



SURVIVAL AND SCOPE OF HERBAL PRODUCTS

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Abstract:

The number of people seeking alternate and herbal product are growing exponentially. Herbal medicines are the synthesis of therapeutic experiences of generations of practicing physicians of indigenous systems of medicine for over hundreds of years. Herbal products are now in great demand in the developing world for primary health care not because they are inexpensive but also for better cultural acceptability, better compatibility with the human body and minimal side effects.

However, recent findings indicate that all herbal products may not be safe as severe consequences are reported for some herbal drugs. Most herbal products on the market today have not been subjected to drug approval process to demonstrate their safety and effectiveness. Thousand years of traditional use can provide us with valuable guidelines to the selection, preparation and application of herbal formulation. To be accepted as viable alternative to modern medicine, the same vigorous method of scientific and clinical validation must be applied to prove the safety and effectiveness of a therapeutical product.

Key Words: Herbal Products, Herbalism, Scope, Natural Medicine, Survival & Marketing Strategies

Review of Literature:

Current Scenario of Herbal Products in Indian Market:

Mohammed Ali (April 2009) tells in his article that, in India the herbal medicinal plant market is unorganized at the present. Pharmaceutical industries are responsible for inefficient, imperfect, informal and opportunistic marketing of medicinal plants but the market is started developing by the time as people get more conscious about their health. Herbal plant trade is vast, secretive and unregulated. The value of medicinal plants related trade in India is 5.5 billion US dollars. India's share in the global export market of herbal drug is less than 0.5%. The Chinese export based on the plants is nearly Rs.18000-20000 crores. India export crude plants mainly to the developed countries like USA, Switzerland, UK, Germany etc. Aconite, Aloe, Belladonna, Acorus, Cinchona, Digitalis, Ephedra, Plantago and Senna are the principle herbal plants which are exported to the foreign countries. The export of medicinal plants contributes about 9% which is next to export of edible plants. It is important to grow the medicinal plant on unused land with other plants. The conservation will help to sustain medicinal plant resources to save endangered or extinct plants.

Growth of Herbal Products Globally:

According to the author, India is the world's oldest and largest traditional system of medicines. It has a great traditional knowledge on herbal medicines and vast plant biodiversity. India's herbal market is one of the fastest growing herbal market because people start concerning about health, government set up herbal farm to improve quality, promotion of exports, effective marketing of herbal products and India's growing population is also one of the main reason in increase of herbal market.

Herbal medicinal products are getting global importance because of their health benefits. According to world health organization says that about 80% population of most developing countries still rely on traditional health medicines for their primary health care need.

Overall international trade of herbal products and plants was US\$60 million in 2010 and is expected to reach US\$5 trillion by 2050. In the US only, it is figured out there is a 380% growth herbal products from 1990 to 1997. In Asia the demand of herbal products is almost double of 1990s. Global herbal market has been projected to rise at over 8.3% per annum to reach US\$60 billion in 2015. Many international companies are active in the field of herbal market as it has a promising growth potential. India and China are the large exporter of herbal plant and the Japan, USA and Germany are largest importer of herbal plants. Even Pharmaceutical, household medicines, cosmetic, flavor and etc. industries need the herbal plants.

Patanjali is
Setting the
Pace...

Present in six or seven
categories currently,
with business **growing**
at 100% per year

Plans to expand into a
dozen categories, with
headcount expected to
grow five-fold and
production capacity
double

Advantage: **Pushes**
its Indian heritage
over the foreign
companies

We want to be the
No. 1 consumer
goods company
in India"

Acharya
Balkrishna, CEO,
Patanjali Ayurved



The contribution of the naturals segment in the Indian personal care industry has increased by around **one percentage point every year**. If the same trend continues, then naturals' contribution by 2025 would be almost half of total personal care sales, according to Nielsen

The Indian ayurvedic health products market is forecast to grow from

Marketing of Herbal Products:

When the growth rates for the cosmetic products slowed down marketers had to think of something new to spur growth. So the marketers thought of putting stress on the 'natural ingredients' of the products to increase their acceptability, trying to cash on the change in consumers' perception towards these natural products. This led to a sort of 'Green Revolution' in the whole FMCG sector with most of the products being offered in their herbal or natural variants be it soap or hair oil or shampoo and even tooth pastes. Herbal tag attached to the product is considered to be the easiest way to increase product acceptance and popularity.

