



A study on “Impact of Covid 19 pandemic on Ayurvedic FMCG Industry”

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ABSTRACT

Ayurvedic FMCG industries are expecting loss in 2020 and 2021. Covid-19 disease which resulted in lockdown in many countries. The present paper is to understand the impact of covid-19 on Ayurvedic FMCG sector and its business. FMCG sector is one of the important sources of Indian economy, which directly or indirectly affects the employment rate of the country. The main challenge towards Ayurvedic FMCG companies is supply chain distribution and lack of availability of labour during lockdown. There has been a change in consumer buying behaviour of the product after lockdown due to economic hit on daily wages labours. Changing behaviour of regular consumer is also visible while purchasing Ayurvedic FMCG products during lockdown period. This has led to implementation of new strategy through digital platform like online market. The study is based on secondary sources.

KEYWORDS – Covid-19, FMCG, Lockdown, Digital platform.

1. INTRODUCTION

COVID-19 is a disease caused by the Novel Coronavirus and formerly called "Coronavirus Disease 19". Corona Virus outbreak was first reported in Wuhan, China on 31st December 2019. Till now there is no specific vaccine or treatment for covid-19 but one can prevent it by washing hands regularly with soaps and alcohol based sanitizers. WHO declared Coronavirus as a pandemic, and due to this whole economy has gone into recession. COVID -19 is harming the global economy because the world has been experiencing a complex economic situation. This situation has affected every corner of the country like trade, investment, education, agricultural sectors and business sector. Ayurvedic FMCG companies like Dabur and Patanjali are looking as opportunity to invest more in this sector for long term. Covid 19 corona virus is a deadly virus which spread from person to person and affected global market.

FMCG sector is also not spared by this pandemic. In India up to 53% of businesses have specified a certain amount of shutdown caused due to COVID-19 on operations (FICCI) survey. The effect of COVID-19 on India's leading sectors and services has been outlined by our ground-breaking team of analysts in India who monitor these sectors. Despite the lockout, grocery distributors, which compensate for about 60% of retail transactions in supermarkets, were permitted to continue to work by the State while selling critical and public safety goods (Singh Arun Kumar, 2016).

The impact of the pandemic has been in a huge scale. Every aspect of one's life in the society is impacted. And the very first impacts of process which people are not used to. The measures and the rules that were imposed on society was a sudden full stop for a new beginning. Every coin tossed teaches you two things, one the positive side and the other as negative. In the same way every impact the society has received has its positive and negative impact.

2. LOCKDOWN

The act of central government to stop spreading of coronavirus in India. The act was imposed to mitigate the wide spread and sudden damage it may cause to the society, the lockdown necessitated the suspension of all the activities across the nation except that ones that were considered and classified as essential services. The very major impact of it was reflected on our economic activity and economy. All the activities that were considered as non-essential were the major contributors to the economy. My be it the industry, may it be entertainment sector, the tourism, travel and shopping.

3. IMPACT OF LOCK DOWN ON AYURVEDIC FMCG INDUSTRIES

As the novel coronavirus repeatedly spread through the world's populations, in some countries in as many as three waves, and governments responded by enforcing lockdowns of varying degrees of strictness, people everywhere became increasingly fixated on their own immune systems.

The COVID-19 pandemic easily overwhelmed the healthcare systems of most countries, including the US and the UK, whose expenditure on healthcare is relatively much higher. Where there was a surplus of drugs that experts and politicians alike speculated could be useful to tame the infection, only a few have survived closer scrutiny, such as the steroid dexamethasone, and for limited use-cases. In this time, complementary and alternative therapies also became more popular.

In India, entrepreneurs, businesspeople and political leaders briskly pushed Ayurvedic and drugs of other provenance to people in the name of "better" or "stronger" immunity. The most popular among them, promoted by the country's Ministry of AYUSH, included 'Ayush Kwath' and 'Arsenicum album 30'. FMCG companies supposedly manufacturing Ayurvedic products have been able to substantially increase their turnover. Some Ayurveda pharmaceuticals with efficient marketing networks achieved higher sales last year than in other years (K.Sreekumar, a marketing consultant pharmaceuticals companies).

According to him, the turnover for 2019-2020 for Ayurveda products alone in Kerala was over Rs500 crore. Kerala's Ayurveda market, including products and hospital treatment, is estimated to be worth over Rs800 crore a year. After the COVID-19 outbreak began, popular products included herbal masks, herbal hand wash, herbal sanitizers, herbal soaps and 'immunity-boosting' nutraceuticals. Some of the more successful companies, apart from smaller local entities, included Himalaya, Dabur, Charak and Zandu.

