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RESEARCH ARTICLE

BARRIERS FACED BY THE PRODUCERS OF AYURVEDIC PRODUCTS IN KERALA

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Abstract

Ayurveda has been a lively system of health with an unbroken practice since 3000 years. Ayurveda is a wholistic system of medicine from India that aims to provide guidance regarding food and lifestyle so that healthy people can stay healthy and folks with health challenges can improve their health. It is based on the belief that health and wellness depend on a delicate balance between the mind, body, and spirit. The primary focus of Ayurvedic medicine is to promote good health, rather than fight disease. In spite of growth and prospects progressing for Ayurvedic products, there are lot barriers for the produces. Although, Ayurveda are considered to have early identity, its growth and success in the universal scenario is still in development stages. Hence, the study is an attempt to find the barriers in Ayurvedic Products which has some medicinal values in any form of its produce. This study is conducted mainly in Kerala, considering the high potential market among the mass, who ever have strong belief in Ayurveda. The researcher attempted to find the types of barriers faced by manufacturers of Ayurvedic Products.

INTRODUCTION

Ayurvedic medicines are produced by several thousand companies in India, but most of them are quite small, including numerous neighborhood pharmacies that compound ingredients to make their own remedies. It is estimated that the total value of products from the entire Ayurvedic production in India is on the order of one billion dollars (U.S.). The industry has been dominated by less than a dozen major companies for decades, joined recently by a few others that have followed their lead, so that there are today 30 companies doing a million dollars or more per year in business to meet the growing demand for Ayurvedic medicine. The products of these companies are included within the broad category of "fast moving consumer goods" (FMCG; which mainly involves foods, beverages, toiletries, cigarettes, etc.). Most of the larger Ayurvedic medicine suppliers provide materials other than Ayurvedic internal medicines, particularly in the areas of foods and toiletries (soap, toothpaste, shampoo, etc.), where there may be some overlap with Ayurveda, such as having traditional herbal ingredients in the composition of toiletries.

Several small companies that have grown rapidly in recent years envision themselves as primary players in the Ayurvedic market. The market for Ayurvedic internal medicines is dominated by Chyawanprash, an herbal honey comprised of about 3 dozen ingredients, with amla (emblic myrobalans) as the key ingredient. The leader in this field is Dabur, which had a 69% market share at the end of 2002; followed by Baidyanath, with nearly 11%, and Zandu and Himani (Emami Group) with about 7.5% each. A variety of individual herbs, traditional formulations, and proprietary medicines make up the rest of the health products section involving internal remedies, while the remainder of the market is taken up by toothpastes and powders, skin creams, massage oils, shampoos, and other topical preparations.

Exports of Ayurvedic medicines have reached a value of 100 million dollars a year (about 10% the value of the entire Ayurvedic industry in India). About 60% of this is crude herbs (to be manufactured into products outside India), about 30% is finished product shipped abroad for direct sales to consumers, and the remaining 10% is partially prepared products to be finished in the foreign countries (see Appendix 1 for examples of Ayurvedic distribution from India with products available worldwide).

2. REVIEW OF LITERATURE

Kuick Research, (2014)[1] surveyed and presented that the ayurvedic manufacturers are investing in research and constantly coming up with new and innovative technology and products that are resulting in better and more effective ayurvedic cosmetics. Ayurvedic cosmetics are still competing with synthetic products and they need to strive to ensure quality that is similar to synthetic brands.

Rohit Bhattacharya, (2014)[2], studied about ayurveda is the most ancient living system of healthcare. The modern quest for healthy life style has led to the fast growing acceptance of Ayurvedic and Herbal products and has created a good market conditions for the Herbal sector, world over. India’s share in the export of herbals is 2. 5% of the total global herbal market. While with the same biodiversity and ancient culture the China has 13% share of the global herbal market. So there is obviously vast scope for Indian manufacturers for entering the growing worldwide opportunities of business in Herbal Pharmaceutical field. WHO predicts the overall pharmaceutical market to reach US $ 5 trillion by 2050. The major objective of this study is to critically appraise the potential for herbal Ayurvedic products and identify the problems and prospects of this sector.

