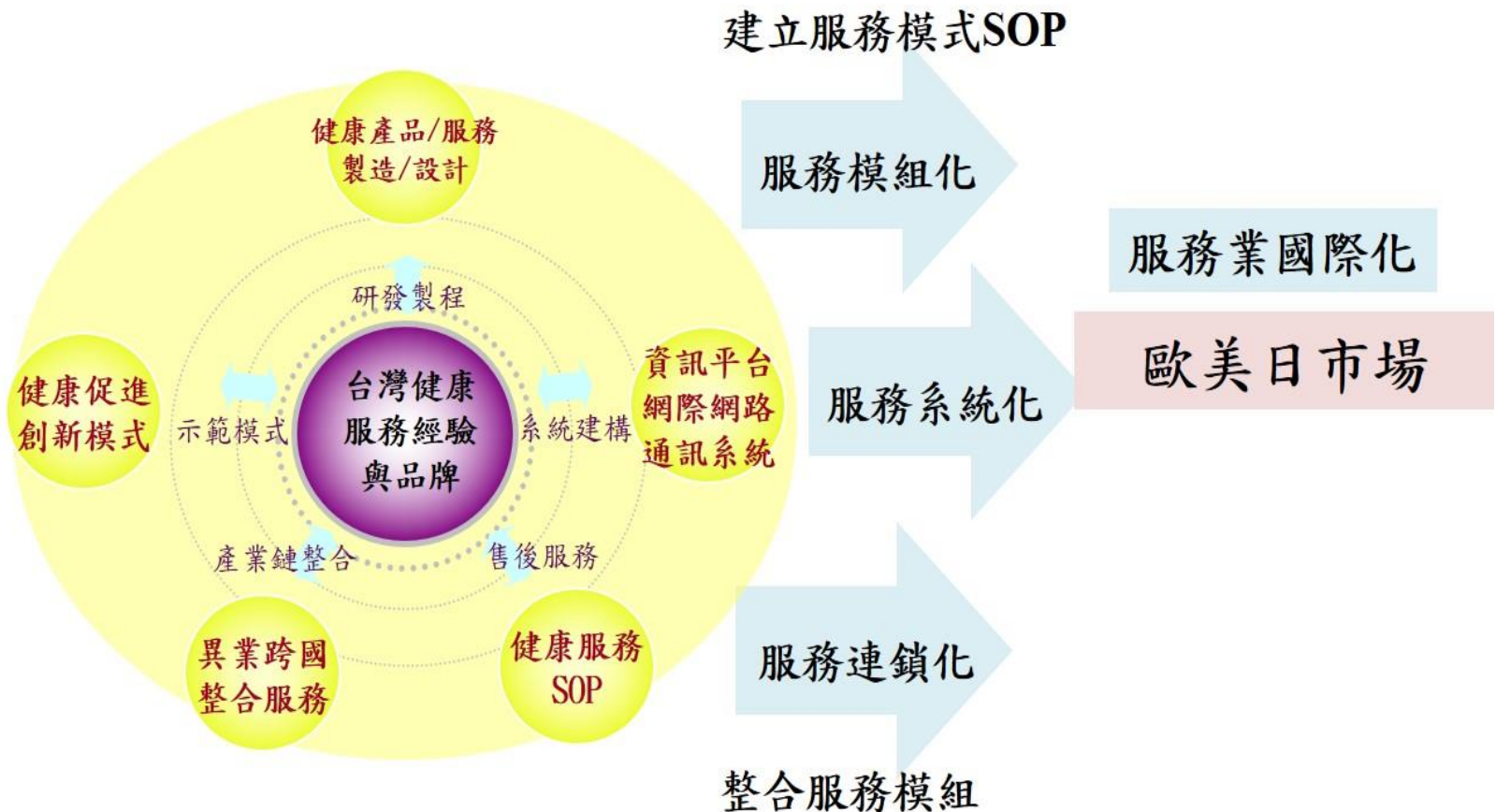
1. 產品/服務組合在地化
2. 營運模式修正
3. 多元通路發展設計

Industry integration and value-added service consulting

【Strategy 4】：Build cross industry service resource cooperation network and innovative business model platform

Consulting
Focus

Adopting strategies such as franchising, modular design and systemization. Export complete packages to other countries using services to stimulate manufacturing & sales.



