

# Ayurveda

*How would this industry bloom during and post covid-19 era? The re-emergence of Ayurvedic industry across the globe. Challenges & Recommendations.*

*A Trariti Consulting Group Study by Shubhi Srivastava, Lovkush Pandey, & Arup Majumdar*

## Overview of the Indian Ayurvedic Industry



Ayurveda is the ancient science of health, which incorporates a variety of medicines prepared out of different plant parts or whole plants. These are normally formulations, created with several natural ingredients, and delivered in a soluble base or oil suspension. Availability of proper raw materials has fallen to a dangerously low level due to urbanization and our lack of knowledge in preserving these ayurvedic gems.

The industry was valued at INR 300 Billion in 2018, and is expected to reach INR 700 Billion by 2024, at a CAGR of 16%. The market in India is segmented on the basis of Ayurveda products and Ayurveda services. Products segment accounted for approximately 74% of the market, while the Ayurveda services segment held the remaining 26%. The surge in global demand for Indian natural formulations, the strict lifestyle changes enjoined by Ayurveda, coupled with their purported effectiveness for certain chronic conditions, has brightened the prospects of 'Ayurveda tourism' in India.

The Ayurveda market in India consists of several players but there is a lack of proper scientific documentation of traditional Ayurveda practices. Consumers often purchase Ayurveda products based on the quality and reputation associated with a brand name. To encourage Ayurveda, the Government of India is promoting the usage of Ayurvedic products through awareness programmes and subsidies. It has set up a specific AYUSH ministry to lead this initiative.

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## Global market

Asia Pacific region accounts for the largest share of the Ayurveda market owing to their rich tradition of herbal medicines led by India, Sri Lanka, Pakistan, Indonesia, Myanmar and others.

India is the largest market and accounts for almost USD \$1200 million in terms of market value. India's exports of Ayurvedic formulations was estimated to be around USD \$64 million in 2016. The major exports of Indian Ayurveda include Psyllium and Senna. Russia & the US lead the demand for Ayurvedic products and services, followed by Europe, where natural remedies are finding increased favour. According to Euromonitor, words such as "natural", "organic", "free from harsh chemicals" and "botanic" find increased acceptance with consumers.

In India, traditional systems are greatly revered, although people generally shift to modern allopathic medicines when situations are critical. In the recent past, Ayurvedic clinics have sprung up all across India, offering medicines prescribed by certified physicians trained through reputed ayurvedic institutions. There are also 35 accredited hospitals offering ayurvedic treatments. The AYUSH Ministry has set up the National Institute of Ayurveda in Jaipur, Rajasthan.

## Paradigms of Global Ayurveda

- **New Age Ayurveda:** More openly embraces an array of practices often labelled "New Age".
- **Maharishi Ayur-Ved:** It is generally viewed as superior to other forms of Ayurveda, but perceived to be removed from the traditional practices as stated in the texts.
- **Traditional Ayurveda in an urban world:** It is closest to a recognizable medical practice based on scientific and practice-based norms.

## Ayurvedic industry post-COVID

Government of India's Ministry of AYUSH has taken the lead in recommending preventive measures. To quote from its website, "Ayurveda, has an extensive knowledge base on preventive care, derived from the concepts of "Dinacharya" - daily regimes and "Ritucharya" - seasonal regimes to maintain a healthy life."



In the post-COVID world, consumers are carefully and actively considering immunity-boosting products which will help them fight the eventuality of infection. Social media has played an active role in this, promoting the regular intake of Vitamin-rich health foods, a daily regimen for intake of such foods, and active promotion of natural ingredients used at home. However, consumers who have little time to make these concoctions at home are actively seeking out readymade formulations, which is the cause for the sudden spurt in consumer buying. Companies that sell such products said that customers who have rushed to purchase hand sanitizers and disinfectants will boost growth for

such goods in India. Packaged consumer goods firm Dabur India said it has advanced the launch of an immunity-boosting health product given the new focus on preventive healthcare.

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The importance of preventive healthcare, particularly with Ayurveda, and of personal hygiene will grow in the consumer mind space. Consumers are keen to boost immunity through preventive medication rather than going in for expensive and distressing post-disease treatments. The health-food drinks category is an example, and has been growing steadily in India and there is huge growth potential to increase category penetration.

## Market study

An in-depth market study by Trariti Consulting Group tested 7 hypotheses through both primary and secondary research across India.



Hypothesis 1: People only believe Ayurveda if it can cure long term illness. The data analysis suggests that many people do see Ayurveda as an answer to chronic diseases. However, there is a general consensus that people take the route of other medicines when a faster relief is required.

Hypothesis 2: People don't go towards Ayurveda as there is no proper knowledge about the doctor and his specialization. According to the data collected in the report it is seen that majority of the respondents who resist Ayurveda treatment do so because they want a quicker and faster treatment for their ailments.

Hypothesis 3: Age plays a major role in going for Ayurveda treatment. The data collected in the report shows no relation between the age and the Ayurveda treatment. 61.9% of the total respondents were from age group 18-25, while the percentage of people going in for Ayurveda treatment is 57.1%.

Hypothesis 4: People's income has a role to play in choosing Ayurveda treatment. As per the data collected there is no significant relationship between the income level and choosing Ayurveda treatment.

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Hypothesis 5: Availability of ayurvedic medicines ensures more sales for that particular brand. According to the data collected people do consider that adequate information and popularity of the brand are important but the majority of them go for the products which are easily available to them. An example cited is Patanjali, which enjoys enormous popularity.

Hypothesis 6: Creating awareness about Ayurveda will make rural people accept ayurvedic products. Data presented shows that awareness about the product is the most important criterion but providing knowledge of some standard Ayurvedic medicines that can treat some common illnesses is also very important.

Hypothesis 7: People perceive Ayurveda as just another source of medication. Most of the consumers who went for Ayurveda wanted to try some other kind of medicine which was natural and not chemical-based. A lot of people also might have shifted because allopathy was not solving the problem.

Inference drawn from our research, including the opinions of leading practitioners are:

Wisdom says that Health is Wealth. Therefore, the poorest sections of society are those who value cash and prizes and material measures of modern society, more than their health and the health of the young and old members of their family.

Ayurveda can reach these poor urban, modern, materialistic people by teaching them Dinacarya and Ritucarya using language that is accessible for them. Ayurveda needs a voice that is articulate, smart and accurate.

Ayurveda is already in the villages and small towns. It needs strong voices to remind those people that Ayurveda is the wisdom of the land and of all ancestors who lived well on this earth.

The market is still largely disorganized due to unqualified practitioners as well as the medication. However, significant players such as Dabur, Baidyanath, Himalaya, Patanjali, Kottakkal Arya Vaidyashala, and Arya Vaidya Pharmacy are making significant inroads. Policy level decision making is required to set new standards. All the players would do well to promote the generic benefits of Ayurveda in addition to their own brand propositions, since there is wide appreciation of traditional medicines in India.

Consumers would do well to buy from reliable companies, and check international restrictions on use of these products. The US FDA has blacklisted or banned the use of certain formulations, based on ingredients tested at its labs, due to the presence of harmful substances such as arsenic, lead and mercury. These can be found at the FDA website. Companies would do well to emphasize their certifications and safety standards, in order to establish that the hitherto-unorganized Ayurveda sector is taking its role seriously and practicing self-regulation.

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