

A Study on the Marketing Challenges faced by Manufacturers of Ayush Products in India

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ABSTRACT

This qualitative study investigates the marketing challenges faced by manufacturers of Ayush products in India. Through in-depth interviews with marketing professionals from ten Ayush companies, the study identifies four clusters of challenges related to consumers, companies, the market, and government regulations. These challenges include consumer preferences for allopathic medicines, low return on marketing investments, regulatory hurdles in international markets, and limited government support. The findings reveal the complex landscape within which Ayush manufacturers operate and highlight the need for strategic interventions to address these challenges effectively.

Introduction

The Ayush industry in India represents a rich tapestry of traditional medicinal systems, encompassing Ayurveda, Yoga, Unani, Siddha, and Homeopathy. Rooted in ancient wisdom and holistic principles, these systems have been integral to India's healthcare landscape for centuries, offering natural and sustainable approaches to healing and wellness. The AYUSH systems, notably Ayurveda, Siddha, and Yoga, are considered among the oldest healthcare systems globally due to their indigenous origins in India (RIS, 2021). According to the World Health Organization (WHO), herbal medicines encompass various herbal materials, preparations, and products containing plant components or combinations thereof (RIS, 2021). Additionally, the Ministry of Ayush has been actively pursuing initiatives as envisioned by the Honorable Prime Minister, to foster a more comprehensive and supportive ecosystem (Das et al., 2023).

Despite the significant potential of the Ayush industry, manufacturers face marketing challenges that hinder their growth and expansion. These challenges span various facets of marketing, including consumer perceptions, regulatory compliance, market competition, and government support. Understanding and addressing these challenges are crucial for the sustained growth and success of Ayush manufacturers in India.

Against this backdrop, this research paper aims to explore the marketing challenges faced by manufacturers of Ayush products in India. By delving into the intricacies of consumer behavior, market dynamics, and regulatory frameworks, the study seeks to provide valuable insights and practical recommendations to help Ayush manufacturers navigate the complex marketing landscape and unlock new opportunities for growth and innovation.

Review of Literature

Ayush, encompassing traditional systems of medicine and healthcare such as Ayurveda, Yoga and Naturopathy, Unani, Siddha, Homoeopathy, and Sowa-Rigpa, represents a significant aspect of India's healthcare heritage (Das et al., 2023). Over the years, there has been a notable expansion in the application of Ayush principles beyond traditional remedies, with natural ingredients finding their way into a wide array of consumer products, including skincare items, hair care products, and nutritional supplements (FSSAI, 2018). This surge in popularity has propelled the Indian Ayush industry to a current turnover of US\$ 18.1 billion, indicating a remarkable growth rate of 17% during 2014-2020 (RIS, 2021).

The Ministry of Ayush has also spearheaded many initiatives such as allowing 100% FDI in Ayush industry under the Make-In-India and Start-Up India schemes (RIS, 2021), fundamental reconfiguration of processes, shortening turnaround time and increasing efficiency in manufacturing logistics in coming years is being driven by digitisation drive through E-Aushadhi and E-Charak, 'Ayush Sanjivani', etc. (Das et. al., 2023). Further, MSMEs are also supported under the Ministry's 'Central Sector Scheme for Promotion of International Co-operation in AYUSH'

However, despite this impressive growth trajectory, the Ayush sector faces several challenges that warrant attention. One such challenge is the lack of robust regulatory frameworks at the global level, which has hindered the establishment of standardized production norms and undermined consumer confidence (RIS, 2021). Moreover, the sector grapples with issues such as insufficient documentation of product validation and quality control procedures, leading to concerns regarding product efficacy and safety (CII, 2019).

