

# A Study on the Current Status and the Future Prospects of Nutraceutical Products in India

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**Abstract:** *The term nutraceuticals is derived from the words nutrients and pharmaceuticals in the year 1989 due to its need for healthy lifestyle. The nutraceuticals product benefits its consumer with the goodness of natural food sources in order to prevent and treat the health hazards that is increasing rapidly in the recent times due to the evolution of preservative usage which is harmful to human. Nutraceuticals is been classified into three major divisions of functional food, dietary supplements and herbal products. The Greek Hippocrates had initiated the concept of nutraceuticals with the ideology of promoting nutrition and healthcare. The nutraceuticals products have been developed to contribute healthy supplement to the consumer which could influence them psychologically and rewards them with extensive returns of healthy life in the near future. The Indian consumer market has entered the FMHG market with an outset of healthy products along with the essence natural ingredients as the consumer mostly preferred nutraceuticals products in the present consumer market. The article has presented the current status of nutraceuticals products among the consumer markets and its challenges faced by the industry. The awareness of nutraceuticals products and its health benefits should be promoted to the consumers and should be scientifically proven in the future.*

**Keywords:** *Nutraceuticals, Segmentation, Market outlook, Market potential, Regulatory framework, Challenges.*

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## INTRODUCTION

The Article published by ASSOCHAM under the title of “Indian Nutraceuticals market study on the current scenario and Future trends”, where Nutraceuticals has been described as natural health benefit which has been added our food nutrition. As per Hippocrates, Prevention is the motive behind the nutrition and healthcare. In Today’s situation people are more concerned on prevention of disease rather than treating the sickness. This kind of awareness has led the commencement of Nutraceuticals market

Greek Physician and the father of Western medicine, Hippocrates had followed the policy of “Let Food be thy medicine” which related the food along with the therapeutic benefits. According to the ancient Indian people the foods were consumed with their inbuilt hidden health benefits. Some of the ingredients which we add in our daily food have scientific reasons, which we often fail to notice or understand, but still we consume due to tradition and custom. The ideology of Nutraceuticals has been originated through usage of Food as medicine that serves us healthy Living and Prevention of Diseases. The Term “Nutraceuticals” was conceived from the words “Pharmaceuticals” and “Nutrition”.

The Global demand on Nutraceuticals market is expected to attain new heights of 578.23 billion dollars by 2025 with Compounded Annual growth rate (CAGR) of 8.8%. The key factor which will drive this growth will be people concerning about their raising health issues. Indian Nutraceuticals markets are expected to project a grow at rate of 21% per year going forward by overcoming the challenging factors of promoting nutraceuticals to the individuals.

Nutraceuticals products have gained much consumer attention due to its potential quality of health benefits offered to human body. Due to the increasing percentage of health issues ,unhealthy lifestyle and unhealthy choices of food we consume resulted in the nutraceuticals products in the Indian market has been rapidly growing globally.

Nutraceuticals product ingredients have been extracted from animal's fats such as Omega 3 fatty acids from the sources of fishes, good micro-organism such as probiotic drinks used for digestive dietary supplements, minerals and Botanical plant and herbs for Prevention, rejuvenation of the nutritious health and treatment the health issues of every individual that is yet to be proven . Nutraceutical products are generally available in the formulation of pills, capsules, powders, juices and semi solid paste. Some Example of commonly used nutraceuticals products prepared from our foods are Garlic tablets and Amla juice which is prepared by the natural ingredients and manufactures in order to prevent cardio vascular related diseases and rejuvenate body through its rich source of Vitamin C. Nutraceutical products are majorly segmented into Functional foods, functional beverages and dietary supplements.

There vast difference between the pharmaceutical and the nutraceuticals is the scenario where the chemical components utilized in the modern medicine has been provided with patent rights but for the natural ingredient which has been used in the nutraceuticals products does not have their own patent rights .Even then the nutraceuticals compounds usage might be used to cure and prevent diseases which prevails in the consumer market are subjected to have non-proven results and it has been consumed based only the assumption of the consumers. The Future of the Indian Nutraceuticals markets is assumed to show its growth rate due to the awareness and the promotion of good health, which will be the ultimate result in contribution of healthy products to Indian consumers. The Growth of Functional foods, beverages, Functional drink, cereals and oils is the key players in the Indian consumer markets that tend to reach the consumers due to health consciousness that will be its demand in the near future.

