

A REPORT ON ANALYSIS OF AYURVEDIC MARKET AND IN INDIA

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TITLE: "A REPORT ON ANALYSIS OF AYURVEDIC MARKET AND IN INDIA"**INTRODUCTION**

Ayurveda is an ancient system of medicine which came from "Ayurvedic" natural herbs and is a method of alternative medicine. It also helps to cure clinical conditions such as cough, depression, insomnia, and sinusitis by usage of natural healing practices. Ayurvedic ingredients are widely used in personal care products and health supplements along with drugs to cure diseases. The ayurvedic market has grown globally with the increase of awareness of adverse effects of allopathy among the consumers¹. There is also an increase in the awareness of benefits of the ayurvedic products. Further, the easy availability and affordability of such products has led to an increase in the market share of the ayurvedic market². The Ayurveda market is characterized based on products of personal care and hygiene, skin care, hair care, oral care, as well as drugs. The author will concentrate on the market trends, leading manufactures, supply chain trends, and future marketing strategies.³ The study shows the detailed market analysis of this industry and market data has been gathered from the secondary research. Ayurveda is an ancient system of life and the oldest way of surviving medical system in the world⁴. The global market competition is fierce, with many enterprises earning considerable profits from the manufacturing and the marketing of the various ayurvedic products. Further, there are many chances of more firms to enter into this market and try to earn normal or supernormal profits⁵. However, it is recommended to scan the business environment before entering or exiting any industry and carefully analyze the market to see the advantages and disadvantages of the industry.⁶ The future aspect of the ayurvedic industry is expected to be great as more and more firms are entering the market with innovative techniques and goods, quality packaging, and marketing practices. Earlier, Ayurvedic companies failed to impress customers with presentation and promotional activities, but the new generation of

¹ Chauhan, Ashutosh et al. "Ayurvedic research and methodology: Present status and future strategies." *Ayu* vol. 36,4 (2015): 364-369. doi:10.4103/0974-8520.190699

² Sharma, Vineet & Gulati, Saumya & Pandey, Ashutosh & Gautam, Dev Nath & Rai, Himanshu. (2019). Trends in Ayurvedic FMCG Market. *Journal of Young Pharmacists*. 11. 126-129. 10.5530/jyp.2019.11.28.

³ Arseculeratne, S. N. "Interactions between Traditional Medicine and 'Western' Medicine in India." *Social Scientist* 30, no. 5/6 (2002): 4-17

⁴ <https://innohealthmagazine.com/2017/well-being/mother-of-all-healings/>

⁵ <https://www.economicshelp.org/blog/3181/economics/supernormal-profits/>

⁶ Halliburton, Murphy. "Ayurvedic Dilemmas: Innovation, Ownership, and Resistance." In *Indians and the Patents Wars: Pharmaceuticals in the New Intellectual Property Regime*, 55-90. Ithaca; London: Cornelesl University Press, 2017.

entrepreneurs are smartly working on these aspects to partake in growing market competition. The author will also study about few leading producers in this market as Patanjali, Emami, Dabur, Himalaya etc. Both the government and private entities are entering and coming forward to explore future opportunities by entering into the PPP model as Ayurveda has a great power to push Indian economy to the greater heights and make more achievements.

LITERATURE REVIEW

In this piece of work the information has been taken from various literature and various sources have been referred to. The sources referred all provided well versed information about the topic. The author has also referred to various online sources such as legal database, online articles. Researcher has also referred the MICRO ECONOMICS by T.R JAIN, this book explains the various determinants of demand and also tells the types and definition of competition in micro aspect as well as macro aspect. Various online articles have also helped the researcher in understanding the topic and further making it a worth paper.

- Harelal, M. S. "Commercialising Traditional Medicine': Ayurvedic Manufacturing in Kerala." *Economics and Political Weekly* 44, no. 16 (2009): 44-51.

This research article helps in finding out answers to the questions for manufacture of ayurvedic products. The main question is that has the ayurvedic sector is magnificent. It also depicts that the Ayurveda industry has centered market framework and is growing at higher rate than that of overall manufacturing. Secondly this asks about the challenges being faced by the ayurvedic manufacturing sector. This also helps in giving relevant information about the economic importance of the ayurvedic knowledge and how modern firms has surprised it in a competitive environment.

- Halliburton, Murphy. "Ayurvedic Dilemmas: Innovation, Ownership, and Resistance." In *Indians and the Patents Wars: Pharmaceuticals in the New Intellectual Property Regime*, 55-90. Ithaca; London: Cornelesl University Press, 2017.