Alok Sharma, et.al., (2008)[3], in their study discussed that the people are using herbal medicines from centuries for safety, efficacy, cultural acceptability and lesser side effects. Plant and plant products have utilized with varying success to cure and prevent diseases throughout history. Written records about medicinal plants date back at least 5000 years to the Sumerians and ancient records are suggested earlier use of medicinal plants. Due to side effects of synthetic products, herbal products are gaining popularity in the world market. In spite of well-practiced knowledge of herbal medicine and occurrence of a large number of medicinal plants, the share of India in the global market is not up to the mark. The present article deals with the measures to be adopted for global promotion of Indian herbal products. The scenario and perceptions of herbal medicine are discussed.

3. STATEMENT OF THE PROBLEM

Ayurveda has been a lively system of health with an unbroken practice since 3000 years. Although, Ayurveda are considered to have early identity, its growth and success in the universal scenario is still in development stages. Lack of traditional continuity from the forefathers are said to be major reason for missing link of Ayurvedic Tradition. Hence, the study is an attempt to find the barriers in Ayurvedic Products which has some medicinal values in any form of its produce. This study is conducted mainly in Kerala, considering the high potential market among the mass, who ever have strong belief in Ayurveda. The researcher attempted to find the types of barriers faced by manufacturers of Ayurvedic Products.

4. OBJECTIVES OF THE STUDY

- To study the personal profile of the producers of Ayurvedic products in Kerala.

[1] India Ayurvedic Cosmetics Market Opportunity Analysis 2018, ID: 2723020 January 2014 Region: India 69 Pages Kuick Research

[2] Rohit Bhattacharya, Reddy KRC, Mishra A.K, "Export strategy of Ayurvedic Products from India", International Journal of Ayurvedic Medicine, 2014, 5(1), 125-128

[3] Alok Sharma, C. Shanker, Lalit Kumar Tyagi, Mahendra Singh and Ch.V.Rao, "Herbal Medicine for Market Potential in India: An Overview", Academic Journal of Plant Sciences 1 (2): 26-36, 2008

- To examine the barriers faced by the producers.
- To contribute suggestions for policy implications.

5. FRAMEWORK OF HYPOTHESIS

H_0 : There is no significant relationship between profile of the producers and level of perception towards barriers faced with regards to raw materials

6. METHODOLOGY

The sources of data included both primary as well as secondary data. Questionnaires were used for the primary data collection where as secondary data collection was made based on the information provided by the company's officials. Questionnaire was adopted as research instrument. The questionnaires were administrated through distribution to producers and personal interview with retailers. The survey was conducted among the various producers in Kerala. The sample size of the study is 160 producers. The self prepared questionnaire to find out the personal data of respondents to find out the reasons. The technique used for the research is Non-Probability sampling. However, considering the accessibility and availability of producers in Kerala, the sampling technique selected for the study is on a convenience basis. The researcher has circulated the questionnaires to 160 producers. This piece of research depends entirely on the Primary Data collected for studying the above mentioned objectives among various manufacturing firms and retailers in Kerala. However, the Secondary data and sources were also collected from the information provided by the company. The objectives framed for the present study formed the basis of the identification of the relevant statistical techniques like Percentage analysis, Chi-Square Test and Garrett Ranking Technique.

7. LIMITATIONS OF THE STUDY

- The study is restricted only to the geographical limits of Kerala and the findings may not be applicable to other similar areas and situations.

8. ANALYSIS AND RESULTS

The study is conducted to analyses the perception of producers in Kerala towards barriers towards ayurvedic products. The independent variables that have significant effect on the dependent factors were studied. The demographics such as, Category of the Organisation, Type of Organisation, Field Experience, Number of Retailers, Initial Capital Investment, Monthly Turnover and finally, Products Manufactured. Followed by, two way tables with the hypothesis analyzing the Demographics and Barriers based on Raw Material. The rating of the producers was also obtained to assess the specific constraints in promoting ayurvedic products.

TABLE 1 : DEMOGRAPHICS OF THE RESPONDENTS

Sl. No.	Demographics	Respondents (160 Nos.)	Percentage (100%)
01.	**CATEGORY OF THE ORGANISATION**		
	Small	68	42.50
	Medium	20	12.50
	Large	72	45.00
02.	**TYPE OF ORGANISATION**		
	Sole Proprietor	32	20.00
	Partnership	32	20.00
	Public Limited	70	43.75
	Public Limited	26	16.25
03.	**FIELD EXPERIENCE**		
	Below 5 years	29	18.13

