



## Nutraceutical Products Awareness to Consumer

M. Rajani, Assistant Professor, Master of Business Administration,  
MALLA REDDY ENGINEERING COLLEGE (AUTONOMOUS), Secundrabad.

### Executive Summary

Nutraceuticals refer to food or part of a food, including beverages and food products that provide incremental medical or health benefits, including prevention or treatment of a disease. It spans across Functional Foods, Functional Beverages and Dietary supplements. Some instances of Nutraceutical products are Probiotics, Fortified energy drinks, Vitamins and Minerals etc. The category is positioned in between Food & Beverages and Pharmaceuticals. Globally, Nutraceuticals market is expected to witness huge growth. At the turn of the millennium, between 1999 and 2002, the industry grew at a CAGR of 7%. Subsequently till 2010, it doubled to 14%. Currently every year \$12-15 Bn is being added to the global revenue. The US and Japan have been pioneers in embracing Nutraceuticals. Western Europe also represents a large market, with strong footprints in Germany, Italy and France. Developing markets like India, Brazil and China are relatively smaller, yet have a huge growth opportunity. Indian market currently has a 2-3% share of the global market. The Indian Nutraceuticals market is estimated at around \$ 4 Bn in 2017 and is expected to grow at a significant 21% CAGR to \$ 10 Bn in 2022. This will likely be fueled by a significant 25% per annum growth in Functional Beverages market accompanied by similar potential growth from the other segments. More than 60% of this market is accounted for by Dietary supplements. Few industries in India today offer such spectacular growth potential. Key players in the Indian market feature both Indian and Multi-national companies. MNCs like GSK, HUL, Amway Nestle, Danone, Kellogg's, and PepsiCo are trying to augment their market share and reinforce penetration. Strong Indian players like ITC, Dabur, Himalaya, Patanjali and Baidyanath are also launching new products to reach out to newer segments and geographies in India. Many players have stayed in identified niche markets to play on their strengths. Indian consumers are getting more aware of their fundamental needs for nutrition and proactive steps they can take to prevent chronic ailments and attain higher well-being. India has a significantly younger population and the younger generation is vigorously pursuing more active lifestyle to enjoy fitness, to guard against obesity, diabetes, cardio-vascular problems etc. In this context, the role of opinion-shapers like General Practitioners, Fitness Instructors and Nutritionists



cannot be ignored. For accelerated penetration and growth, companies must develop programs for more extensive consumer understanding, decide which segments they would like to enter and compete. It is also important to formulate an effective communication strategy for the target audience to educate them on the benefits of this category. Side-effects and spurious products are two key concerns and a potential barrier for growth from all stakeholders and needs to be quickly addressed. It is here that the Regulatory may want to play a more active role. Relevant framework is the Food Safety & Standards (Health Supplements, Nutraceuticals, Food for Special Dietary Use, Food for Special Medical Purpose and Novel Food) notified by FSSAI in December 2016 in the Official Gazette. FSSAI has also issued guidelines for Labelling requirement and Health Claims. It is for the industry now to expedite implementation of the same. It will help to understand the usage pattern of the nutraceutical products. This projects will help to understand the reasons for buying nutraceutical products and reasons for not preferring the products and to understand the source of awareness about the nutraceutical products among the people. The main reasons for the people who does not prefer nutraceutical products is because the product is not prescribed by the doctors. As the packaging also matters in the sale of the product. Most of the people are aware about the nutraceutical products and the source of awareness is through word of mouth, social media and T.V advertisement. As price and availability plays an important role so people who does not prefer nutraceutical products because according to them nutraceutical products are expensive as compared to other products price is not the only factor that people are not considering nutraceutical products but availability is another factor. Nutraceutical products are used for various purpose such as general wellbeing, weight control, bone health, cancer etc. but mostly it is used to gain energy and improve immune system. As the consumer of nutraceutical products they do not prefer to use cheap substitute if available in the market, because nutraceutical products has gain trust of the consumer. As per the consumer one word that comes to their mind when they hear nutraceutical products is reliable and quality.

### **1.1 Genesis of Nutraceuticals**

It is only in the late eighties or early nineties that a formal approach and understanding started evolving. Dr Stephen De Felice, Founder of the Foundation of Innovation in medicine, coined the term 'Nutraceuticals' in 1989, which became a newly accepted word in Oxford Dictionary. It was in recognition with the growing need for such

products and a space that conventional pharmaceutical products were not treading upon. The relevance and impact of Nutraceuticals became more relevant as the present generation is focusing more on preventive healthcare than everbefore.

