

ANALYSIS OF INFLUENCE OF MARKETING ON SALE OF AYURVEDIC DRUGS

Mahesh T S^{1*}, Sudheer M², Shreevidya M³, Ravi Rao S¹ Subrahmanya P¹

¹Department of Post Graduate Studies in Dravyaguna Vijnana, Alva's Ayurveda Medical College Moodbidri, Karnataka, India

²Department of Marketing, Justice K.S.Hegde Institute of Management Nitte, Karnataka, India

³Department of Post Graduate Studies in Rasashastra, Alva's Ayurveda Medical College Moodbidri, Karnataka, India

Article Received on: 09/08/11 Revised on: 12/09/11 Approved for publication: 19/10/11

*Dr Mahesh T S, Assistant Professor. Email: dtsmv2002@gmail.com

ABSTRACT

In India, there are more than 700 Ayurvedic hospitals with more than 35,000 beds and 435,000 Ayurvedic physicians. This makes treatments and product prescriptions more readily accessible and widespread acceptance of Ayurveda. The retail value of the Ayurvedic products market in India is estimated to be around \$1.2 billion (2005 figures) and is expected to reach \$2.6 billion by 2012.

The products of Ayurvedic medicine were not produced commercially earlier. The physician himself used to find the raw material and prepare the medicine by himself or under his supervision. But, due to change in lifestyles, and scarcity of raw materials, the physician was unable to fulfill the rising demand. Thus, commercial production of Ayurvedic medicines started in recent decades.

As the Ayurvedic drug industry deals mainly with those of herbal, mineral, animal or their combination drugs, the quality of the raw material and in turn the quality of the products play a very important role in marketing when compared to the other three elements of marketing mix.

Thus, to determine the influence of marketing, its concepts on the sale of Ayurvedic drugs the study is undertaken.

KEY WORDS Ayurvedic, Drug Industry, Product, Marketing mix

INTRODUCTION

Ayurveda is a medical science that has much wider recognition and prevalence mainly confined to India right from the dawn of human civilization to the present. Out of the total number of 15,000 plant species in India, about 8000 are known to have medicinal properties¹.

Although, Ayurveda does not rule out any substance from being used as a potential source of medicine, presently about 1000 single drugs and 8000 compound formulations of recognised merit are in vogue². All the main classical works on Ayurveda, such as Caraka Samhita, Sushruta Samhita, etc. deal with drugs, their composition, action and various compound or single drug formulations along with other aspects of the medical system.

It is to be observed that the writers and propagators of these texts were mainly Practitioners of their time or belonging to their genealogy. Thus, there was proper identification, preparation and useful utilization of the drugs either in single or compound form. But due to modernization of India, the changes that have resulted in the social and economic conditions have led to the growth of urbanization and rapid deforestation. Hence, the Ayurvedic physicians took to cities and lost their contact with the forests and drug sources. Thus, they could no longer process and prepare their own medicines, but had to depend on others to cater the needs. It is due to this condition and new socio – economic set up that resulted in the birth of Ayurvedic Drug Manufacturing Industry. This also gave birth to crude drug supplying agencies and commercial manufacturers of Ayurvedic medicines that caters to the new segment of market which needed the supply of prepared Ayurvedic medicines thus, resulting in the need for proper marketing. Other than the classical medicines, it also produces medicines that are formulated by the Research and Development wing of the company which addresses the various expectations of the consumers. These new classes of medicines namely the proprietary medicines are to be marketed effectively for the purpose of selling and gaining profits than classical medicines. This is due to the fact that the classical medicines are known to physicians who prescribe it regularly.

The Indian Food Drug and Cosmetic Act have regulated Ayurvedic preparations as drugs. But any product based on the classical Ayurvedic formulary can be sold in the Indian market without any prior approval sometimes even without supervision of an Ayurvedic

Physician. Out of these majority of products sold “over the counter,” are required to place the statement that the product must be used under the supervision of an Ayurvedic physician³.

Presently, there are more than 2434 Ayurvedic hospitals with more than 43,614 beds and 4,78,754 Ayurvedic physicians (Source: AYUSH, system wise statistics). All of this makes treatments and product prescriptions more readily accessible⁴.

It is also true that not all Indian consumers are knowledgeable about Ayurveda. As a matter of fact, mainstream Indian consumers, much prefers conventional allopathic medicines. Sales of the Indian pharmaceutical industry far outpace sales of the Ayurvedic industry which is changing gradually. Traditional and natural medicines are now becoming more popular in India, in part due to fewer side effects as compared to conventional drugs. The retail value of the Ayurvedic products market in India is estimated to be around \$1.2 billion (2005 figures) and is expected to reach \$2.6 billion by 2012³. As the Ayurvedic drug industry deals mainly with those of herbal, mineral, animal or their combination drugs, the quality of the raw material and in turn the quality of the products play a very important role in marketing when compared to the other three elements of marketing mix namely price, place and promotion.

