

## Business Outlook

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## Indian Nutraceuticals Industry in Next Normal



As the world was already combating different economic, religious and geographical issues, a virus swiftly crept in and helped us realize what matters. Health undoubtedly is the only wealth we have. As this novel corona or COVID19 infected over million people, it has become vital in building our immunity to fight the virus.

Despite this challenge, Nutraceutical products have received crucial role as this pandemic has excessively changed consumers' inclination and lifestyle precedence. Eating healthy has betrothed the minds of every consumer. People's desire for long and healthy living and increasing life anticipation are throwing an excellent smack on India's Nutraceuticals industry.



### Roots from Ayurveda, Stems of Nutraceuticals

Industry players must leverage India's chemistry expertise, pharma knowledge, Ayurveda legacy and natural agriculture base to evolve relevant Nutraceutical products and to invest in R&D to meet the growing need and expand the Domestic Business.

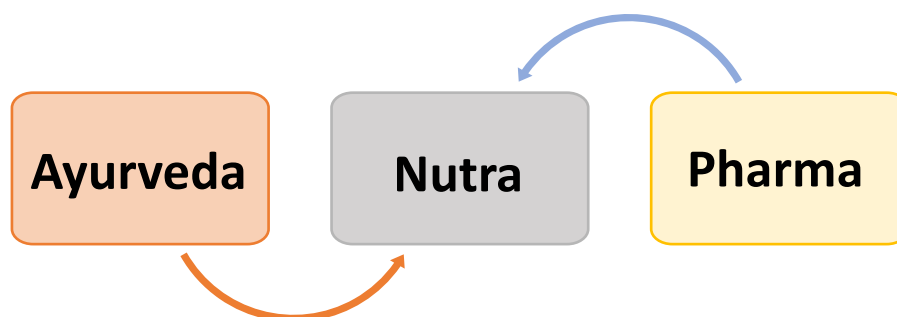


Fig. 1.1 Ayurveda- Pharma-Nutra Coexistence

Today India's Government is devoted in providing a critical thrust to Ayurveda, Nutraceuticals, Pharmaceuticals and Homeopathy. Primarily driven by key players like Dabur, Himalaya and the Baidyanath group, the industry has also seen relatively new, increasingly dominant entrants. They play a crucial role in popularising Ayurveda and giving the sector a boost.

The Ancient Ayurvedic practices, Pharmaceuticals and Nutraceuticals co-existence has been the cornerstone of India's wellness. The industry has a distinct opportunity to propel the global acceptance of this co-existence.

## Driving Factors for Next Normal

### A. Domestic Market in Numbers

Before Pandemic, India's Nutraceutical market was worth Rs. 34.6 KCr and held only a 2% share of the global Nutraceuticals market. According to the research, the consumption level of nutraceuticals in India was 37% in the pre-COVID-19 days; this consumption rate will surely rise in the coming months or years as there is an increasing demand for preventive measures and also consumers are adopting a 'pathy-agnostic' attitude.

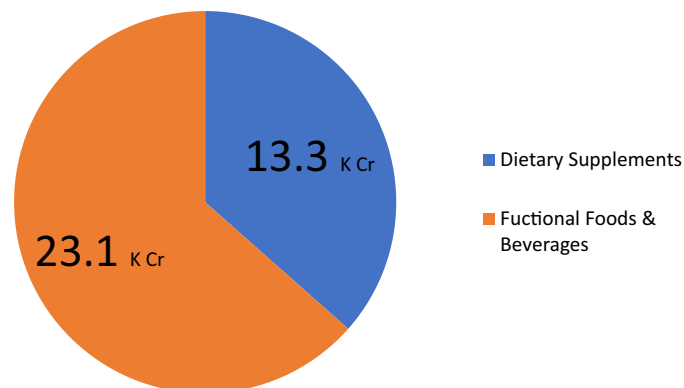


Fig. 1.2 Indian Nutraceutical Market Size in Rupees K Cr (2019)

During the COVID-19 period, India has taught the world importance of Ayurveda and other medicinal plants like Ashwagandha. India has shown the world evidence-based Nutraceuticals, which are modernizing through current evidence gathering methodologies.

India Being the pharmacy of the world and its root in Ayurveda, countries are looking at India to supply nutritional supplements, immunity boosters, masks, medicines, etc. which shows that COVID-19 has made a positive impact on the Indian nutraceuticals market and has increased the country's image drastically and has also led an expectation of touching quadrupling growth.

## B. Changing Consumer Behaviour

Immunity is taking centre stage due to the onset of a pandemic, increasing hospitalization costs and access to information and awareness of preventive care. It has helped consumers look at health and nutraceuticals supplements in a more significant way. Everything that is healthcare-related has received a massive boost. Moreover, according to the ongoing research, the trepidation of deadly contagion has resulted in a stumbling 500% spike in the search for the word 'Immunity' on Google alone. Every third customer has been ordering an immune-boosting product. It will continue even after the COVID-19 period as there is a shift from curative to preventive care in the Indian market.