A study says that greater health awareness, changing trends of self-grooming, changing life styles, increasing number of mythological series on air etc. are some of the factors that have led to boom in the herbal products industry. Seeing this trend and changing consumer preferences many players have started launching their products in the natural/ herbal segment. The market is flooded with these herbal variants and the shelf space is increasingly occupied by these products. Anything from toothpaste to a lipstick is available in its herbal clone. As the cosmetics based on chemical ingredients are on their way out, due to their harmful side effects, the herbal & natural product based cosmetics are gradually becoming better and provide a safe option to the consumer.

That's the appeal to marketers. To the consumer, the attraction is that the products are free from synthetic ingredients which, allege herbal marketers, offer immediate cosmetic benefits but upset the body's natural self-care mechanism and thus cause harm over the long term. Herbal Marketing Trends trace their origin to ayurveda, and enjoy a great degree of support from tradition while casting suspicion on the creations of chemistry.



Effect of the Patanjali Over Other Companies:

Indian consumers have started preferring more Ayurveda products, and this change in preferences can be attributed to Baba Ramdev's Patanjali. Companies such as HUL and Colgate, local units of the MNCs, built their portfolios in the last decade. But they started ramping up their portfolios rapidly in the past one year after the sudden emergence of Patanjali. Ramdev's push for Ayurveda products has given momentum to the entire segment as Ayurveda products now reach 77% of Indian homes, up from 69% two years ago.

As per data from Kantar World panel, the consumer insights arm of WPP, in the quarter ended March; Ayurveda products grew 60% in volume from the year earlier while the overall FMCG segment grew 6%. Ayurveda brands had significantly higher addition of 23 million during the same period and increased penetration to 183 million households.



After threat from Patanjali, several other FMCG companies such as HUL, Colgate and Nestle also entered the Ayurveda space. Companies that lacked Ayurveda or natural offerings within their portfolio have now joined the bandwagon as they have realized that the opportunity is huge and consumers are moving in that direction. For instance, HUL launched Lever Ayush brand and recently brought Citra, an organic skin care brand from Indonesia.

Dabur India Ltd will launch more Ayurveda products across hair oil, shampoo and healthcare. According to Dabur India's management projections, Ayurveda products will constitute more than 75% of its sales in India by 2020, from around 60% at present.

Future Trend in Herbal Market:

This study covers the market dynamics and trends in major countries that are expected to influence the current market scenario and future status of the Global Herbal Medicine Market over the forecast period.

Global Herbal Medicine Market – Overview:

Herbal medicine or phytomedicine is a medicinal system using a plant or animal materials such as seeds, roots, leaves, bark, flowers, and oils etc. for medicinal purposes. Herbalism has emerged from a long historical tradition of using nature for curing diseases. According to WHO estimates, almost 80% of population of many Asian and African countries depends on traditional medicine for primary health care. The market drivers for the global herbal medicine market are growing aging population, increasing consumer awareness, little or no side effects, supplier innovations, and the release of Current Good Manufacturing Practices (CGMP). The market constraints are lack of research and standardization in herbal medicines, poor legal and regulatory frame work which causes patent problems, poor manufactured herbal products etc.

Global Herbal Medicine Market – Competitive Analysis:

The market for herbal medicine is characterized by the presence of several well-established and small players; the global market for herbal medicine appears to be highly competitive and fragmented. Major players are increasingly expanding their footprint in the emerging nations, making it putting pressure on the regional players, especially in terms of features such as type, product portfolios, and pricing. The market is witnessing increased competition which is expected to get more intense during the forecast period. The major market players are concentrating on improving the quality of herbal products and technological advancements such as improved extraction techniques and equipment deployed to maintain the product quality which will increase the herbal medicines market growth.

Trade in Medicinal Plants:

Plants have been used since ancient times to heal and cure diseases and to improve health and wellbeing. Despite ancient nature of the tradition, medicinal plants still form the basis of traditional or indigenous health systems and are reported by the World Health Organization (WHO) to still be used by the majority of the populations in most developing countries. Medicinal and aromatic plants (MAPs) play a significant role in meeting the demands of the traditional medicine markets which are found both domestically in the producing and in overseas markets. There are two sources of supply of medicinal plants: i) material collected from the wild; and ii) cultivated material.