MATERIALS AND METHODS

The study was done through a survey of opinions of 26 Ayurvedic Practitioners through questionnaires which was developed in such a way that they have to rank each company and provide data about their use of product range with respect to the 12 major companies available in the region of Moodbidri. These companies are as mentioned below.

1. Company 1
2. Company 2
3. Company 3
4. Company 4
5. Company 5
6. Company 6
7. Company 7
8. Company 8
9. Company 9
10. Company 10
11. Company 11

12. Company 12

This questionnaire also leads to the analysis of the business and the opinion of the physicians regarding the performance and promotion of the company's products.

OBSERVATION

The variables considered under study along with the respective observations are represented in Table No. 1 –

1. **Ranking on preferences of the companies**
2. **Total Products Bought**
3. **Average of Bought Products**
4. **Rate on High Price variations**
5. **Rate on Least quality Product**
6. **Rate on Least Promotion**
7. **Rate on Easy Availability**
8. **Overall rate on Marketing Mix**

RESULTS

From the initial observations of the data it is seen that the company 'Company 7' has the highest sales while the company 'Company 2' has the lowest sales in the region. The overall rating of the marketing strategy suggests that the company 'Company 7' is rated to have the best strategy compared to others which goes in line with its sales. But the company with the lowest sales is not rated to have the worst strategy of marketing.

The comparison of sales with the individual marketing elements namely the Price, Product, Promotion and Place have clearly indicated that the least selling company 'Company 2' is only rated to have the lowest quality of products when compared to others. The comparison also indicates that the company with the highest selling activity 'Company 7' is rated to have the highest quality of products and has highest Promotional activity when compared to others.

From the comparison it can be noted that the products of the company 'Company 8' are rated to be the most easily available and it is also the second best selling company among the other companies. The comparison brings forth the observation that the company rated least for overall marketing mix and most infrequently available is the lowest selling company namely 'Company 2'. The company rated for lowest promotion activity namely 'Company 1' is the third best selling company. It is rated so on the context of easy availability. But it is one among the lower end of ratings on its other variables.

DISCUSSION

The results of the study are based on the statistical tests carried out on the data and their comparisons of the variables considered in the study. These comparisons showed that frequent variations in price have a very low influence on the sale of drugs probably due to the fact that the variations of the price is a little point of concern to the practitioner rather than the patient as he acts as the medium of transit with respect to the products from the company to the end user namely the common man or the patient.

The buying pattern of Ayurvedic drugs highly depends on quality of the products. It is obvious in the field of medicine; quality plays a very important role to get the desired results. Thus, pattern of rating

the quality and the buying activity has the same results suggesting the same company.

The promotional activities of the drugs by the company have a considerable influence on the buying pattern of the physician. It is the second important element among the elements of the marketing mix. There may be many products that are of the same formulation manufactured by the companies, but it is the quality followed by the promotional activity that really influences the sale of Ayurvedic drugs. Easy availability has a very less influence on the buying activity of Ayurvedic medicines. This is because whenever the quality and promotional activity of the drugs are low, the physician or the patient does opt for those which are easily available. Thus, the buying psychology doesn't allow the consumer to buy those drugs that are without quality and reliability even though, they are easily available.

The comparison of the variables Average on Bought Products with Rate on Overall marketing mix (Table No. 2 and Graph No.1) showed that the company with the high average of selling activity also is rated as the one with the best overall marketing mix. This fact clearly indicates that there is a high influence of Marketing on the sale of Ayurvedic drugs especially in the modern situations.

Hence one can understand that the company which has the highest selling activity namely 'Company 7' is considered to have the best quality with good promotional activity. Thus, it also tops in the rating on Overall marketing mix also as represented in the Table No. 2 and Graph No.1. This also shows that among the marketing mix the two factors namely the Product and Promotion strategy play a very important role and can be taken as vital with reference to the Sale of Ayurvedic Drugs and Ayurvedic Drug Industry in general.

CONCLUSION

Conclusions are drawn from the above results and discussion. It suggests that there is a considerable influence of Marketing on the Sales of Ayurvedic Drugs. Marketing of Ayurvedic drugs have been neglected by most of the companies. Among the various elements of Marketing, the elements namely the Product with respect to its quality play a prime role in determining the sales of Ayurvedic Drugs. Promotional strategies play a secondary role after the quality of the product in determining the sales of the Drugs. Pricing and Place or availability do have their own influence but with a low intensity when compared to other two on the sales of the Drugs. Present study is just a first step and based on this one can go for further for more detail and precise analysis.