A study by Mallick (2016) which analysed the challenges faced by doctors and patients revealed that the budget for Ayurveda as compared to allopathy in public health care system is low; causing a lack of infrastructure, irregular medicine supply, lack of hygiene, irregular salaries, and lack of proper staffs. Interviews with patients revealed that they consider Ayurveda as just another alternative to allopathy due to free of cost medicines and less crowded Ayush departments in Government hospitals. According to the findings of the research, some medical practitioners notably recommended allopathic medications for conditions such as fever, surgical interventions, and pre- and post-natal care. This practice raises concerns as it compromises the integrity of the Ayurvedic medical system and may result in patients not receiving optimal treatment (Mallick, 2016).

Furthermore, efforts are needed to strengthen state digital Ayush infrastructure and promote research and development initiatives to generate credible evidence supporting the efficacy of Ayush treatments (Deshpande, 2015; RIS, 2021).

As indicated by RIS (2021), the absence of documented proof presents a significant hurdle. In the traditional medicine realm, 99 out of 134 nations reported a dearth of research data and credible information in 2014, posing a considerable challenge to regulatory systems (WHO, 2019).

India should therefore take the helm in establishing standards within the ISO and WHO concerning the ISM sector. To streamline global trade in herbal medicinal products, it is advisable to develop a suitable taxonomy for these products within the AYUSH sector, ensuring proper classification and facilitating international trade within this domain.

Research Objectives

1. To identify the marketing challenges faced by manufacturers of Ayush Products in India

Through in-depth interviews with marketing personnel from various Ayush companies, the research aims to find out the specific obstacles and hurdles they encounter in promoting and positioning their products in the market. By identifying these challenges, we can gain insights into the underlying issues and develop a comprehensive understanding of the marketing landscape for Ayush products in India.

2. To suggest solutions for these marketing challenges

This objective focuses on providing actionable recommendations and solutions to address the marketing challenges identified in the previous objective. By analyzing the data obtained from in-depth interviews and employing thematic analysis, the research aims to distill key insights and propose practical strategies that Ayush product manufacturers can implement to overcome their marketing obstacles.

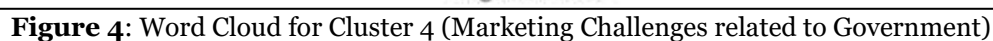
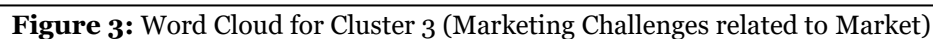
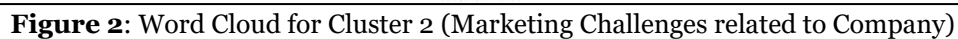
Research Methodology

This is a qualitative exploratory research which offers insights into the marketing challenges encountered by manufacturers of Ayush Products in India. Primary data was used for this study. The study encompasses 10 in-depth face-to-face interviews conducted with marketing managers from diverse Ayush product manufacturers across India. The researcher gained rich insights through these interviews. Subsequently, the interview transcripts were scrutinised and similarities and patterns were discovered. Thematic Analysis, facilitated by NVivo software, was then employed to understand the qualitative data.

Data Analysis and Interpretation

With the help of NVivo software to conduct qualitative data analysis, the interview transcripts were reviewed and the data was coded. These codes were then sorted according to a common theme and accordingly Thematic Analysis was conducted.

It was identified that 4 clusters could be created by grouping the challenges faced based on whom it was related to i.e. Marketing challenges related to the company, customer, government and the market.