Their and others' products that included the 'immunity' tag were available over the counter at allopathic pharmacies. Some pharmacies also devoted a separate shelf for their products. But in a time when more people are seeking treatment at Ayurveda clinics, Ayurveda hospitals and resorts have been having a tough time after the pandemic began, according to Dr Itoozhi Unnikrishnan, general secretary of Ayurveda Hospital Management Association. Problem of the study:

The epidemic of coronavirus disease 2019 (COVID-19) has created the largest crisis that intensely impacted the country's economy. The pandemic has a clear effect on the global economic process. Given the importance of Ayurveda in India, the disruption caused by Covid-19 may be a significant concern. This lockdown has led to various issues like financial crunch, shrinkage of exports, low production, non-availability of human resources, the uncertainty of consumption, and liquidity squeeze. They also face the issue of workers migrated to their villages and towns.

There is no doubt that Covid-19 has placed the whole economy at the main threat, and the world has gone to face recession also as global losses. Undoubtedly, the Ayurveda sector's growth this year will be one of the lowest rates in the last six years. To understand the challenges that are faced by the Ayurveda sector, the study has undertaken.

Objective of the study

- To know the impact of Covid-19 pandemic on Ayurvedic Fast Moving Consumer Goods (FMCG).
- To examine the problems faced by Ayurvedic FMCG sector during covid-19 pandemic

Date collection methods: Secondary data sources like Magazines, Books, Newspapers, Digital sources and Journals are used.

4. LITERATURE REVIEW

Ashwin Chouhan’s (2020) study mainly focuses on the impact of FMCG sector in India due to Covid-19, author also predicts the loss facing by FMCG industries in the fiscal year 2020. The loss is due to challenges of FMCG companies in supply chain distribution and lack of availability of labour during lockdown. Changing behaviour of consumer is also seen while purchasing goods during the period of lockdown. Companies are now seen digital platform to bring their business back on track such as Jio Mart and tied up with other firms to ensure fast and good delivery system to consumers.

Ramesh Chandrasa (2020) highlights the effect of Covid-19 on global industrial economy which relates to Ayurvedic industries as a part. The scenarios in this paper show that a corona outbreak could have a significant short term impact on the global economy, and this report discusses the widespread worldwide pandemic and the financial effect of the COVID-19 crisis across businesses, as well as nations. In this article author also highlights the insecure nature of the business and the jobs faced by the people due to pandemic. A global recession now appears likely but how severe and long the decline will depend on the effectiveness of steps taken to deter the spread of COVID-19, the results of government policy to ease liquidity issues in SMEs, to help families in financial distress, and to protect employment.

Nikhil Gangappa Mantur (2020) discuss about the impact of Covid-19 on environment. This epidemic has changed the people’s life style, caused job loss, effected the industries such as agricultural industry, FMCG industries, but the only sector which did not get much effected was the Ayurvedic FMCG sectors which the people is thinking of trying with Ayurvedic products to build the immunity and keep them hygiene naturally. The takeaway from this study is that once nations come to grips with the corona virus, better implementation of the environmental, transport and industry regulations should be considered a priority to ease the detrimental impacts of human activity on the environment.

Anmoal Gur (2020) study focus on the impact of COVID-19 on the FMCG sector and the factors that have impacted the purchase behaviour of customers. The main findings from this study are that the consumer behaviour towards the buying of FMCG product was significantly impacted due to COVID19 pandemic situation. FMCG products demand including Ayurvedic FMCG got reduced due to the economic crises during the lockdown due to COVID-19 so the sector also suffered a heavy loss. The study concludes that the factor influencing preferences of customers while buying products from FMCG companies and shows the negative impact on the consumer buying behavior in FMCG sector. Humanity has encountered several problems from the very beginning. The severity of these problems was distinct and in multiple forms.

Dr. Bhavneet Kaur (2021) discuss about the strategy for launching of Ayurvedic product post-pandemic. The author identifies the need for Ayurvedic products across cultures in the European market in the current times. The paper provides a suggestive roadmap for the launch of a new product. Additionally, in order to attain success in the global market, companies must properly understand the difference between the markets they are targeting, as some launching tactics may be effective in the developed market but may have counter-effective impacts on product performance in emerging markets. For example, pricing strategies and preannouncement tactics need to be customized depending on the region of the world companies are planning to launch a product

5. FINDINGS OF THE STUDY

Arrival of global pandemic, COVID-19 has resulted in creating a global crisis in the Ayurvedic FMCG industry. The pandemic has already created economic backdrop across the globe, thereby intimating for the next global downturn. Tough initiatives are undertaken by different governments for containing the outbreak. However, social distancing has made a drastic negative impact on the Ayurvedic FMCG industry. Logistic issues, lack of satisfactory labours, operations limiting to production of only essential items etc. are some of the few examples most Ayurvedic FMCG companies are facing across the India.