This article talks about the institutionalized medical practices such as Unani, Siddha and Ayurveda. Also, this helps in providing information about the ministry of AYUSH which has power to control the Indian systems of medicines, it devotes more attention to Ayurveda. Ayurveda is most widely practiced in Indian system of medicines, it receives the most financial support from the government. It also tells about the market share of Ayurveda and in pharmaceutical sector it's the most growing industry with annual sales over US \$600 millions.

- Islam, Md. Nazrul. "REVIVING AYURVEDA IN MODERN INDIA: Prospect and Challenges." *International Reviews of Modern Sociology* 36, no. 1 (2009): 138-47.

This article tells about the growth of the ayurvedic industry in modern India. It also tells various ayurvedic health service facilities in modern India and the ayurvedic benefits for the common diseases. Further it also provides the statistical analysis of the progress of the number of ayurvedic hospitals and dispensaries in India. It also gives information on the priority of choice of the various medical services preferred by the patients in India.

- Madhulika Banerjee. "Local Knowledge for World Market: Globalising Ayurveda." *Economics and Political Weekly* 39, no. 1 (2004): 89-93.

This article helps the researcher in understanding and providing proper information about the global ayurvedic market analysis and the market leader in this industry. Also, this article explains about the adverse effects of the allopathy and its effects with comparison with natural and alternative therapies has resulted in the shift of customer towards herbal and ayurvedic health care products. These reasons has been well elaborated in this article and tells about the growth of ayurvedic industry in the modern market by spreading awareness.

- Madhulika Banerjee. "Public Policy and Ayurveda: Modernising a Great Tradition." *Economic and Political Weekly* 37, no. 12 (2002): 1136-146.

In this article the author has well provided the statistics of the Manufactures of ayurvedic products and medicines. This article also talks about the establishment of efficiency in the global ayurvedic market and the increase in share of the ayurvedic industry in the market. It also provides the data about the Government manufacturing units for ayurvedic products and the medicines. The major issue covered under this literature is the Globalization and Ayurveda. There is also fulfledged information of Civil society and Ayurveda which helped the researcher in conducting a wide research and understanding the concept of Ayurveda in modern times.

- Bhandari, Neena. "Is Ayurveda the Key to Universal Healthcare in India?" *BMJ: British Medical Journal* 350 (2015).

This piece of literature talks about the benefits of the Ayurveda as a key to the universal healthcare in India and also it tells about the increase in awareness of the benefits of the ayurvedic products and also the easy availability, affordability lead to increase in the market share of the ayurvedic market.

RESEARCH METHODOLOGY

The researcher has framed this work using Doctrinal Method. Descriptive and analytical study has been used in writing this research paper. Reference has been made from secondary sources like books, journals and articles and online websites. All the sources have been duly acknowledged. Doctrinal method involves consolidation of ideas and abstract in a systematic way and reference is been taken by the secondary sources of data. The use of primary data is also there in finding out the particular sectors where this problem prevails. The researcher has also used the empirical method of research by gathering information of various organization where this practice is being done and finding out statistic regarding the issue also an analysis will be done on the growth of the ayurvedic market in India. The researcher will also deal with the various segments in which this ayurvedic market has been divided in this paper with the help of statistics available on various market sites and economic times.

RESEARCH QUESTIONS

1. What is ayurvedic market?
 - 1.1 Definition of market and types of market and its competition?
 - 1.2 Various sectors covered under ayurvedic market?
2. What are the various segments into which the ayurvedic market has been divided into?
 - 2.1 Segmentation by product type?
 - 2.2 Segmentation by application?
 - 2.3 Segmentation by manufactures in market?
3. What approaches to increase the market share have been made and implemented by these manufactures?
4. What were the results of these strategies and approaches?

RESEARCH OBJECTIVES:

- To find out which all sectors are being covered under the Ayurveda.
- To trace about the psychological and social impact on the group of people using these products.

- To find out the various determinants of demand and the type of market is the ayurvedic market in present day scenario.