	5 to 10 years	44	27.50
	10 to 15 years	51	31.88
	Above 15 years	36	22.50

Sl. No.	Demographics	Respondents (160 Nos.)	Percentage (100%)
04.	**NUMBER OF RETAILERS**		
	Below 500	32	20.00
	500 to 1000	56	35.00
	1000 to 2000	50	31.25
	Above 2000	22	13.75
05.	**INITIAL CAPITAL INVESTMENT**		
	Below Rs.10	31	19.38
	Rs.10 to 30	62	38.75
	Rs.30 to 50	45	28.13
	Above Rs.50	22	13.75
06.	**MONTHLY TURNOVER**		
	Below Rs.10	18	11.25
	Rs.10 to 25	58	36.25
	Rs.25 to 50	55	34.38
	Above Rs.50	29	18.13
07.	**PRODUCTS MANUFACTURED**		
	Medicinal Herbal	33	20.63
	Medicinal Ayurvedic	35	21.88
	Ayurvedic Cosmetics	21	13.13
	All the above	71	44.38

Source : Primary Data

It is clear from the above table that maximum (45 percent) of the producers are having large scale manufacturing units, while 42.5 per cent of the respondents are having small scale units and the remaining 12.5% of the respondents are having medium scale manufacturing units.

Less than half (43.75 per cent) of the producers are operating Private Limited type of organisation, while 20 per cent each of the respondents are managing Sole proprietorship and Partnership firms respectively. 16.25% of the respondents are having Public Limited companies.

It is understood that maximum (31.88 per cent) of the producers are having between 10 and 15 years field experience, while 27.5 per cent of the respondents are having 5 to 10 years experience, 22.5% of the respondents are having above 15 years experience and the remaining 18.13% of the respondents are having below 5 years experience.

It is evident from the table that maximum (35 per cent) of the respondents are having 500 to 100 retailers as their customers to promote the Ayurvedic products, 31.25% of the producers are having between 1000 and 2000 retailers, 20% of the respondents are having below 500 retailers and the remaining 13.75% of the respondents are having above 2000 retailers as their customers to promote the Ayurvedic products.

It is evident from the table that maximum (35 per cent) of the respondents are having 500 to 100 retailers as their customers to promote the Ayurvedic products, 31.25% of the producers are having between 1000 and 2000 retailers, 20% of the respondents are having below 500 retailers and the remaining 13.75% of the respondents are having above 2000 retailers as their customers to promote the Ayurvedic products.

It is understood that maximum (36.25%) of the respondents are having monthly turnover between Rs.10 and 25 , while 34.38% of the respondents are having Rs.25 to 50 , 18.13% of the respondents are having above Rs.50 and the remaining 11.25 per cent of the respondents are having below Rs.10 monthly turnover.

Less than half (44.38%) of the respondents are manufacturing all the products such as Medicinal herbal, Medicinal Ayurvedic and Ayurvedic Cosmetics, while 21.88 per cent of the respondents are manufacturing only Medicinal Ayurvedic products, 20.63 per cent of the respondents are manufacturing medicinal herbal products and the remaining 13.13 per cent of the respondents are producing Ayurvedic Cosmetics.

Most (68.12 per cent) of the respondents are having above 10 years experience in the export business, 21.74% of the respondents are having between 5 and 10 years export experience and the remaining 10.14% of the respondents are having upto 5 years experience in the export business.

BARRIERS IN AYURVEDIC PRODUCTS

OPINION ABOUT BARRIERS FACED DUE TO RAW MATERIAL

Raw Materials	Strongly agree	agree	Neutral	Disagree	Strongly Disagree
Ayurveda products always registered as food supplements due to non-meeting of drugs norms.	52 (32.50)	52 (32.50)	23 (14.38)	20 (12.50)	13 (8.13)
Shortage of raw materials	52 (32.50)	39 (24.38)	39 (24.38)	19 (11.88)	11 (6.88)
Escalation in raw materials price	49 (30.63)	31 (19.38)	46 (28.75)	17 (10.63)	17 (10.63)
Adulteration in the raw materials	58 (36.25)	30 (18.75)	49 (30.63)	14 (8.75)	9 (5.63)
Absence of adequate scientific documentation due to limiting factors faced by this sector.	62 (38.75)	34 (21.25)	48 (30.00)	7 (4.38)	9 (5.63)
Difficulties in registering the Ayurvedic medicinal products or drugs.	70 (43.75)	36 (22.50)	35 (21.88)	7 (4.38)	12 (7.50)

Source : Primary Data

It is evident from the analysis that out of one hundred and sixty producers the opinion survey based on their agreement with regards the barriers faced by them as far as Raw material of the Ayurvedic products which shows maximum (32.5%) each of the respondents agreed and strongly agree that their products always registered as food supplements due to non-meeting of drugs norms, while 14.38% of the respondents had neutral opinion, 12.5% of the respondents disagree and the remaining 8.13% of the respondents strongly disagree.