## REVIEW OF LITERATURE

Nutraceuticals is derived from the words “nutrition” and “pharmaceutics”. The natural ingredients is been a common factor in nutraceuticals products that is manufactured for the benefit of the consumers which serves both nutrition and the medicinal purpose in the form of nutraceuticals products on the assumption basis. (Kalra EK 2003). Nutraceuticals products can either be utilized to improve the health conditions which benefits the age delay process, the reasons for the preventions of chronic diseases, and also to support the proper function of the human body. (Zhao. J 2007). Nutraceuticals products has been detected with drastic variances compared to the pharmaceuticals, the natural ingredient which has been used in the

nutraceuticals products do not hold a patent rights. But when distinguished with the natural compounds used might have the chances to cure and prevent diseases which are yet to be proven. The patent rights has only been issued for the chemical ingredients utilized pharmaceutical products in order to manufacture a consumer friendly medicine. (**Kumar G, Kalam N, Ansari SH 2003**).

A dietary supplement of nutraceuticals consists of one or more ingredients which act as a natural ingredient that enhances the human health to eradicate the multiple health issues which is still under research. (**Zeisel SH.1999**).The functional component of the nutraceuticals products produced under the GMC (goods manufacturing practices) and act as a nontoxic product that has scientifically not proven to treat the health disorders effectively. (**Smitha R Nair**).

The philosophy of the nutraceuticals is to focus on the remedial measures along with dietary supplements from the source of natural food elements. (**Mayank Tandon & Dr. S.N. Rai**). The research report published by the big market research is high point of challenge “The scenario faced by the nutraceuticals sector has been predicted to achieve the growth of 7 percent in 2022. The concept of “cure is preferred” by the consumers who could opt for nutraceuticals products with a blind folded belief for their remedial measures considering that all the natural medication are safe and also due to the hiking price of modern pharmaceuticals and the excluded problems in the insurance coverage influence the consumers to seek for the nutraceuticals therapy or medications.( **S.K. Gupta; Sanjay Kumar Yadav; S.M. Mali Patil**).

Nutraceuticals has assumed to play an effective roll in the field of preventive health care. The simple logic is been ascertained that the old people desires to live a disease free life which can be made possible with the healthier choice of nutraceuticals products. (**Chris Stirling**).Nutraceuticals products have been derived from the foods prepared based on the natural ingredients and sold in the forms of powders and pills and also in other forms of medications will never is not closely associated to food. The proven evidences have not been determined for the purpose of psychological benefit or that eradicates the onset of chronic diseases. (**Pathshala of MHRD**).Patented products of pharmaceutical products with the acquaintance of the nutraceuticals ingredients creates a platform for pharmaceutical products to set the reliability of the consumers (**Eshwara Prasad, 2017**)

## **BRIEF HISTORY OF NEUTRACEUTICLAS**

The Practice of using food as a medicine has been followed by Indians, Sumerians Egyptians and Chinese civilizations from the ancient days and till now. Long before development of structured scientific discipline in the field of Nutrition, our ancestors, philosophers and physicians has closely observed the impact of daily diet in human life which has been closely associated to nutraceuticals products. They have utilized the good factors of natural ingredients which act as a medicine to treat illness on the basis of assumption which is not medically proven. The 5000 year old ancient Indian medicine method “Ayurveda” has also mentioned the usage of foods for severe therapies. The term nutraceuticals was framed by **Dr. Stephen L De Felice, the chairman and the founder of the innovation of medicine** .While using Herbs and natural ingredients as predominant ingredient for the formulation of medicine, the nutraceuticals market has expanded through the support of technology for its nutraceuticals products. The First organized and modern market for Nutraceuticals has been

started in Japan in the early 1980's. At present United States of America and Japan is the market leaders in the Nutraceuticals markets compared to our Indian country. Nutraceuticals is an intersection of scientific research along with the traditional food tradition, agricultural - food product processing. If we really remain with what we eat the relationship between high quality food and health is a corner stone around which the health promotion, prevention and assistance can be developed in the consumer market. The challenge for the future is to create a social consciousness among the consumers toward the food that has demonstrated to contain the healthy properties which could be consumed on our daily routine. Utilizing this strategy, we can achieve a continuous improvement on quality of goods, higher market demand for the nutraceuticals products.

## **PRODUCT SEGMENTATION**

Nutraceuticals methodology is the driving force of food advancements from the primitive to the evolved man. Functional foods is natural or processed foods that contain biologically-active compounds ; these foods, defined , effective , and non –toxic which also provide a clinically non-proven and act as an remedy for health benefits for the prevention, management, or treatment of chronic illness. The chemical component of the food when in digested in appreciable amounts can also demonstrate attribute such as good bioactivity, bio-efficacy and provide positive effects on human health by diseases prevention and alleviation.

