

Feature: Landscaping Opportunities in the Indian OTC Ayurveda Market



Sreedevi Yallamrazu, Senior Strategic Analyst at CubeX, the strategic consulting division of Sorento Healthcare Communications, explores ayurvedic medicine and OTC potential for marketers based on highlights of the report *Back to the Roots – Landscaping OTC Opportunities in the Indian Ayurveda Market*. The report has been published in view of rising interest in traditional medicine.

Approaches to healthcare: Undergoing paradigm shift

The perception of health and approaches to healthcare are undergoing a paradigm shift at many levels – be it from practitioners, healthcare companies or consumers. As the understanding of diseases deepens, knowledge of the body as a holistic system is being acknowledged, especially in the case of chronic illness. This has led to the concept of “Functional Medicine”, which identifies the imbalances and dysfunctions in the body – the underlying cause of diseases – specific to an individual. However, this idea is not new to traditional systems of medicine such as ayurveda, which is known for treating the root cause of disease by restoring erratic body functions. As such, consumers are once again turning to ayurveda as an alternative line of therapy, even though the majority take allopathic medicines as their primary treatment.

TCM: Dominates global alternative medicines market

The global traditional medicines market is valued at over US\$100bn, with Traditional Chinese Medicine taking 85% of sales. Locally, TCM accounts for approximately one-fifth of the entire Chinese pharmaceutical market. With the dwindling pipeline of new drugs, wary multinationals have used TCMs as a means to tie-up with local companies to enhance their presence in China, such as Novartis’ collaboration with the Shanghai Institute of Materia Medica (SIMM) in 2001, for drug discovery based on natural products. In 2010, Boehringer Ingelheim acquired the remaining 40% share in Japan’s SSP, which markets OTCs, including kampo medicines.

Ayurveda market: Yet to be explored by most MNCs

The Indian OTC market is valued at US\$2.1bn, according to *Nicholas Hall’s DB6 2012*, with ayurveda-based OTCs contributing over 26% of sales (US\$540mn). The Top 5 OTC brands – Dabur Chyawanprash (Dabur), Vicks VapoRub (PGT), Revital (Ranbaxy / Daiichi Sankyo), BoroPlus and Zandu Balm (both Emami) – are all either ayurvedic products or contain natural ingredients, and are marketed with this as their USP.

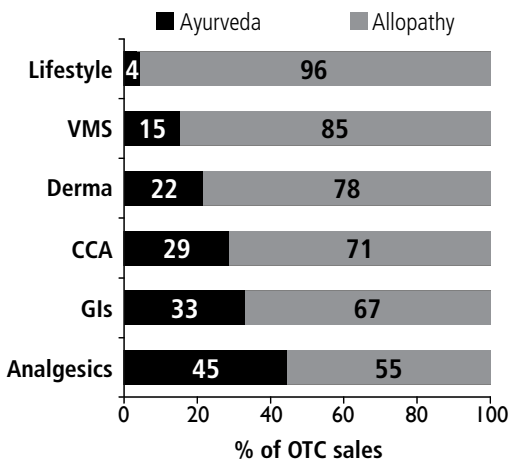
Despite the recognition of ayurveda as a traditional system of medicine by the WHO and favourable regulatory policies for ayurvedic products, many multinationals have yet to explore the market. At present, only a few, such as GSK and PGT / P&G, have leveraged the opportunity for wider distribution through herbal renaming of ingredients – in Eno and Vicks respectively – and registering brands as ayurvedic products.

India: OTC ayurveda category sales 2011 (MSP US\$mn)

Category	Ayurveda sales	Total sales
VMS	100	645
GIs	138	417
CCA	95	331
Analgesics	139	313
Derma	67	309
Lifestyle OTCs	2	47
TOTAL	540	2,063

Source: *Nicholas Hall’s DB6 2012*. Ayurveda total based on listed brands

India: Contribution of ayurvedic products to OTC categories



Opportunities: GIs and analgesics biggest categories

Analgesics and GIs are the OTC categories from which the highest percentage of sales are generated by ayurvedic remedies (see table above).

The OTC ayurvedic analgesics market is solely composed of topical preparations, with over 70% of sales in the category attributed to ayurvedic formulations. The Top 3 bands – Zandu Balm, Moov (Paras / Reckitt Benckiser) and Amrutanjan (Amrutanjan) – are ayurvedic in nature and compete closely with diclofenac brands, such as Volini (Ranbaxy / Daiichi Sankyo). Volini, an allopathic brand trusted and recommended by doctors, was extended in H2 2011 with Volini Activ (clove oil, shellaki and capsaicin) to cater to consumers who believe strongly in ayurveda. Traditional digestive remedies in GIs follow a similar strategy and compete with allopathic brands.

Varying strategies have been used to gain success in the ayurveda market. Amrutanjan has built a distinct identity in the analgesics market alone, while Dabur uses the company name to brand its products. Conversely, companies such as Emami and Himalaya have a wide ayurvedic portfolio spread across major OTC categories.

Potential: Need for convenient, OTG formats

The opportunities are immense for India’s ayurveda market as there is a need for quality products from reputed companies to offer the benefits of ayurveda in convenient, on-the-go formats. Additionally, many OTC categories – such as antinauseants, antidiarrhoeals, allergy remedies, scalp treatments and antifungals – are yet to be explored. In the Lifestyle OTC space, ayurvedic products for smoking control and female reproductive health have huge potential, as there are no natural products available as yet. Compliance of lifestyle therapies is often a challenge and therefore offering a natural alternative may be viewed as a plus point to generate interest among consumers. Brand building also has the potential to benefit established ayurvedic brands – such as Karvol (Indoco Remedies), Kayam Churna (Sheth Brothers) and Rhumasyil (Emami) – as they are already well penetrated in certain markets.

The attractiveness of ayurveda and its holistic approach to health can be aptly summed up by a quote from Deepak Chopra, MD, world-renowned mind-body healing pioneer. "The first question an ayurvedic physician asks is not 'What disease does my patient have?' but 'Who is my patient?' By 'who', the physician does not mean your name, but how you are constituted." ❌

Back to the Roots – Landscaping OTC Opportunities in the Indian Ayurveda Market explores various aspects including the global traditional medicines market, company profiles of key players in the Indian ayurveda market, case studies of successful ayurvedic brands and potential opportunities for brand building and expansion.

CubeX is the Strategic Consulting & Business Intelligence division of Sorento Healthcare Communications with expertise in the Consumer Healthcare and Wellness domain. To find out more about reports from CubeX, write to reports@cubeX.co.in.