

An Analysis on the Current Scenario of Consumers Buying Behavior towards Ayurvedic Medicines in India

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ABSTRACT

In India ayurvedic herbs are used as medicines, Indian culture has taught the world how to use ayurvedic herbs in oral and personal products for the factors like natural, economical and user friendly. Oral and personal care industry has responded to the consumers' expectations with wide variety of products. India is witnessing increased changes in desires and lifestyle, which resulted in increase in demand for Oral and Personal care products. The reason for this renewed interest of herbal products is attributed to the ever increasing evidence of the harmful side effects of modern synthetic products. Hence, scientific knowledge of the Ayurvedic/herbal drugs has to be transmitted out in a systematic manner to compete the international market and provide consumer satisfaction. Ayurveda has a brilliant future in India as a business proposition due to the ever increasing demand for natural therapies. Due to lack of cure for chronic diseases and side effects of conventional medicines, developed countries have started looking toward Ayurveda for treatments to restore wellness of their citizens. Modern medicine is mostly governed by a demand for evidence-based practice. The methods of cure related to Ayurvedic massages, herbal therapy, yoga and traditional surgery are catching everyone's imagination very fast and promise to be the next big thing in the medical and wellness industry. The business prospects amounts to a \$20 billion ready market, which is growing at a very fast rate and would become a \$5 trillion market worldwide by 2050. Large portions of this market would be centered in India being the origin.

Key words: Ayurveda, traditional medicines, health, market, disease

I.INTRODUCTION

Ayurveda witnessed a shift towards rational principles in the practice of medicine, at a very early stage in its evolutionary history. The early classical Ayurveda textbooks talk about the validation of knowledge and distinguish between real and chance effects of therapy. These works also contain elaborate methods to study properties of drugs, to develop new medical formulations, and protocols to study and understand the occurrence of new diseases. This holistic science of medicine, as practiced and utilized by Indians at large since centuries, is getting global at present by virtue of its qualitative strength, essential elements of health and important clues for consistent functioning of life. Ayurveda is basically more oriented toward the management of lifestyle disorders which are in prominence due to stress-related phenomena and some other reasons among certain age groups in the society. Worldwide recognition of academic courses in Ayurveda is an additional accreditation of the establishment of wellness centers in general and its therapeutics value as a system of medicine in particular.

II.TODAY'S SCENARIO

Ayurveda is receiving momentum as an effective alternative to the conventional system of medicine by virtue of its systematic approach to cure and prevent ailments using natural resources. At present, traditional, alternative and complementary systems of medicines account for a major part of the healthcare being provided worldwide. However, little attention has been paid to understand the current scenario in which dynamism in the choice (or demand) and utilization of these systems for healthcare exists.

Demand for Ayurvedic products worldwide has increased at an annual rate of 8% during the period of 1994–2001, and according to WHO forecast, the global herbal market would be worth \$5 trillion by the year 2050. As of today, Europe and

the United States are two major herbal product markets in the world, with a market share of 41% and 20%, respectively. These data are in consonance with the hype surrounding the international potential for Ayurvedic products. It seems that Ayurveda is undergoing a phase of resurgence and revival “in the world” similar to the one “at home”

The Eleventh Five Year Plan (2007-12) aimed to integrate the Indian medical systems Ayurveda, Yoga, Unani, Siddha, Homeopathy and Sowa-Rigpa (AYUSH) into public healthcare and to improve their accessibility. For this purpose the money invested in AYUSH was tripled to 705 million US \$, compared to the preceding Five Year Plan in which 12.6% was allocated to industry. In addition to the core areas such as education, research, industry, and medicinal plants, the Eleventh Plan has added four target areas: mainstreaming AYUSH in public health; upgrading technology used by the AYUSH industry.

The Indian Scene

While reliable information on industrial activity in this sector is not readily available, it is estimated that the annual total market for the products of Indian systems of medicine is of the order of Rs. 5000 Crores in the domestic market and around Rs. 500 Crores in exports. Both in turn-over and in the number of units, Ayurveda constitutes over 85 % of the total, which is followed by Homeopathy, Unani and Siddha. In the case of the number of Hospitals, Educational Institutes and Practitioners, the same order prevails. Of the 7000 Units, only around 35 have sales of over Rs. 5 Crores per annum, the majority of the balance are in the range of Rs. 50 lakhs to Rs. 1 Crore. Of the larger Units, most of them market proprietary products, developed from the knowledge base of the traditional systems converted to various modern solid and liquid dosage forms. Currently, ayurvedic and Unani health and beauty products could be broadly divided into three categories: classical formulations, biomedical providers and consumer brands.