According to the study done by variant market research the nutraceuticals is classified into functional food that are present in omega fatty acid fortified food, branded wheat flour market, probiotics fortified food, branded iodized salt, enriched food , whole food etc. Secondly the dietary supplement is the classification of nutraceuticals that are present in vitamins and minerals, protein and peptides, herbals and other etc. Lastly the functional beverages act as a part of nutraceuticals products that are found in dairy & dairy alternative drinks, noncarbonated drinks, fruit, vegetable juices and drinks etc. A Dietary supplement is a product in the form of capsules, powders and pills which could supplement the human diet. These products are rich in nutrients derived from food substances or synthetic or be the combination of both component of food substances and synthetic components. Dietary supplements are neither medicine nor to be considered as substitute for food. Probiotics, Vitamins and minerals, herbals and Proteins are the supplement currently available in the market. Functional beverages are classified into nutrients, enriched, enhanced, engineered, wellness, and health kinds of beverages that supplement the malnutrition where the drink is non-carbonated for the purpose of health benefits for the consumers. Some of the examples are yakult, tropicana etc.

The above classifications of the nutraceuticals are designed to strengthen the immune system and act an energy booster to enhance the health benefits by adding more nutrients and biological compounds for prevention, health management and therapy to various diseases.

## **INDIAN NUTRACEUTICAL MARKET OUTLOOK**

Globally, people started using nutraceuticals products as part of their Daily diet. The key reasons for this shift are due to unhealthy life style related diseases and deficiency in health nutrition. The nutraceuticals products were introduced in the market due to the following reasons such as the increase the demand for the nutraceuticals ingredients in the cosmetic industry where the people preferred for the chemical free cosmetics made from the sources of natural ingredients. And also to increase in demand for the dietary supplements in the

consumer market. The main scenario is due to the increasing cost of medical treatment caused by the modern medicines. And also due to the decreasing demand of modern medicine, this segment has become a launching platform for nutraceuticals products, where companies has invested heavily and launched separate brands, product lines and R& D division to improve the product efficiency and to reach customers effectively. USA, Japan and Europe countries holds 93% of global market share and the markets have reached maturity in those countries.

In India, the nutraceuticals markets are still in nascent stage, but the growth rate is picking up rapidly. Indian market contributes 2% of the global share, where the same is expected to reach 7% by 2022 due to population growth, urbanism and awareness of the health benefits rendered by the nutraceuticals products. India will soon become the desirable destination for the nutraceuticals manufactures across globe, since Indian consumers are not yet fully tapped about the product and their expenditure on nutraceutical products are less.

In India, the dietary supplements are predominantly manufactured by pharma companies and its growth is higher than Functional foods. This will raise the awareness for a healthy life style. It contains the main components such as dietary supplements, nutrition and herbal supplements will create a greater demand for the Nutraceuticals process.

## **ANALYSIS OF NATRUACEUTICAL MARKET POTENTIAL IN INDIA**

As per the Indian statistical data, obesity and diabetic rates are very high in India. 40% of the total deaths in India were due to Cardio vascular diseases and 67 million people are diagnosed with Diabetics. There are 37 million of people are diagnosed with Pre Diabetic condition. This critical health situation in India will allow nutraceutical products to get deeply penetrated into the lifestyle of Indians in near future. India is one country with many cultural differences, hence it is very essential to understand the different types of consumer preferences and products need to be customized to suit their needs. For Example, certain community/region of people in India doesn't eat garlic and few communities doesn't eat non vegetarian. Hence the supplements derived from Fish and garlic should be replaced with other ingredient which provides same health benefits should help companies to reach the target audience more effectively.

Out of 1.21 billion populations, 39% of populations are children, hence targeting this segment of people with products with customization to their likings and reasonable pricing will attract more children customers towards the nutraceutical products. The elderly population where the age is above 60, which was over 100 Million in 2014 has been anticipated to reach 143 Million by 2021 and this segment can be targeted for nutraceuticals.

Indian consumers are very closely integrated with Herbal usage with the aspects of nutraceuticals products on the trial and reality basis. Hence products which emphasize on organic and natural based will get accepted soon in the consumer market with the user friendly products. Also now most of the FMHG companies are positioning themselves for herbal usage in order to increase the customer trust on nutraceuticals products. The awareness of the gastro intestinal health has been spreading rapidly which will drive the probiotic drinks which are prepared with good microorganisms such yogurt sales in the market.

## **REGULATORY FRAMEWORK OF NUTRACEUTICALS:**

The Nutraceuticals products are covered through Food safety and standard Act 2006 and labelled as Special food products. Though there is no dedicated regulatory body to govern this segment, a 17 member taskforce has been formed and regulations have been drafted in 2015 to simplify manufacturing, packaging and commercialization. Some of the key points of regulations are listed below.