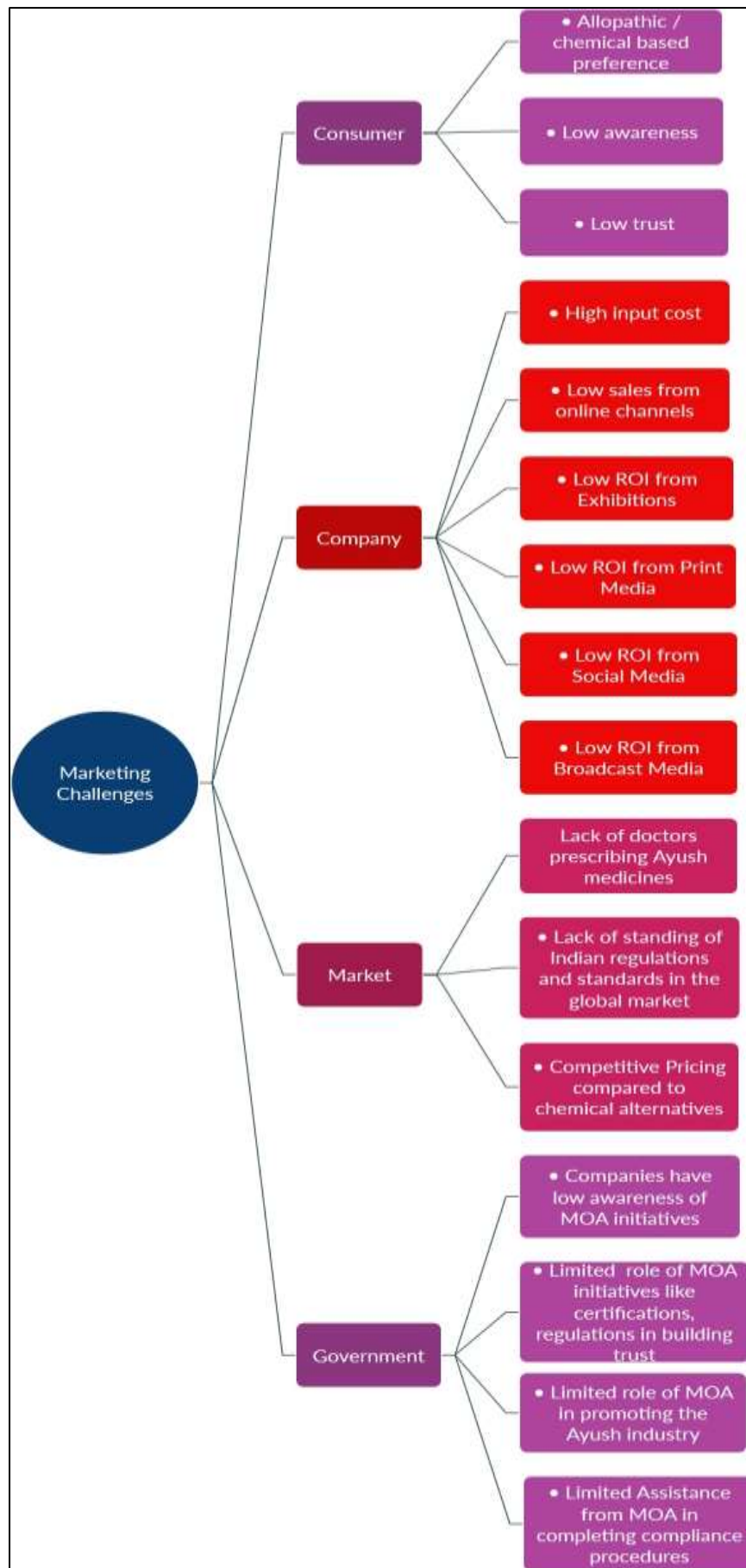


Figure 5: Mind Map of Clusters based on themes identified

Suggestions identified based on challenges:

To tackle the marketing challenges related to consumers' preference for allopathic medicines and low awareness of Ayush products, targeted educational campaigns that focus on the holistic benefits and efficacy of Ayush therapies could be conducted. Digital platforms, social media, and health-oriented websites to disseminate informative content to garner awareness and trust. This can also be accompanied by engaging video content in local languages that can be shared via social media networks. A segmented approach is suggested where the Ministry conducts targeted campaigns aimed at rural and urban areas in India.

In response to the inadequate return on investment across marketing channels, Ayush manufacturers may benefit from recalibrating their marketing strategies to prioritize channels yielding the highest returns. Companies must leverage data analytics and consumer insights to optimize resource allocation and tailor messaging to resonate with target audiences effectively. Additionally, exploring innovative marketing channels such as influencer collaborations, community engagement initiatives can broaden reach and enhance brand visibility.