### **Nutraceuticals in contrast to Pharmaceuticals**

Although the word 'nutraceuticals' is now well understood and widely accepted, it still does not have any one standard definition. The best definition that we come across is food or part of a food (including drinks) that provides medical or health benefits, including prevention or treatment of a disease'. In contrast to this, Pharmaceuticals focus more on specific illness ortreatment.

### **How Consumers relate to Nutraceuticals**

Consumers' modern-day lifestyles have significantly changed in the last three decades. Faster pace of life, stress of work-life balance, has been taking its toll on health and wellness. At the same time, access to media and information has allowed them to better understand latest developments in this space. Generally the current generation is extremely conscious of food and beverages that are more natural, enhances energy in a holistic way and have a balanced diet. Also routines and rituals like work-outs, swimming; running needs a supplement that caters to nutrition needs well.

### **Product Landscape**

Broadly product categories are divided into two major ones: 1. Functional Foods& Beverages 2. Dietary Supplements Over the last 3 decades the product landscape has really expanded and today we have a wide product portfolio in Nutraceuticals category.

### **Functional Foods**

Functional Foods are foods that provide health benefits beyond the provision of essential nutrients, when consumed at efficacious levels as part of a regular diet. These types of foods provide added physiological benefits, potentially reducing chronic, commonly encountered disease risks or otherwise optimize health. The understanding of such benefits, however, needs to be based on sound scientific evidences, a lack of which may mislead many a consumer. Some instances of Functional Foods are Omega-3 enriched eggs, Oats, Fatty fish, Fortified margarines, Iodized salts, Soy, Tomato & tomato products, Probiotic yoghurt, Nuts (Walnuts, Cashews, Pistachios among others), and Leafy Greens are examples of Functional Foods.

### **Functional Beverages**

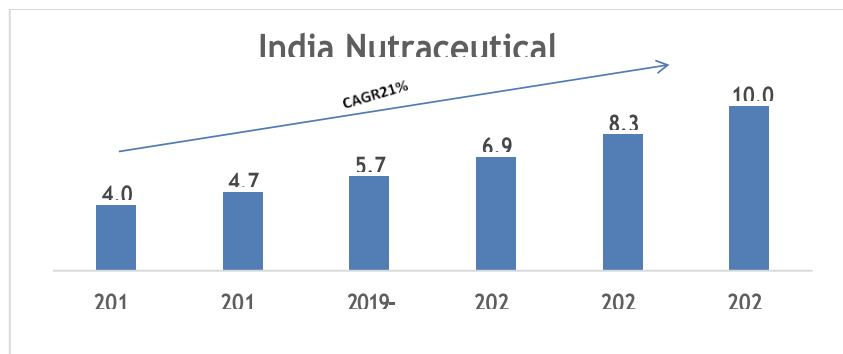
Functional beverages are non-alcoholic beverages containing ingredients that provide specific health benefits beyond those of general hydration. Traditionally, beverages

have been fortified with vitamins, minerals, amino acids and antioxidants. Nowadays, drinks containing natural and organic ingredients including herbs, fruits and vegetables have gained popularity to support health and wellness across all age groups. Examples of Functional Beverage include performance & sports drinks, ready-to-drink teas, enhanced water, energy drinks, and soy beverages, enhance fruit drinks.

### Dietary Supplements

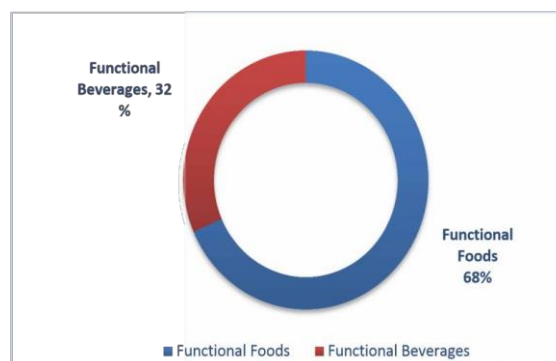
A dietary supplement is a product intended for ingestion that contains a “dietary ingredient” intended to add further nutritional value to (supplement) the diet, which may otherwise not be consumed in sufficient Indian Nutraceuticals Industry Current Scenario & Future Trends 16 quantities. Examples of dietary supplements are Vitamins, Minerals, Amino Acids, an herb or other botanical source, a concentrate or an extract. All organic food also comes under Nutraceuticals category and the awareness and choice of such food is majorly on the increase.