- The nutrients quantity should not exceed more than recommended daily dosage by Indian Medical council. The source of extraction for nutraceuticals should be from food or non-food substances.
- In case of non-availability of standards, the same can be referred from WHO (World Health Organization) or Codex alimentations.
- Nutraceuticals without prior history of safe usage should obtain some kind of approval from Food Safety Authority before manufacturing of the nutraceuticals products.
- FSA determines the purity of the nutraceuticals used and if no such standard are available then the Indian Pharmacopeia or British Pharmacopeia or US pharmacopeia can be referred.
- Regulations on Labelling of Nutraceutical products.
- The nutraceuticals products should adhere the Food safety and Standards 2011 regulations for Contaminations, toxins and Residues.
- To Establish a Nutraceutical company, the business operators should get licensed with the procedures laid down by Food safety and standards regulations 2011.

## **CHALLENGES IN NUTRACEUTICAL MARKET**

- Issues in Quality of Raw materials due to lack of standard regulations, which resulted in production low quality products.
- Due to lack of Standard regulation in manufacturing, the SME are not able to withstand with perfect quality of the product's ingredients.
- The Cost of operation (like R&D, product formulation, sophisticated machinery for packaging and processing) in nutraceutical products is huge. Hence Small and Midsize companies need government subsidy/support to enter into the nutraceutical market.
- Lack of awareness about Nutraceutical products and its health benefits among Indian consumers, which have slowed down the possibilities of the increase in the growth rate.
- Lack of standard guidelines as per international guidelines impacts the manufacturer during export of products, as they need to follow different guidelines based on the countries which they export.
- There is not enough scientific evidence to prove the health benefits through Nutraceutical products consumption. Lack of feedback about the available products leads to non-improvement of product efficiency.
- Source of the ingredient could react with a positive or a negative impact on the society.
- Contamination of the ingredients used in the nutraceuticals can harm the society, henceforth the contaminations should be avoided.
- The system to control the industry of nutraceuticals does not have consistent policies to maintain and ensure safety and security of the product

- The industry of nutraceuticals has high risk of working with the products due to various aspects to be considered when handling the products of the consumers.

## FINDINGS AND DISCUSSION

Nutraceuticals products are very much Vital for the prevention and wellness of Human body. Though we are Pioneers in herbal usage, we are still in nascent stage in nutraceutical research, whereas countries like Japan, USA and Europe, are leading the markets and its people understood the importance of nutraceutical products very well. Indian Nutraceutical markets are still in nascent stage. The Shift towards unhealthy foods and lifestyle reduced physical activity and increasing desk jobs leads to lifestyle diseases. The increasing health issues among the Indian people have made them to look for nutraceuticals products in order to lead a healthy life. This change has provided huge Future platforms for nutraceutical markets in India.

The Current promotion and awareness about Nutraceutical products and its health benefits are not sufficient. Our Government should provide due importance and support for the promotion. The Products should be made available in OTC markets and the promotion of the same can be done with health of doctors. If the awareness and promotions of health benefits of nutraceuticals products are efficient, soon it will become part of the Daily diet of Indian consumers. There are Big Players (Foreign & Domestic) in Indian Market providing healthy competition in this segment. The Small and Mid-size companies are facing difficulties to cater this segment due to non-availability of support from government through special subsidies. Since these products are very vital for the people well-being, strong backing from the government is required to encourage SME's entry into this segment.

Since Nutraceuticals products are associated with Human health and it has great Future potential in Indian market, Government should consider forming a dedicated regulatory body to control all the stakeholders and their operations. Since Nutraceuticals is a global concept, our current guidelines should be reviewed to align with the international standards. This will ensure companies providing quality products to the customers. The major drawback of the nutraceutical products is the lack of scientific evidence to prove the individual's health remedial status. Hence more research need to be initiated on this area to scientifically prove the health benefits through nutraceuticals, which will prioritize to gain customer's trust and to improve the product's efficiency.

## CONCLUSION

The Indian consumers are very much concerned on the raising health issues and looking for healthy life and reliable natural based products. This change has propelled the growth of Nutraceutical markets in India. The Future of the Indian nutraceutical markets looks very promising due to untapped market potential. Global investors have already turned their attention to Indian market.

The Nutraceutical products are very limited in the Indian market due to the lack of awareness of its health benefits to consumers. Since FDI (**Foreign direct investment**) has been allowed in this Segment, the competition has become intense where MNC's and Indian based companies are investing more on the R&D to manufacture a best quality product, this will ensure that the Indian based consumer will be benefited with an innovative and quality product and soon the nutraceuticals products will benchmark its awareness among the consumer market. The FMCG companies has turned their attention toward the nutraceuticals

products to position themselves as a natural product base company in order to gain the consumers attention ,trust and confidence. Also they are incorporating herbal ingredients in their key products to meet the customer satisfaction and to retail their revenue in the form of this new emerging strategy.

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