It is clear that 32.5% of the respondents strongly agreed that they faced shortage of raw materials for producing their respective products, while 24.38% each of the respondents agreed and had neutral opinion, 11.88% of the respondents disagree and the remaining 6.88% of the respondents strongly disagree to the same. Maximum (30.63%) of the respondents strongly agree that often there is an escalation in raw materials prices, while 28.75% of the respondents do not have any opinion, 19.38% of the respondents agree, 10.63% of the respondents disagree and strongly disagree to the same. Maximum (36.25%) of the respondents strongly agree that they were able to trace adulteration in the raw materials, 30.63% of the respondents do not have any opinion, 18.75% of the respondents agree, 8.75% of the respondents disagree and the remaining 5.63% of the respondents strongly disagree to the same.

It is observed that majority (38.75%) of the respondent strongly agreed that the absence of adequate scientific documentation due to limited factors faced by theis sector, while 30% of the respondents had neutral opinion, 21.25% of the respondents agree, 5.63% of the respondents strongly agree and the remaining 4.38% of the respondents disagree to the same. Less than half (43.75%) of the respondents strongly agree that there is difficulties in registering the Ayurvedic products as medicinal products or in the drugs category, while 22.5% of the respondents agreed, 21.83% of the respondents had neutral opinion, 7.5 per cent of the respondents strongly disagree and the remaining 4.38% of the respondents disagree to the same.

Table 4 : Profile of the Producers and level of perception towards barriers faced with regards to raw materials Chi-Square Test)

Demographics	**Calculated χ^2 Value**	**Table Value**	**D.F**	**P-Value**	**Remarks**
Category of the organization	14.467	9.488	4	0.033	Significant
Type of organization	5.024	12.592	6	0.541	Not Significant
Field Experience	14.615	12.592	6	0.023	Significant
Number of retailers	4.034	12.592	6	0.672	Not Significant
Initial Capital Investment	14.624	12.592	6	0.023	Significant
Monthly Turnover	13.141	12.592	6	0.041	Significant
Type of product manufactured	12.780	12.592	6	0.047	Significant
Opinion about export	1.550	5.991	2	0.461	Not Significant

Source : Computed

It is understood from the above table that the Chi-square value for the personal profiles were compared to measure the relationship for the variables namely,

- “category of the organisation and level of perception towards barriers faced with regards to raw material for the Ayurvedic products”
- “type of organisation and level of perception towards barriers faced with regards to raw material for the Ayurvedic products”
- “field experience of the respondents and level of perception towards barriers faced with regards to raw material for the Ayurvedic products”
- “number of retailers and level of perception towards barriers faced with regards to raw material for the Ayurvedic products”

- “initial capital investment by the producers and their level of perception towards barriers faced with regards to raw material for the Ayurvedic products”
- “monthly turnover and level of perception towards barriers faced with regards to raw material for the Ayurvedic products”
- “type of product manufactured and level of perception towards barriers faced with regards to raw material for the Ayurvedic products”.
- “Opinion about export and level of perception towards barriers faced with regards to raw material for the Ayurvedic products”

In which there is no significant relationship based on the personal variables such as 1) Type of organization, 2) Number of retailers and finally, 3) Opinion about export, when compared with the barriers faced with respect to raw material for producing the Ayurvedic products. Therefore, the null hypothesis is accepted. Whereas there is significant relationship based on the remaining variables namely 1) Category of the organization, 2) Field Experience, 3) Initial Capital Investment, 4) Monthly Turnover and finally, 5) Type of product manufactured that has been compared to find the relationship with the barriers faced by the producers with respect to raw material for producing Ayurvedic products. Therefore, the null hypothesis is rejected.

GARRETT RANKING

Based on the Garrett ranking towards the specific constraints faced by the producers in promoting Ayurvedic products certain attributes are taken for analysis based on the rating of the producers the ranking has been presented in the following table.