### CHART

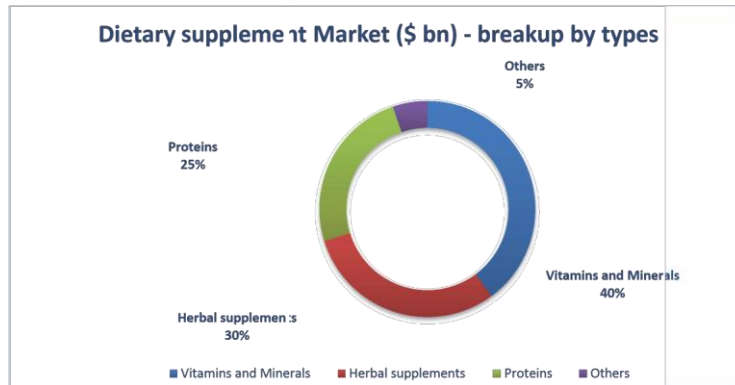


**Figures: 1 Nutraceutical Market in India (Assocham India 2017)**

### Energy

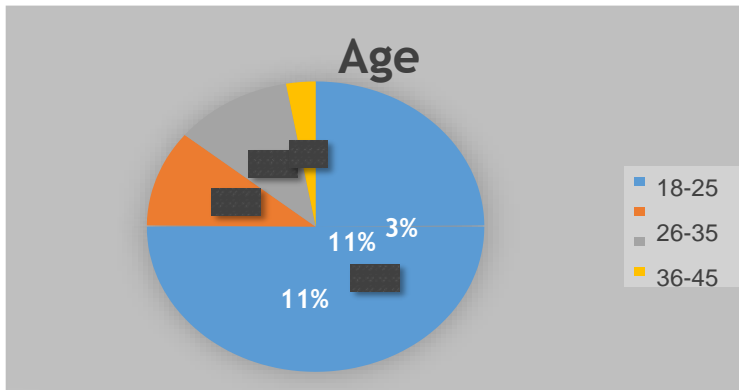


**Figure: 2 Market of Nutraceutical products (Assocham India 2017)**



**Figure: 3 Dietary supplement market (Assocham India 2017)**

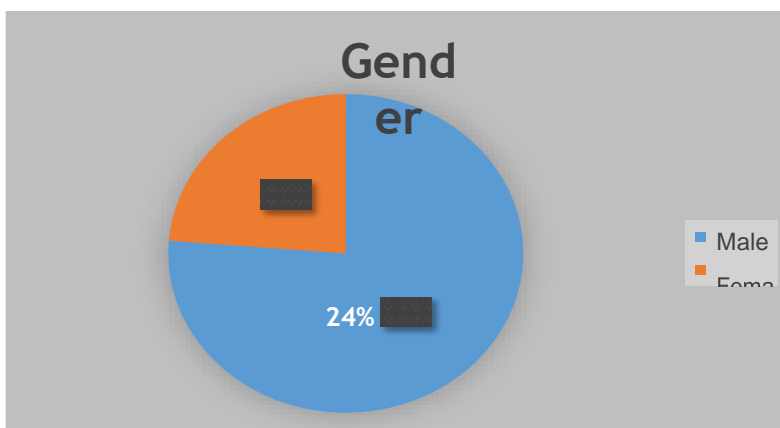
### Age



**Figure 4 Respondents Age**

The survey which was conducted had majority of the respondents are between age group 18-25 i.e.75%, respondents are in the age group 26-35 are 11%, the respondent which are in the age group 36-45 are 11% and the respondents which are in the age group of 45 and above are 3%.