Food & beverage industry has also not been spared by the impacts of COVID-19. For example, companies involved in manufacturing of processed food and non-perishable has seen robust increase in sales owing to the lack of availability of fresh fruits and vegetables. However, restaurants and retail food creations are facing challenges owing to shortage of food supplies, employees and stringent government lockdowns. Additionally, demand for organic and natural ingredient infused food products are increasing at an exponential growth rate. For instance, Nourish Organic Foods Pvt Ltd., an India based organic food supplier, specialized in selling of organic, gluten-free and vegan food items has experienced 30% sales growth during February-March 2020

Demand for cosmetic & color products, amid the COVID-19 outbreak are anticipated to see a steep downfall. Apart from those products that are deemed to be essential during such crisis, other non-essential products are anticipated to cater huge loss in later half of the year. On the other hand, demand for Ayurvedic hygiene products such as hand sanitizers and hand wash is growing at an exponential rate across the globe.

In India, post-Covid-19 outbreak, demand for hand sanitizers, hand wash and other organic health hygiene products are expected to increase at an exponential rate but due to lockdown and shortage of labours manufacturers are facing challenges to cover the demands required in the market. The year 2020 is anticipated to have the highest growth for these products. Increasing awareness among Indian consumers related to hand hygiene antiquates is anticipated to create profitable opportunities for many domestic and international Ayurvedic players till 2022. Strong e-commerce infrastructure in India is also expected to contribute towards the growth of Ayurvedic FMCG products and other organic hygiene products.

6. PANDEMIC REWRITING THE RULES OF AYURVEDIC FMCG INDUSTRIES

The challenges faced by Ayurvedic FMCG retailers have accelerated at staggering speed in the wake of the Covid-19 pandemic and economic crisis. The latest data from McKinsey shows that consumers are likely to keep the behaviours they've adopted amid stay-at-home orders. Retailers can't afford to be in a wait-and-see mode. They need to reimagine their baseline requirements and then turn their attention to taking their customer experience to the next level.

Retailers need to stop expecting business to return to “normal.” There's no going back to how it was anytime soon. Even before the Covid-19 pandemic and economic retailers had been fighting a fierce battle against Amazon and other e-commerce players. Those challenges have now accelerated at staggering speed.

A new baseline to start, retailers have to adapt their new strategies to comply with health-and-safety regulations and meet basic customer expectations. This includes mask wearing, ensuring physical distancing, and controlling the number of employees and customers in stores, instituting contactless transactions, improving speed of service, and introducing more self-service options.

Ayurveda is also involved in the fight against COVID-19. The government has announced innovative clinical drug trials to evaluate the safe and effective use of selected and standardised Ayurvedic product in the treatment of COVID-19. This is probably the first of its kind and magnitude, where modern medicine physicians will work alongside Ayurveda to manage this dreadful infectious disease. The Ministry of AYUSH has also released an advisory for general public on the use of several well-known Ayurveda formulations to improve the immune system

and health in the fight against COVID-19. There is neither medicine nor any vaccine available for COVID-19 — there is very little evidence for modern drugs like hydroxylchloroquin and azithromycin that are being used to prevent and treat COVID-19.

Hence, it is appropriate that India investigate the therapeutic potential of Ayurveda product during COVID-19.

7. SUGGESTIONS

Ayurvedic industries are struggling to keep the business activities during these days. It has become challenging for the business to pay salaries to their workers and to manage their business activities. Nowadays Ayurveda is also one of the significant players in the Indian economy, so their needs should be protected.

Countries have to strengthen the enterprise in the Ayurvedic sector. According to the UN report 2020, accessibility of the digital infrastructure is needed to realize digital transformation and improve skills to access innovation and technology.

Digital marketing: Ayurvedic FMCG companies need to be prepared to use the digital information for their goods and to provide the information to their customers. Since the world is turning into digitalization, it is important to upgrade the business pattern to compete with regular FMCG companies especially during COVID-19 pandemic situation.

Educate workers on COVID-19 symptoms and prevention: Organizations should educate their staff about the COVID-19 symptoms, social distancing, and use of masks and sanitize factories and transport vehicles among other precautions. Check the returning workers by doctors for any symptoms.

Fulfil the required demand: Ayurvedic products are more in demand for providing immunity against COVID, due to which the demand for the Ayurvedic products is relatively increasing. Big companies like Patanjali, Himalaya, Dabur etc. has to concentrate more on promoting Ayurvedic FMCG product to overtake regular FMCG product.

8. CONCLUSION

As the study highlights, impact of covid-19 on Ayurvedic FMCG sector. Today, the sector is more structured, has unified technological progressions, environmental changes and evidence-based research methodologies to provide premium care. These developments, built on Ayurveda’s affordability can help advance the system’s benefits to the population at large. Bringing Ayurveda into the mainstream requires a intensive energy which can be led by the Ministry of AYUSH. The ministry can also explore the incorporation of industry suggestions towards designing standardisation and licensing norms that regularise Ayurveda products in India.

The coronavirus pandemic has reminded us that our body’s immunity is our first and best line of defence. Healthy living and good nutrition are crucial for self-preservation. Luckily, India, with its vast heritage and knowledge in Ayurveda, does not have to look too far. Riding on many waves of evolution, Ayurveda is poised to re-enter our lives in unique ways. This ancient wisdom has taught us that the more things change, the more they stay the same.

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