CHAPTERISATION:

1. INTRODUCTION
 - 1.1 MARKET AND ITS TYPES
 - 1.2 FACTORS OR DETERMINANTS OF DEMAND
 - 1.3 SEGMENTS IN WHICH AYURVEDIC MARKET HAS SPREAD
2. AYURVEDA MARKET TRENDS
 - 2.1 AYURVED MARKET SHARE
 - 2.2 AYURVED COMPETITION IN MARKET
3. OVERALL ANALYSIS OF THE AYURVEDIC MARKET IN INDIA
4. CONCLUSION AND SUGGESTIONS

MAIN BODY ANALYSIS

CHAPTER 1:

India is a producer as well as a manufacturer of ayurvedic medicines which are being produced by thousands of companies within the country. Most of them are small scale and produce these ayurvedic medicines by compounding various ingredients to make their own medicines for curing different diseases⁷. The estimate of total production of ayurvedic products in India is approximately near one billion dollars⁸. The main focus of these industries is on fast moving consumer goods.⁹ The fast-moving consumer goods includes foods, beverages, toiletries, and luxury items such as cigarettes etc. Also, with producing these ayurvedic medicines these companies produce ayurvedic herbal combination products such as soaps and toiletries. The

⁷ Sharma, Vineet & Gulati, Saumya & Pandey, Ashutosh & Gautam, Dev Nath & Rai, Himanshu. (2019). Trends in Ayurvedic FMCG Market. *Journal of Young Pharmacists*. 11. 126-129. 10.5530/jyp.2019.11.28.

⁸ Chauhan, Ashutosh et al. "Ayurvedic research and methodology: Present status and future strategies." *Ayu* vol. 36,4 (2015): 364-369. doi:10.4103/0974-8520.190699

⁹ Harelal, M. S. "'Commercialising Traditional Medicine': Ayurvedic Manufacturing in Kerala." *Economics and Political Weekly* 44, no. 16 (2009): 44-51.

major leading suppliers of the ayurvedic medicines are Dabur, Baidhyanath, Zandu, Himalaya, and Emami. They constitute an approximate of 85% of the India's domestic market share.¹⁰

The awareness and better understanding of the adverse effects of the allopathy and its effects with comparison with natural and alternative therapies has resulted in the shift of customers towards herbal and ayurvedic health care products.¹¹ A rational customer prefers to purchase a product with more benefits and less side effects. India has attained global eminence for its huge range of ayurvedic products and research. The major components driving customers inclination for the ayurvedic items are rising mindfulness with respect to their advantages, more awareness regarding the sick impacts of allopathy treatments, easy accessibility, and rising disposal income.

CHAPTER 2:

The rise of the awareness of masses regarding natural ingredients in health and personal care products has opened doors of development for ayurvedic product manufacturers.¹² The world of ayurvedic products market can be segregated in the following ways:

SEGMENT 1: BY PRODUCT TYPE

- Health care products

Ayurveda, having originated in India, is the oldest form of the medicinal system¹³. The major concentration of ayurvedic medicines is on health and wellness through the means of harmonizing mind, body, and spirit.

- Personal care products

The system of Ayurveda has powerful anti-bacterial and antiseptic properties inclusive of those of turmeric, neem, tulsi, and various natural herbs which help in fighting several bacterial infections. Ayurvedic skin care products may help in reduction of blemishes and can help in controlling acne amongst youths¹⁴. There is further diversification of the personal care products of Ayurveda in three categories:

¹⁰ www.alliedmarketresearch.com

¹¹ www.hindawi.com

¹² Critical Success Factors for Ayurvedic and Herbal Product Launch-evidence From India by Sanjeev Verma and Mohit Kalra, National Institute of Industrial Engineering.

¹³ <https://www.ayurvedanama.org/history-of-ayurveda>

¹⁴ Nasri, Hamid et al. "Medicinal Plants for the Treatment of Acne Vulgaris: A Review of Recent Evidences." Jundishapur journal of microbiology vol. 8,11 e25580. 21 Nov. 2015, doi:10.5812/jjm.25580.

- Skin care products
- Oral care products
- Hair care products

SEGMENT 2: BY DISTRIBUTION CHANNEL

The ayurvedic products are marketed and distributed through supermarkets, drug stores, direct selling, and many more ways of selling and distribution of the ayurvedic products.¹⁵ Ayurveda consumption has spread across the globe, leading to the increase in the market share of the ayurvedic industry in India and all over the world. Products are available through channels such as:

- Supermarkets
- Department Stores
- Drug Stores
- Beauty Salons
- Direct Selling
- Internet Retailing

SEGMENT 3: BY END USERS

- Women
- Men
- Children

Ayurveda is one of the oldest form of medicines which originated from India and is approximately 5000 years old. The word's literal meaning is "life-knowledge". Ayurveda has benefited people in India as well as worldwide. There are various benefits of ayurvedic system of health and medicines.