1.Consumer brands (over the counter products) are advertised directly to consumers through public media such as television, newspapers and magazines.

2.Biomedical providers are marketed to physicians, pharmacists and chemists. Liv 52, Geriforte (anti-ageing), both from Himalaya are examples for ayurvedic biomedical providers, and in principle, are available only on prescription.

3.Classical products like Chyawanprash, Dasamularishta, Triphala are also marketed directly and purchased without the prescription of the physicians, while some of the lesser known formulations like Praval Bhasma, Chandraprabha, Vatika are prescribed.

The Negatives of Modern Medicines

- 1) Modern medicines hardly ever are successful in treating and curing chronic illnesses. They are primarily useful for alleviating morbidity resulting from disease conditions.
- 2) Being primarily of chemical origin, invariably, all of them pose problems of unacceptable adverse effects, particularly when used over long periods of time.
- 3) Being agents for treatment of symptoms of diseases, they need to be taken for life- time. Apart from the adverse effects they cause, chronic treatments imply heavy economic burden on patients. Examples are drugs for Cardiovascular Diseases, CNS disorders, Diabetes, Lipid disorders, musculoskeletal diseases, Cancer, Endocrine and Gastrointestinal diseases etc.
- 4) Due to economic reasons and poor returns on investments, many diseases of the poor are not targets for R&D efforts by large Pharma Companies.
- 5) New drug research is moving into biologicals developed through modern sciences of genomics and proteomics.
- 6) Companies are shifting their focus to developing personalized medicines rather than blockbuster drugs.
- 7) The costs of treatment for these drugs are prohibitively high and unaffordable even to the patients in upper income countries. The costs of treatment with modern biotechnology drugs average > \$ 50,000 per course of treatment in the U.S.
- 8) The high level of technology used for their production and the patent system prohibits the introduction of lower cost generic versions of these drugs.
- 9) Current approaches to new drug discoveries use in-vitro and animal (in-vivo) models which do not represent true human disease conditions. Hence failure rates in drug discovery are unacceptably high.

III. CHANGING CONSUMER BEHAVIOR

Today, the Indian cosmetics industry has a plethora of herbal cosmetic brands like Forest Essentials, Biotique, Himalaya, Blossom Kochhar, VLCC, Dabur and Lotus; and many more are adding to the list. In addition to a widening base of consumers, color cosmetics and anti-aging and anti-wrinkle creams are expected to be the future drivers of growth in this segment. The market for Ayurvedic cosmetics products in India is expected to grow at a rapid pace over the coming decades. The market is only beginning to get populated with ayurvedic brands and it will be a while until it gets too crowded. Ayurvedic manufacturers are investing in research and constantly coming up with new and innovative technology and products that are resulting in better and more effective ayurvedic cosmetics. Ayurvedic cosmetics are still competing with synthetic products and they need to strive to ensure quality that is similar to synthetic brands.

Rational use of medicines is essential in today's situation, especially in a country like India, where there is a wide disparity in the availability of medicines between cities and villages. The concept of rational use of medicines has not yet fully

penetrated into the minds of healthcare providers or the public, and as a result there is large scale irrationality seen in availability and prescription of medicines. The methods of cure related to Ayurvedic massages, herbal therapy, yoga and traditional surgery are catching everyone's imagination very fast and promise to be the next big thing in the medical and wellness industry. This translates into a huge potential in the market for the different verticals that Ayurveda spans out in times to come. It has the unique advantage of having something to offer for every class of the society. The opportunity is really vast as it spans through all the possible verticals like Yoga centres, Ayurvedic spas and Herbal medicines. Yoga centres are growing at a rate never seen before as are spas that offer herbal treatment. Combined with the recent trends of increasing acceptance of natural medication, this accounts for a huge potential in the up and coming times for Ayurvedic products.

The business prospects amounts to a \$20 billion ready market, which is growing at a very fast rate and would become a \$5 trillion market worldwide by 2050. It goes without saying that large portions of this market would be centered in India being the origin. The total size of the Indian Ayurvedic market is INR 50 billion and it is growing substantially at a rate between 10-15 percent, with the same growth rate targeted for the next 10 years.