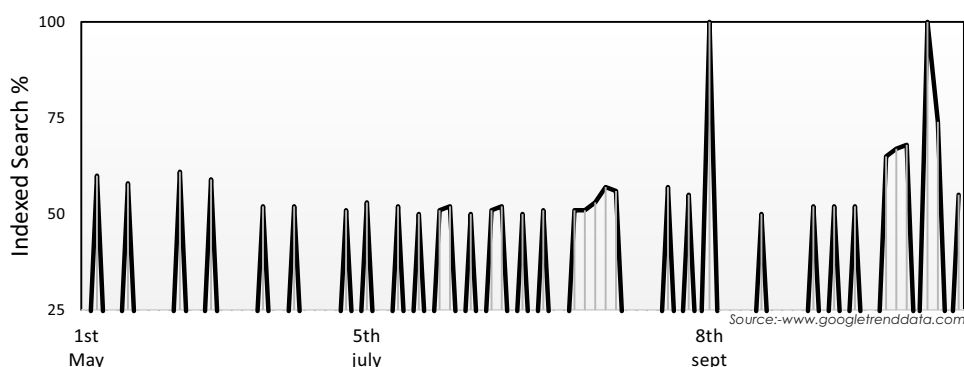


Fig. 1.3 Google Trend Data for Immunity, Gut Health & Nutraceuticals in India

According to the google trend data, there is an increased index search for words such as 'immunity boosters, nutraceuticals and gut health'. Recently the search for these words rose by 100% from May'20 to September'20. It will continue to increase in the future, as people are accepting prevention is better than cure.

## C. Manufacturing Excellence

Today 'Indian Manufacturing companies' in various sectors are earmarking global markets and are becoming appalling international contenders. As a growing number of pharmaceutical companies are stepping in and expanding their support in the Nutraceutical segment, their manufacturing proficiency and skills will develop in this segment by giving it competitive precedence.

Nutraceuticals manufacturing operates somewhat like that of the pharma industry. Low-cost, high-quality manufacturing will surely help India appear as a global leader in the finished product space.

## D. Technological Transformations

The nutraceuticals industry is rapidly adopting transformative technologies to meet evolving sustainability goals and growing consumer demand. Some technologies that have already been adopted by the industries are microbial, total recycling, blockchain

breakthroughs, low-cost, high-quality manufacturing, etc.

There is no hesitancy that online pharmacies will be an inevitable part of the country's healthcare culture with increased smartphone and internet penetration.

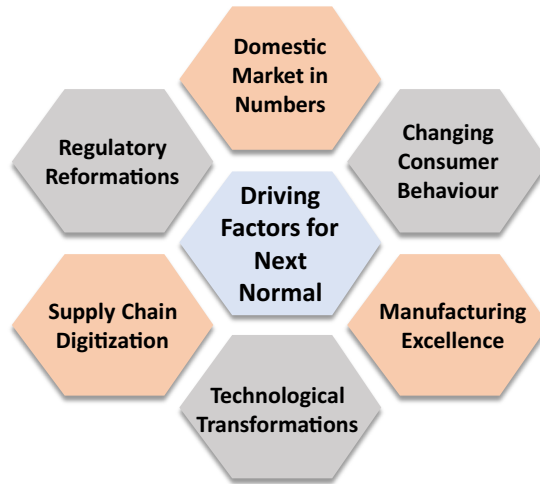
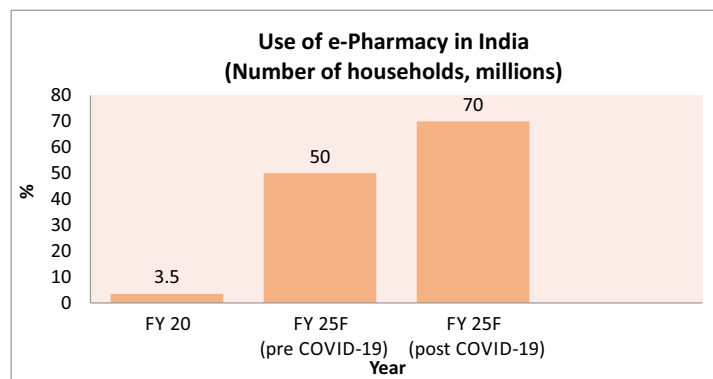


Fig. 1.4 Driving Factors for Next Normal

Two most crucial areas for the nutraceuticals industry are e-Commerce (that is almost on the verge of explosion after COVID-19) and Telemedicine growth. In the past decade, e-Commerce was featuring in the sale of Nutraceuticals products and brands. However, with the COVID-19 pandemic, e-Commerce is almost set to occupy the market pie's major brick as there are growing concerns among consumers due to crowded clinics and infection risk due to physical interaction with healthcare providers. e-Pharmacy platforms can consider many marketing opportunities like native advertising options, lead form integrations, topic, query-based engagement sessions, etc. These helps build brand better on these healthcare platforms.



Source: www.statista.com

Fig. 1.5 Use of e-Pharmacy in India (Pre & post- COVID-19)

Hence, it is an excellent opportunity for the nutraceutical brand to create more such immunity and health-related products and boom the Indian market.

The pandemic has accentuated the licit use of Nutraceutical as a preventive cure. And, in the future, expectantly, the Indian Nutraceuticals industry will get its proper place in the Global healthcare and medical space.

## E. Regulatory Reformatio

The pandemic is also the foundation stone of the start of regulatory reforms in terms of responsible nutrition, bursting invalid claims, and bringing up awareness by conducting training programs such as FoStaC (Food safety Training and certification). FSSAI (Food safety and authority of India) is now with non-negotiable on clinical evaluation of products, safety, efficacy and RDA compliance.

## Path Ahead

Nutrition & Nutraceuticals will surge through Pharmaceutical, Nutraceutical, Ayurveda and Personal products initiatives as Medical consumers in New Normal way of living will look for their health and fitness.

Apart from the industry's predicted growth, nutraceuticals are set to become extensively accepted and a normal part of the Indian domiciliary soon!

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