Table 4 : Rank showing the specific constraints faced by producers in promoting Ayurvedic Products

Specific Constraints	Garrett Score	Garrett Mean	Garrett Rank
Lack of awareness and guidance	7333.93	45.84	8
Training in Management Skills	**10767.10**	**67.29**	**1**
Lack of Mobility	9216.90	57.61	5
Social Constraints	6267.27	39.17	10
Inadequate Government Support	9633.40	60.21	4
Sudden Slump in the Market	6475.20	40.47	9
Rise in cost of production not compensated by increase in selling price	**10317.07**	**64.48**	**2**
Scarcity of skilled labour	7501.00	46.88	7
Inadequate availability of infrastructure facilities	5908.50	36.93	11
Decline in Investment	8591.80	53.70	6

Credit restrictions imposed by banks	4334.63	27.09	12
Unfavourable investment climate	**9658.53**	**60.37**	**3**

Based on the Garrett rating the specific constraints faced by producers in promoting Ayurvedic Products was towards Training in Management Skills (M=67.29), that achieved first position, followed by rise in cost of production not compensated by increase in selling price (M=64.48), was rated second by the producers, third was towards Unfavourable investment climate, (M=60.37), 4^{th} position was obtained for Inadequate Government Support (M=60.21), 5^{th} position was Lack of Mobility (M=57.61), 6^{th}, Decline in Investment (M=53.70), 7^{th}, position was towards Scarcity of skilled labour (M=46.88), 8^{th} position towards Lack of awareness and guidance (M=45.84), 9^{th} position was towards Sudden Slump in the Market (M=40.47), 10^{th} position was towards Social Constraints (M=39.17), 11^{th} position towards constraints was Inadequate availability of infrastructure facilities (M=36.93) and finally, the least rating (M=27.09). was towards Credit restrictions imposed by banks.

9 . SUMMARY OF RESULTS

PERSONAL PROFILE

- Maximum (45 percent) of the producers are having large scale manufacturing units
- Less than half (43.75 per cent) of the producers are operating Private Limited type of organisation
- Maximum (31.88 per cent) of the producers are having between 10 and 15 years field experience,
- Maximum (35 per cent) of the respondents are having 500 to 100 retailers as their customers to promote the Ayurvedic products,
- Maximum (36.25%) of the respondents are having monthly turnover between Rs.10 and 25
- Less than half (44.38%) of the respondents are manufacturing all the products such as Medicinal herbal, Medicinal Ayurvedic and Ayurvedic Cosmetics
- Most (68.12 per cent) of the respondents are having above 10 years experience in the export business

BARRIERS IN AYURVEDIC PRODUCTS

Taking all the six factors, it is clearly understood that out of one hundred and sixty producers the opinion survey based on their agreement with regards the barriers faced by them as far as Raw material of the Ayurvedic products which shows maximum (32.5%) each of the respondents agreed and strongly agree that their products always registered as food supplements due to non-meeting of drugs norms, 32.5% of the respondents strongly agreed that they faced shortage of raw materials for producing their respective products, maximum (30.63%) of the respondents strongly agree that often there is an escalation in raw materials prices, maximum (36.25%) of the respondents strongly agree that they were able to trace adulteration in the raw materials, majority (38.75%) of the respondent strongly agreed that the absence of adequate scientific documentation due to limited factors faced by theis sector and finally, less than half (43.75%) of the respondents strongly agree that there is difficulties in registering the Ayurvedic products as medicinal products or in the drugs category,

PRODUCERS PROFILE AND BARRIERS IN RAW MATERIALS

It is clearly understood that there are certain barriers based on the personal variables such as category of the roganisation, field experience, initial capital investment, monthly turnover and type of product manufactured by the producers and this has been significantly revealed in the study analysis.

GARRETT RANKING

It is concluded that the Garrett rating the specific constraints faced by producers in promoting Ayurvedic Products was towards Training in Management Skills and the least rating was towards Credit restrictions imposed by banks.

10.CONCLUSION

Opportunities are immense in the Indian ayurveda market. There is a need for quality products from reputed companies which offer trust and benefits of ayurveda in convenient on-the-go formats. The attractiveness of ayurveda and its holistic approach to health can be aptly summed 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.”.

The present study attempted to find the level of barriers faced by the producers when compared with their personal profile that shows few of the categories such as category of the organisation, field experience, initial capital investment, monthly turnover and type of product manufactured had faced problems that are having significant relationship. It is also found that the rating on specific constraints faced by producers in promoting Ayurvedic Products was towards Training in Management Skills, Rise in cost of production not compensated by increase in selling price and Unfavorable investment climate which are the few constraints highly indicated by the producers that needed policy implications by the policy makers to help the producers to achieve greater heights in the years to come.

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