Wild harvesting is the collection of plant material from wild sources. This material can take many forms, such as the bark, leaves, fruits, herbs, flowers, wood or roots. It may be collected from many locations, including open pasture, waste agricultural land, gardens, the roadside or forest land. Herbal raw material is often either collected by wage laborers (often from outside the state) or farmers with small landholdings. Cultivation of herbal raw material is rare: in Bangladesh, for example, more than 90 percent of the collection of medicinal plants is from the wild. Illegal and unscientific collection is common. Although the major part of wild harvested material is sourced from developing countries, a surprisingly high amount is also gathered in developed countries.

The supply chain is often very long with as many as six or seven marketing stages involving primary collectors and producers, local contractors, regional wholesale markets, large wholesale markets and specialized suppliers

The Role of Medicine and Plants in Drug Discovery:

Nature has been a source of medicinal products for millennia, with man useful drugs developed from plant sources. Following discovery of the penicillin's, drug discovery from microbial sources occurred and diving techniques in the 1970s opened the seas. Combinatorial chemistry (late 1980s), shifted the focus of drug discovery efforts from Nature to the laboratory bench. Plant-based systems continue to play an essential role in healthcare, and their use by different cultures has been extensively documented.

The World Health Organization (WHO) estimated in 1985 that approximately 65% of the population of the world predominately relied on plant-derived traditional medicines for their primary health care, while plant

products also play an important, though more indirect role in the health care systems of the remaining population who mainly reside in developed countries.

A survey of plant-derived pure compounds used as drugs in countries hosting WHO-Traditional Medicine Centers indicated that, of 122 compounds identified, 80% were used for the same or related ethno medical purposes and were derived from only 94 plant species.

Some relevant examples are khellin, from *Ammi visnaga* (L) Lamk., which led to the development of chromolyn (in the form of sodium chromoglycate) as a bronchodilator; galegine, from *Galega officinalis* L., which was the model for the synthesis of metformin and other bisguanidine-type antidiabetic drugs and papaverine from *Papaver somniferum* which formed the basis for verapamil used in the treatment of hypertension. The latter plant is better known as being the source of painkillers such as morphine and codeine, but probably the best example of ethno medicine's role in guiding drug discovery and development is that of the antimalarial drugs, particularly quinine and artemisinin.

The Benefits and Risks of Herbal Supplements:

Natural health remedies and the use of herbal health products have seen a dramatic growth in popularity over the past decade, perhaps due to the fact that modern medicine has been seen to place more importance on prescribing drugs instead of focusing on disease prevention and healthy diets. There is ample evidence that medicinal plants have been used since ancient civilization to supplement diets and cure common ailments. These plants produce beneficial compounds that act as a natural defense mechanism against things like disease and fungal infections.

Traditional Chinese medicine and Indian Ayurveda also form the basis for the most commonly practiced forms of natural medicine today. Despite the long history of medicinal plants, modern medicine, which is less than 100 years old, often dispute their benefits due to lack of scientific evidence, preferring the use of proven therapies. For example, a natural plant which remains controversial worldwide is cannabis, which many argue can help manage chronic pain, nausea, glaucoma, and PTSD.

In contrast, there are traditional and natural remedies that have been scientifically proven to be beneficial. Cranberry has been shown to be able to prevent urinary tract infections in women, while turmeric - a yellow-colored ingredient commonly used as a spice and in religious ceremonies - is recognized as "a potent antioxidant, anti-inflammatory agent." Spices have even been added to national dietary guidelines in the U.S. and Australia.

The potential dangers of traditional medicines lie in the fact that it's most often self-prescribed, not standardized, and not strictly regulated. Also, the public's perception of natural products often leads consumers to ignore the risks of excessive or chronic use and the risks of ingesting inferior products.