Ayurveda helps in reducing stress among all the age groups through the means of meditation, yoga, breathing exercise are few of the ayurvedic techniques which helps in reduction of excessive stress and anxiety among the people. It also helps in weight loss and maintenance of body weight among the people. Ayurveda can help in balancing hormones and can also reduce

¹⁵ Langford, Jean. "Ayurvedic Interiors: Person, Space, and Episteme in Three Medical Practices." *Cultural Anthropology* 10, no. 3 (1995): 330-66.

symptoms of illness and diseases. It also has many proven tricks to keep your skin glowing and soft and helps in improving the metabolism.

CHAPTER 3:

OVERALL ANALYSIS OF THE AYURVEDIC MARKET IN INDIA

The growth of the ayurvedic market showcases the increase in awareness about the healthy life and well-being, coupled with the awareness about the side and ill effects of the chemical medication.¹⁶ The strategic advertising practice of large companies has resulted in major growth of the ayurvedic industry in India. These large firms are the significant market drivers for the ayurvedic items in India.

The ayurvedic market has been categorized into various segments which have witnessed a fast growth of this industry. The beauty and personal care ayurvedic products hold a huge market share, because of the consumers awareness of the ill effects of the chemical-based products and the benefits which they get from using an ayurvedic product are far better than those which are even high priced and are not affordable by the public at large¹⁷. The significant growth is based on the strong marketing and endorsement of spiritual leaders such as Baba Ramdev in the personal care and beauty products for the expansion of the industry. Some leading players in the ayurvedic market are Dabur, Emami, Himalaya, Patanjali, Baidhyanath and others, who are playing a very crucial role in expanding and increasing the market share of the ayurvedic products.¹⁸

TechSci Research has tried to calculate the market share of the Indian ayurvedic products with the bottom-up approach.¹⁹ In this method various application among the end users of the products was recorded and then from this collected information the forecast for the further years was estimated. Then, TechSci used various secondary resources for research, such as company sites, newspapers, articles, prospectus of the firms, annual reports, financial reports of companies etc. to forecast the upcoming years.

¹⁶ Islam, Md. Nazrul. "REVIVING AYURVEDA IN MODERN INDIA: Prospect and Challenges." *International Reviews of Modern Sociology* 35, no. 1 (2009): 137-47.

¹⁷ <https://www.globenewswire.com/news-release/2020/02/19/1987197/0/en/The-Indian-Ayurveda-Market-Forecast-to-2024-Consumers-Product-Preferences-for-a-Strong-Brand-Image-Challenges-New-Market-Entrants.html>

¹⁸ A Study on Factors Affecting Sales of Patanjali, Himalaya, Dabur and Zandu Products: Consumer's Point of View, by Priyanka K. Shinde, Management Student (Pharmaceutical Management), Indian Institute of Healthcare Management and Research, Jaipur-302029.

¹⁹ www.techsciresearch.com

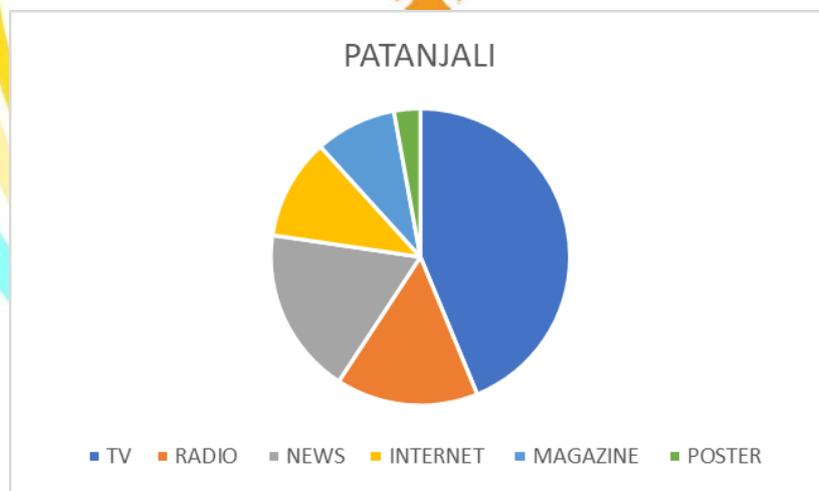
The key target of the forecast was on the ayurvedic products customers, consumers, sellers, manufacturers, and distributors.²⁰ They also targeted organizations, various forums which all are connected to the ayurvedic products market and through this finding we get all the answers to crucial questions which need to be answered to the industry stakeholders for further help in making marketing strategies and capitalizing on the markets and investing in various sectors. The major distributors of the ayurvedic products are traditional stores, supermarkets, online markets, and departmental retailers. This market has expanded all over the geographical territory of the country.