There are two big advantages in this industry to be gained by prospective investors. First, that it is recession proof – as the healthcare industry has always been. Second, it reaches out to a larger chunk of target consumers across all income groups. As such, this happens to be a great time to be in the Ayurveda market as it is expected to grow exponentially in the next few years. The fact that Ayurveda provides a viable business opportunity is borne out by the long and successful runs of several brands in this field that include Dabur (launched 1884), Amrutanjan (launched 1893), Himalaya (launched 1930), Baidyanath (launched 1917), VICCO (launched 1952) and many more.

The leading companies like Dabur, Zandu, Himalaya, Arya Vaidya Sala, Kottakkal (henceforth, AVS) have achieved a significant growth in the last few years. In 2003, among 9,000 ayurvedic firms, a mere 2%, constituted more than 80% of the market share, while the rest of the firms (small/tiny/household) had a smaller percentage, though they have a strong niche market in some regions, especially in rural areas. The smaller firms cater to a large spectrum of population by providing with low cost ayurvedic medicine.

In today's era, development of an appropriate and effective marketing strategy requires an assessment of the buyer in qualitative terms. This includes keeping a watch on the sources of information from where the buyer gets the knowledge about the brands, their frequency of purchase and the decision-making process of decision maker and satisfaction. A study of the buyer from all these dimensions is of paramount importance for it would make open the marketing implications and ramifications for the marketers. Basically it is the motivational mechanism that the buyer has developed in his mind towards various sets of products that counts at large. A deliberate consumer behavior study helps the marketers to come out with right positioning strategies. It is to say that any effort to assess the market must include a keen and close analysis of what the buyer is in the market. Like in any other product, consumer behavior involves the psychological process that consumer go through in recognizing his needs, finding ways to solve these needs, making purchase decisions (e.g., whether or not to purchase a product and, if so, which brand and where), interpret information, make plans, and implement these plans.

The opportunities are enormous in India the only constraint is this system is not recognized in most parts of the world legally as a system of medicine /health care, allowing qualified doctors to practice the profession, advice & prescribe Ayurvedic & Herbal medicines & nutraceuticals. Whatever is happening in few countries is due to individual efforts in personal capacity & success stories heard some time. A new model & statutory clearances for facing this challenge is now required. Recent developments in Italy and U.K. with Lord Walton Committee, the coming up European law on traditional medicines are all putting more challenges & requirements to be met. Because of their uniqueness Ayurvedic products as an alternative system of medicine, and many herbal products of Indian origin, have very good potential to win a considerable share of the world market.

Attitude of Consumers

Consumers worldwide are going green and this is especially true in the cosmetics market. Over the last few years, growth in the market for cosmetics has been driven by products that use natural or herbal components. The market share of natural based products has been increasing gradually. Companies are increasingly feeling pressurized to focus on sustainability and reduce their environmental footprints. Consumers are more aware and better informed than ever before. They are becoming conscious of the ingredients that go into the products that they use and are averse to chemicals that are known to cause side effects. On the supply side, companies are engaging in advanced research of plant-derived peptides, encapsulated actives, active plant stem cells, complex extraction processes, and clinical testing to deliver products that are acceptable to the well-informed customers.

CONCLUSION

Development in ayurveda during the past two centuries through organized production of medicine, institutionalization of education and professionalization of clinical practice have often been parallel to, or a response to developments in biomedicine in India. Manufacturing in ayurveda has passed from small-scale physician outlet to petty/cottage production

and later to the industrial scale, emerging as a competing alternative to the biopharmaceutical market. Earlier, in the initial half of the 19th century, a number of households produced and distributed ayurvedic drugs. But the production and distribution was not based on any pricing mechanism. This means that while raw herbal, metal and mineral products were traded and marketed in a big way, ready-made medicines were never considered as a “commodity” to be marketed for money. The production of medicine was concentrated in and around the physician’s residence or locality and the service and production costs were not clearly distinguished. Various reasons, including the inability of the modern system to cater to the healthcare needs of a large number of villages, helped the indigenous systems to remain significant throughout the period. In the mid-19th century, demand emerged for medicines when Vaidya’s responded to the spread of epidemics, especially in the case of cholera and small pox (Varier 2002; Bhattacharya 2001).

In light of the worldwide changing healthcare environment, it has become abundantly clear that there is need for a comprehensive policy review of traditional, complementary and alternative systems of medicine and for individual nations to share information about their experiences with policy, legislation, regulation, research, development, financing, training and professional development, quality control and safety regulations of these systems of medicine.

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