To address the challenge of low online sales volume, Ayush companies can invest in enhancing their digital presence and e-commerce capabilities. This entails optimizing their online platforms for user experience, implementing robust digital marketing campaigns, and using partnerships with e-commerce platforms to streamline distribution and reach a wider consumer base. Offering incentives such as discounts, loyalty programs, and personalized recommendations can incentivize online purchases and cultivate customer loyalty.

Dealing with pricing complexities requires a strategic approach that balances affordability with perceived value. Ayush manufacturers can explore cost optimization strategies such as streamlining supply chain processes, negotiating favorable procurement contracts, and leveraging economies of scale to mitigate input costs. Companies can focus on value-based pricing models that emphasize the intrinsic health benefits and quality of Ayush products.

To address regulatory challenges and enhance governmental support, it is necessary that there is representation from the corporate industry in the Government policymaking mechanism. Industry stakeholders and policymakers must collaborate and engage with government bodies to advocate for streamlined regulatory procedures, incentives for compliance, and greater investment in promotional campaigns to build consumer confidence in Ayush products. Fostering dialogue and knowledge-sharing platforms to exchange best practices and address common challenges can foster a conducive regulatory environment and be helpful in the growth of the Ayush industry.

Significance & Limitations

The significance of this study lies in its contribution to understanding the intricate marketing challenges faced by manufacturers of Ayush products in India and offering actionable insights to address these obstacles.

By identifying key areas of concern such as consumer awareness, regulatory hurdles, and competitive pressures, this study equips industry players with a comprehensive understanding of the challenges that facilitating market growth and informed decision-making to overcome these barriers.

Furthermore, this study holds relevance for policymakers and regulatory authorities tasked with fostering an enabling environment for the Ayush industry's sustainable growth. By highlighting the regulatory bottlenecks and gaps in governmental support identified by Ayush manufacturers, this research underscores the importance of policy interventions aimed at streamlining regulatory processes, enhancing industry-government collaboration, and promoting consumer awareness to bolster trust in Ayush products.

However, it is essential to acknowledge the limitations of this study, primarily stemming from its qualitative research design and sample size constraints. While in-depth interviews offer rich insights into participants' perspectives, the findings may not be generalizable to the entire Ayush industry in India. Moreover, the sample size of 10 marketing professionals may limit the breadth of perspectives captured. This research can be further expanded to include more Ayush companies and variables such as company size, company age, marketing budget can also be considered.

While this study generates rich insights, it is necessary to adopt a quantitative approach to extrapolate the findings to broader populations. The further scope of this research study could include complementing these qualitative insights with quantitative surveys or longitudinal studies to validate and extend the findings, providing a more comprehensive understanding of the marketing challenges faced by Ayush manufacturers in India.

Conclusion

In conclusion, this qualitative study offers valuable insights into the marketing challenges confronting manufacturers of Ayush products in India. Through in-depth interviews with marketing professionals from Ayush companies, the study identified four distinct clusters of challenges related to consumers, companies, the market, and government regulations.

Despite these challenges, the study commends the resilience and potential of the Ayush industry in India. By recognizing these obstacles and offering actionable solutions, Ayush manufacturers can navigate the competitive landscape more effectively, optimize their marketing strategies, and capitalize on emerging opportunities.

Moreover, this research emphasizes the need for collaborative efforts between industry stakeholders, policymakers, and regulatory authorities to address regulatory bottlenecks, enhance consumer awareness, and foster a conducive ecosystem for the Ayush sector's sustainable growth.

Moving forward, further research is suggested to validate and extend these findings, explore additional dimensions of marketing challenges, and assess the impact of proposed solutions. By using these insights and creating a positive environment for the Ayush industry's development, India can harness the full potential of traditional medicine systems to promote health and wellness, both domestically and globally.

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