CHAPTER 4:

OBSERVATIONS AND FINDINGS:

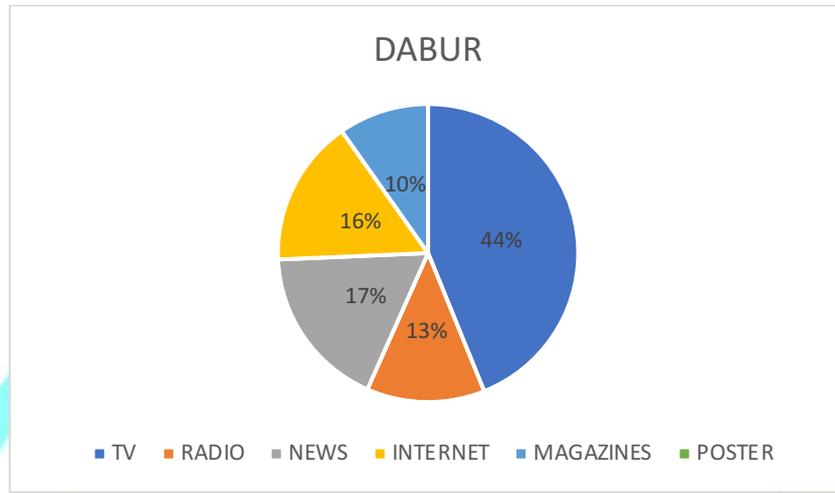
LEVELS OF AWARENESS FOR VARIOUS BRANDS FROM CONSUMERS POINT OF VIEW:

- Patanjali: The chart below shows the extent of awareness of Patanjali from the consumer's point of view.

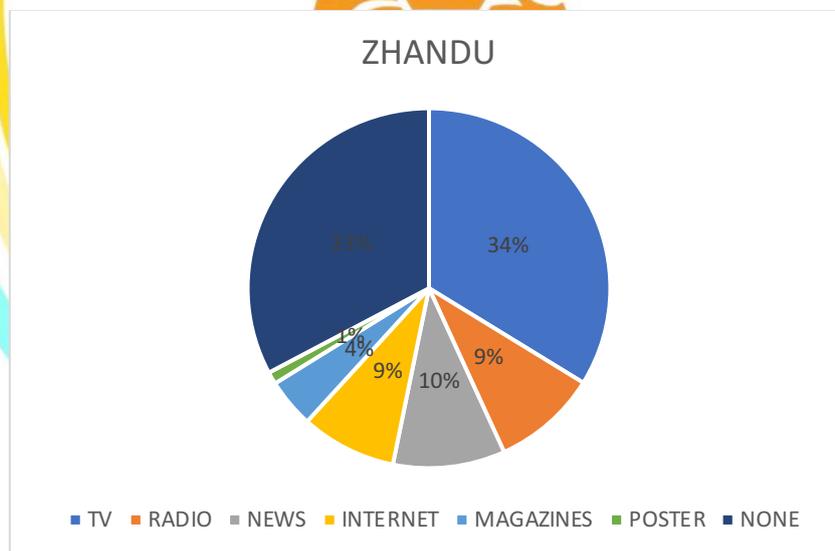


²⁰ Halliburton, Murphy. "Ayurvedic Dilemmas: Innovation, Ownership, and Resistance." In *Indian and the Patents Wars: Pharmaceuticals in the New Intellectual Property Regime*, 55-90. Ithaca; London: Cornell University Press, 2017.