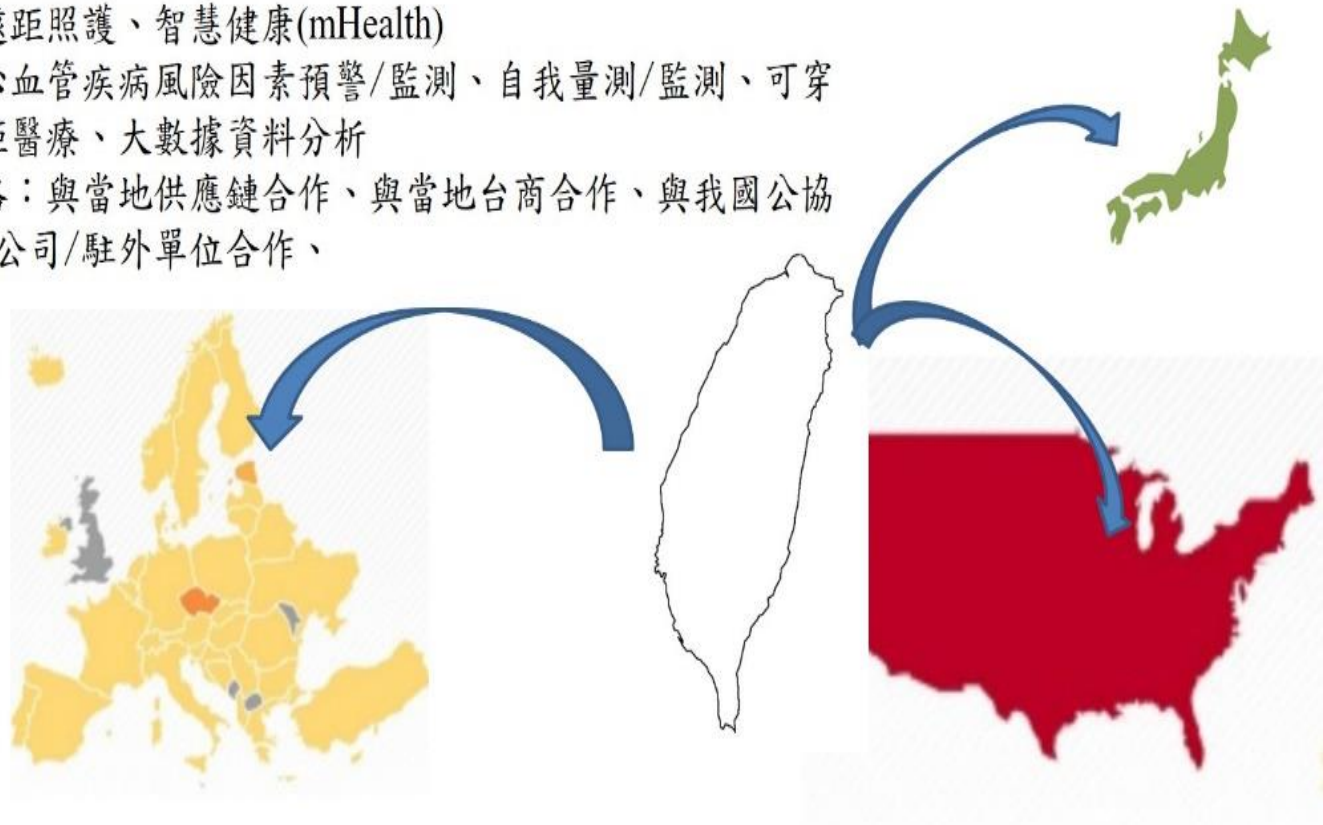
Industry integration and value-added service consulting

【Strategy 5】 : Connect cross border and local resources, drive globalization.

Consulting Focus

Through systemized consulting programs and processes and guide health promotion industry to develop cross border service models.

1. 目標市場：歐美日
2. 利基輸出品項：
 - 日本：遠距照護、智慧健康(mHealth)
 - 歐美：心血管疾病風險因素預警/監測、自我量測/監測、可穿戴、遠距醫療、大數據資料分析
 - 輸出策略：與當地供應鏈合作、與當地台商合作、與我國公協會/會展公司/駐外單位合作、



Thank you