

Feature: Tasting New Trends in the Indian Health Supplements Market



CubeX has released a comprehensive report titled *Tasting New Trends in the Indian Health Supplements Market*, which contains a detailed understanding of nutrition gaps that exist across the different regions of India, and highlights landscaping opportunities in the dynamic health supplements market. Sreedevi Yallamrazu, Senior Strategic Analyst at CubeX, the strategic consulting division of Sorento Healthcare Communications, explores the key areas of the report.

Global tastes: Healthier

As the world turns into a global village, consumers are being exposed to a variety of products, from high-end technology to items that are consumed on a daily basis. Global launches have broadened consumers' horizons and modified their tastes, leading to a heightened demand for convenience and a drastic shift in food patterns.

As the western world takes note of the ill-effects of high calorie foods, consumers are developing healthier tastes. This is posing a threat to traditional vitamin and mineral supplements and, as such, the health and wellness market is at an inflexion point where the marketplace is being redefined.

India is a nutritional paradox; a large percentage of the population is undernourished owing to low purchasing power, while another section is over nourished with macro nutrients but deficient in specific micro nutrients. To understand this, Cubex commissioned a study that analysed the nutritive content of food across the country in relation to the RDA of macro and micro nutrients.

In the majority of regional food diets, macro nutrients were in excess of the RDA while vital micro nutrients fell short, illustrating the need for dietary supplements.

VMS: Requires innovation

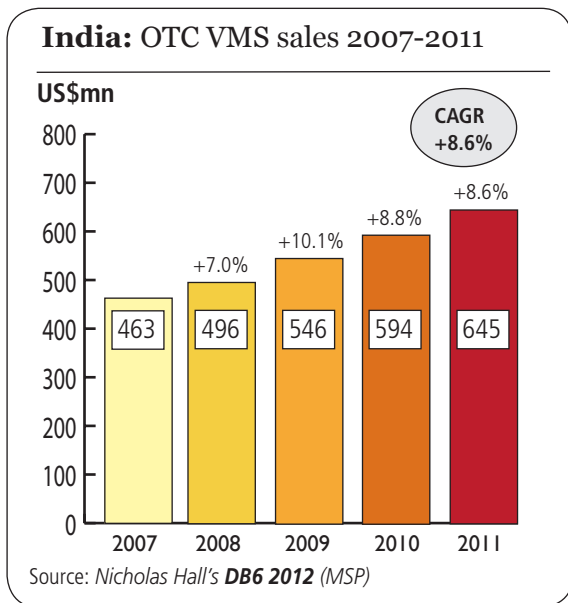
Vitamins, minerals & supplements is the most attractive and competitive category in India's OTC market, contributing nearly one-third of sales (US\$645mn) in 2011, according to **DB6 2012**. Iron supplements, multivitamins, chyawanprash, single vitamins and calcium contribute over 90% to category sales in India.

Dietary supplements such as chyawanprash and malted food drinks like GSK's Horlicks (sales not tracked here) are positioned as energy and immunity boosters, while traditional vitamin, mineral & supplement brands, such as Becosules (Pfizer), are generally taken during convalescence. However, Revital (Ranbaxy / Daiichi Sankyo) has changed this perception with a shift in positioning from illness to wellness and consumer education about "sustainable energy in today's hectic times".

India: Growing sub-categories of the OTC VMS market 2011 (MSP US\$m)

Sub-category	Value (US\$m)	Contribution %	Value Growth %	CAGR % 2007-11
Iron supplements	163	25	10.6	13.0
Chyawanprash	115	18	14.7	10.4
Calcium	69	11	8.2	8.7
Probiotics	10	2	8.8	9.3
TOTAL VMS MARKET	645	100	8.6	8.6

Source: Nicholas Hall's **DB6 2012**. Sales differ from VMS Market Report (pp???) owing primarily to different reporting periods



Established brands have helped create the mirage of a lucrative market. In reality they are so well-entrenched that new brands without differential positioning have little scope to attain a sizeable market share, and so only end up reinforcing the benefits of the established brands. Despite heavy A+P, consumer uptake of supplements is low, as they are generally taken on doctors' advice. Building awareness and creating brand credibility among a plethora of similar products is therefore a huge task.

Functional foods: Growing

Food and beverage companies are beginning to leverage the opportunity presented by consumers' desire for healthy living but dislike of taking tablets. To this end, fortified foods – incorporated with vitamins, minerals, probiotics, etc – and products with reduced unhealthy ingredients have been introduced.

Major food companies have expanded into the health arena with offerings positioned for specific health benefits. Britannia is creating a niche in the health & wellness food market by reaching out to diabetics with its NutriChoice range, with consumers' testimony proof of its success. Another example is probiotic drink Yakult (Yakult Danone, a 50:50 j-v between Yakult Honsha and Danone) that "created" India's probiotics market. These products have since moved on from being perceived as promoters of gut health to being recognised for their overall health benefits.

One of the major challenges faced by food companies is taste. Indian consumers are unwilling to compromise on this aspect and hence products that offer health benefits at the expense of palatability have not performed well. However, marketers are willing to bet on this market as it is at a nascent stage and needs to be developed.

Future: Strong brand propositions needed

Moving forward, it is imperative that healthcare companies adopt an FMCG outlook to successfully understand consumers' tastes and devise appropriate marketing strategies, while taking advantage of their deep understanding of health and ailments. Conversely, consumer focused FMCG firms will need to invest time and effort in understanding perceptions of healthy living. It is therefore important to view the competition through a kaleidoscope to keep tab on the changing consumer pulse and comprehend what constitutes competition from the consumers' perspective.

Innovative products and convenience formats will see major advancements in the near future, while those targeted towards specific segments (e.g. women and children), or that aid in preventing or delaying the onset of diseases – such as cancer, diabetes and arthritis – will be much sought after. The need of the hour for vitamins, minerals & supplements is a strong brand proposition to sustain consumers' interest. ☒

Tasting New Trends in the Indian Health Supplements Market covers many interesting insights and encompasses the latest trends in the health supplements market. It also answers myriad questions to help marketers to enhance their presence in the booming health & wellness domain. CubeX is the Strategic Consulting & Business Intelligence division of Sorento Healthcare Communications with expertise in Consumer Healthcare and Wellness. To find out more about reports from CubeX, write to reports@cubeX.co.in.