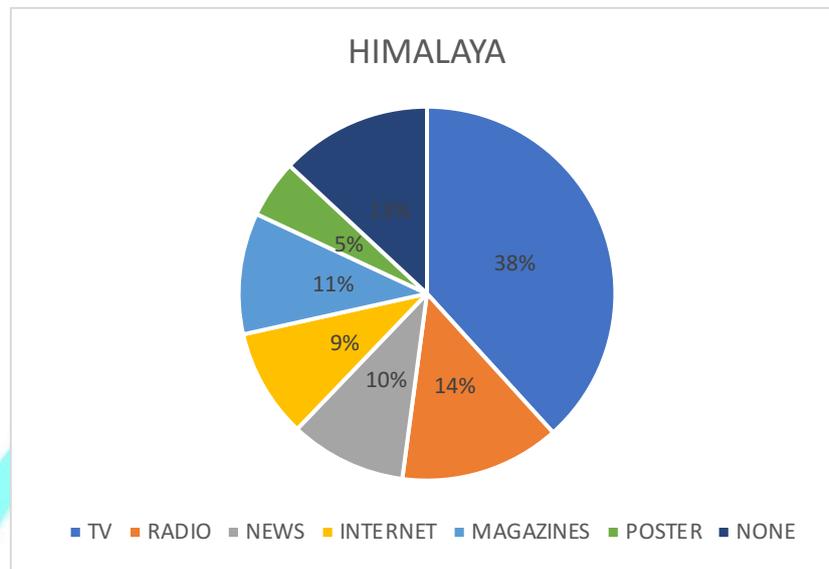
- Dabur: The chart below shows the extent of awareness of Dabur from the consumer's point of view.



- Zhandu: The chart below shows the extent of awareness of Zhandu from the consumer's point of view.



- Himalaya: The chart below shows the extent of awareness of Himalaya from the consumer's point of view.



These graphs depict the level of awareness for the various leading market players in the Ayurvedic products industry. Through this we can infer that as the ayurvedic market has grown globally with the increase of awareness of adverse effects of allopathy among the consumers. Also, there is an increase in awareness of the benefits of the ayurvedic products and also the easy availability, affordability lead to increase in the market share of the ayurvedic market.

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CONCLUSIONS AND SUGGESTIONS

Globalization in the contemporary occasions is not the first event which effects the Ayurveda transformation.²¹ Ayurveda in India has undergone a considerable change in the past few years. There was a rapid increase in demand for the ayurvedic health treatment which spread the awareness among the public and helped them realize that there are many benefits this system when compared to the mass-consumed chemical-based products. It was found that ayurvedic treatment has a great impact on patients as it is a form of natural therapy²². The Indian government has taken several steps and played a role of regulator and a facilitator for the investors of the ayurvedic market²³. It has been observed that the healthier the population of the country leads to the health and great economic growth. Ayurveda has been widely accepted as a complementary medicine globally.²⁴ Many of the small companies have grown rapidly in the past few past years and have led to increase in the market share of the ayurvedic industry in the economic market and has also helped in increasing the economic growth of the nation. The ayurvedic industry has further gained trust and attracted most of the customers by the different marketing strategies and making the crowd aware of the benefits of the Ayurveda and its treatment and its benefits. Ayurveda has undergone a substantial change in the past 150 years, through the colonial and then the post-colonial period²⁵. Contrary to popular opinion, pre-modern Ayurveda was marked by various levels of multiplicity—multiplicity of texts, diversity of practice and social differentiation, with continuous historical changes anchored in an open-ended epistemology.²⁶ Thus, in the early phases of encounters with systems of medicine like Unani, it was possible to adapt and assimilate new ideas into the old without the danger of erasure or being cast to the margins. The research found that Ayurveda is one of the most seasoned type of medications which at first started from India and is roughly 5000 years

²¹ Madhulika Banerjee. "Public Policy and Ayurveda: Modernising a Great Tradition." *Economic and Political Weekly* 37, no. 12 (2002): 1136-146.

²² Chauhan, Ashutosh et al. "Ayurvedic research and methodology: Present status and future strategies." *Ayu* vol. 36,4 (2015): 364-369. doi:10.4103/0974-8520.190699

²³ <https://theprint.in/ilanomics/why-india-needs-to-regulate-ayurveda-to-win-the-world-market-for-natural-remedies/462595/>

²⁴ Madhulika Banerjee. "Local Knowledge for World Market: Globalising Ayurveda." *Economic and Political Weekly* 39, no. 1 (2004): 89-93.

²⁵ Sen, Saikat, and Raja Chakraborty. "Revival, modernization and integration of Indian traditional herbal medicine in clinical practice: Importance, challenges and future." *Journal of traditional and complementary medicine* vol. 7,2 234-244. 28 Jun. 2016, doi:10.1016/j.jtcm.2016.05.006

²⁶ Bhandari, Neena. "Is Ayurveda the Key to Universal Healthcare in India?" *BMJ: British Medical Journal* 350 (2015).

of age therapeutic framework which really signifies "life-information". Ayurveda has profited individuals in India just as around the world. There are different advantages of ayurvedic arrangement of wellbeing and medications.

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