Life-threatening risks could also arise from producers using the wrong species of plant, misuse, or contamination with toxic or hazardous substances. The discovery of quinine - a component of the cinchona tree bark effective in treating malaria - in the 17th century makes for one of the best cases demonstrating the benefits of natural medicine. Unfortunately, its efficacy in treating malaria has been marred by poor quality formulations and high quantities of impurities.

Indian Consumers Pick Natural Products over 'Chemicals':

In the last 10 years, consumer preference for skincare products labelled organic, herbal, Ayurvedic-broadly categorized as natural products-has almost doubled, according to a survey. Chrome Data Analytics & Media (Chrome DM), a primary research and data analytics company, examined the usage and adoption of natural skincare products across India earlier this year in a survey customized for Mint.

This is not just about a shift to natural products or home-grown companies. Though growing affluence encourages consumerism and hedonism, people are also looking at being more real in terms of the products they associate themselves with. In a 2017 report, the Indian Beauty & Hygiene Association and AT Kearney said the all-natural market is one-third of the personal care market, and growing at 2.5 times the rate of the non-natural market.



What's working in favour of natural product companies? Perception. About 98% of the respondents in the Chrome DM survey seek complete transparency from manufacturers. Moreover, advertisements featuring celebrity influencers have also seen a sharp fall, from 61% recall 10 years ago to just 37%. Suggestions from friends and relatives have gained in importance, accounting for 67% of the decisions.

The survey was done with 2,374 respondents across Delhi, Mumbai, Kolkata, Chennai, Pune and Bengaluru.

Why Companies like HUL, Patanjali, Dabur are taking a Crack at the Market for Ayurvedic and Herbal Products:

Companies of all sizes are racing to keep pace. “As consumers and lifestyles evolve, so do the benefits that consumers seek. Currently, the segment that is growing the fastest is naturals - a current consumer trend not just in India, but the world over. And it is so, across categories, not just in toothpaste.”

Colgate may be dominant in oral care, but it is seeing increasing competition from the likes of Dabur. Dabur Red is now the No. 3 player in the market. Other consumer goods companies are also jumping into the naturals market. “As a market leader, HUL has always invested in the market development of new and emerging categories.

In the past 12 months or so, HUL has been on a naturals blitz to claim a greater share of this market. In February 2017, it relaunched the master brand Lever Ayush (which consists of a wide range of products, including toothpaste, soap, hand wash, shampoo and face wash) in five south Indian states. It has leveraged the acquisition of Indulekha to transform it from a distinctly Kerala entity into a national brand. This has been enabled by launching.



Ramdev is the only spiritual head who is sizing up the Ayurveda goldmine, in Bengaluru. Sri Tattva has also announced plans to have 1,000 stores selling its products. “We believe that companies that can mix traditional values of Ayurveda with a modern outlook to business will dominate this market,” says Tej Katpitia, marketing chief of Sri Tattva, the company started by Sri Ravi Shankar, founder of the Art of Living movement.

Conclusion:

This project report gives a concrete basis on which it can be said that herbal products have long lasting scope and they will definitely be surviving for long in the Indian as well as foreign market. Marketers have started realizing the immense importance of herbal products over chemical products. They are able to project their product to their respective audience on the basis of its natural content obtained from herbs, plants and trees which appeal strongly to the consumer as perception of all the people towards herbal products is either neutral or strongly positive which helps them to accept these products easily.

Herbal products and herbal medicines are the two terms which are interchangeably used by consumers because of the extent of medicinal effects of all the herbal products. As a result they are often treated as herbal medicines instead of products.

Also because of the adverse and negative repercussions of many of the non-herbal products, these products are losing their credibility and consumers shift towards more reliable and trustworthy herbal products which don't have any side effects. Therefore more and more number of companies are opting for herbal products instead of chemical products. That's why companies are now facing intense competition in this sector to acquire the market share and profit margins have reduced to a great extent. Brands are looking for alternate ways to make their products more appealing to the audience.

We also got to know about various pros and cons of herbal products and how in many of the cases naturally obtained products have turned out to be ineffective and caused irreversible damage to the user because of absence of any fixed standards and regulatory authority to provide the validity of the products.

In spite of such issues related with herbal products they still have a very long way to go in the consumer market. Consumers have yet not lifted their belief and trust in these products and they have readily accepted cheap as well as effective herbal products over costly chemically made products.

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