REFERENCES

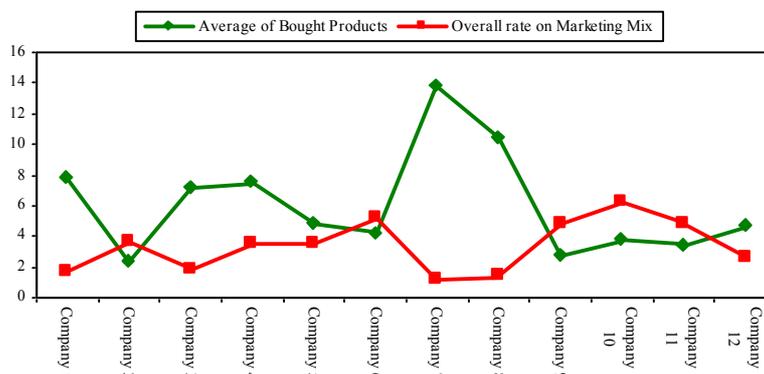
1. D.N.Tewari. Report of the Task Force on Conservation & Sustainable use of Medicinal Plant. New Delhi. Planning Commission. Government of India; 2000
2. Anonymous. Ayurvedic Pharmacopoeia of India. New Delhi. Ministry of Health and Family Welfare. Government of India; 1989 Vol 1.
3. P K Dave. A new era of Ayurvedic Herbs: Nutraceuticals World, 2008 May [cited 2011 September 7]; Available from: [http://www.nutraceuticalsworld.com/issues/2008-05/view_features/a-new-era-in-ayurvedic-herbs/](http://www.nutraceuticalsworld.com/issues/2008-05/view_features/a-new-era-in-ayurvedic-herbs/http://www.nutraceuticalsworld.com/issues/2008-05/view_features/a-new-era-in-ayurvedic-herbs/).
4. Department of Ayush [homepage on internet]. New Delhi: Infrastructure; system wise statistics [updated 2011 Aug 9; cited 2011 September 7]. Ayurveda; [1 screen]. Available from: <http://indianmedicine.nic.in/>

Table No. 1 Represents the variables along with the respective observations

Sl. No.	Company Name	Mean Ratings	Total Products Bought	Mean of Bought Products	Mean rate on High Price variations	Mean rate on Least quality Product	Mean rate on Least Promotion	Mean rate on Easy Availability	Overall rate on Marketing Mix
1.	Company 1	8.19	202	7.769	3.4076	1.7308	1.2076	2.2308	1.6583
2.	Company 2	8.88	60	2.308	3.0769	1.1538	3.0384	3.6538	3.6833
3.	Company 3	4.62	185	7.115	1.8461	3.5769	3.923	2.7308	1.775
4.	Company 4	3.19	197	7.577	3.2923	5.2308	4.423	2.5	3.4666
5.	Company 5	6.08	126	4.846	4.2538	3.8462	4.2692	4.5385	3.5583
6.	Company 6	8.04	109	4.192	6.1153	3.0385	1.8461	4.6154	5.1416
7.	Company 7	2.65	360	13.85	3.8307	6	6.8461	1.4615	1.1583
8.	Company 8	4.5	269	10.35	2	5.7308	6.3846	1.2692	1.4
9.	Company 9	7.96	71	2.731	4.4615	3.3462	2	6.1154	4.775
10.	Company 10	8.46	98	3.769	4.5	3.5077	2.8846	6.4231	6.225
11.	Company 11	7.23	88	3.385	4.8461	2.2538	3.2307	5.1538	4.8333
12.	Company 12	7.19	123	4.731	4.6923	3.5769	3.1153	3.9231	2.55

Table No. 2 Comparison of Average of Bought Products with Overall rate on Marketing Mix

Sl. No.	Company Name	Average of Bought Products	Overall rate on Marketing Mix
1.	Company 1	7.769	1.6583
2.	Company 2	2.308	3.6833
3.	Company 3	7.115	1.7750
4.	Company 4	7.577	3.4666
5.	Company 5	4.846	3.5583
6.	Company 6	4.192	5.1416
7.	Company 7	13.85	1.1583
8.	Company 8	10.35	1.4000
9.	Company 9	2.731	4.7750
10.	Company 10	3.769	6.2250
11.	Company 11	3.385	4.8333
12.	Company 12	4.731	2.5500



Graph No. 1 Represents the variables along with the respective observations

Source of support: Nil, Conflict of interest: None Declared