### Respondents Gender



**Figure 5 Respondents Gender**

Majority of the respondents are male i.e. 76% are male respondents and 24% are female

### AnnualIncome

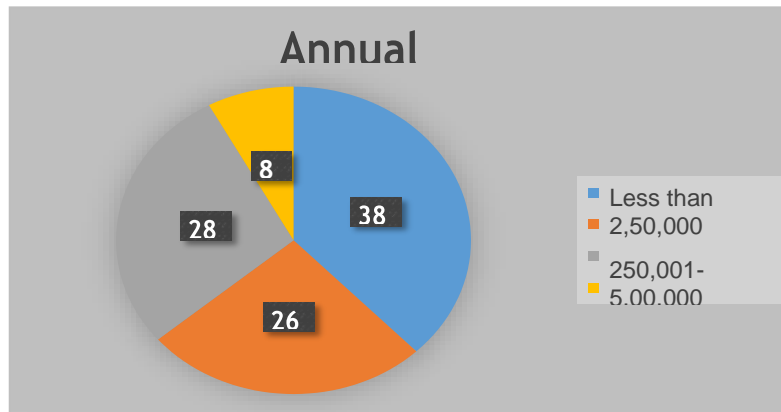


Figure 6 Respondents Annual Income

According to the survey conducted majority of the responses i.e 38% have their annual income less than 2,50,000. There was 28% of the responses who have their annual income between 5,00,001-10,00,000, whereas there are 26% of the respondents who has their annual income between 2,50,001-5,00,000 and only 8% of the respondents who have their annual income more than10,00,000.

### Conclusion

India is witness to a outbreak of changes in lifestyles and rise in lifestyle diseases like diabetes, blood pressure, obesity, cardio-vascular problems among others, which has increased the demand for supplements to nutrition among the upper and middle class. India is undergoing a significant transformation with regards to its consumer attitude & behaviour. Being a younger nation, people are aspirational and are embracing more progressive and faster-paced lifestyle. Simultaneously the need for a sense of wellbeing is stronger than ever. Life expectancy, in general, has increased progressively.

The reasons for buying nutraceutical products and reasons for not preferring the products and to understand the source of awareness about the nutraceutical products among the people. The main reasons for the people who does not prefer nutraceutical products is because the product is not prescribed by the doctors. As the packaging also matters in the sale of the product. Most of the people are aware about the

nutraceutical products and the source of awareness is through word of mouth, social media and T.V advertisement. As price and availability plays an important role so people who does not prefer nutraceutical products because according to them nutraceutical products are expensive as compared to other products price is not the only factor that people are not considering nutraceutical products but availability is another factor.

Nutraceuticals which include functional foods (which pertains to Food companies) and dietary supplements (which pertains to Pharmaceutical industry) is the only segment which amalgamates Pharma industry and Food industry. The popularity and growth of this industry can be attributed to consumers' increased inclination towards health and nutrition. Indian consumers, mostly the upper middle class perceive Nutraceuticals as alternatives to prescription drugs.

Nutraceutical products are used for various purpose such as general wellbeing, weight control, bone health, cancer etc. but mostly it is used to gain energy and improve immune system. As the consumer of nutraceutical products they do not prefer to use cheap substitute if available in the market, because nutraceutical products has gain trust of the consumer. As per the consumer one word that comes to their mind when they hear nutraceutical products is reliable and quality

## **Bibliography**

### **Books**

Brian Mc Neil, D. A. (2013). *Microbial production of food ingredients, enzymes and nutraceutical*. New Delhi: WoodheadPublishing Limited.

Hasler, C. M. (2005). *Regulation of Funtional Foods and Nutraceuticals*. USA: Blackwell.

Smarta, D. G. (2016). *Pharmaceuticals to Nutraceuticals: A Shift in Disease Prevention*. USA. Carlton Books

### **Journals and Magazines**

Adams, E. S. (2011). Getting ahead of the curve. *Global Nutraceutical Hot Spot*, Volume 2, Issue 14.

Bethany, H. a. (2016). How the placebo driven industry has got us hooked. *Journal of Nutraceuticals and Food Science*, Volume 5, Issue 9.

Burdock G. A, C. I. (2013). The Importance of GRAS to the functional food and nutraceutical industries. *Current Trends in Nutraceuticals*, Volume 5, Issue 12.

Lisa, O. a. (2014). Diving Deep for marine nutraceuticals. *Journal of Medical Nutrition and Nutraceuticals*, Volume 3, Issue 10.

Lisa, O. a. (2017). Science, innovation and new varied source help keep the Omega-3 industry float. *Sustaning Omega-3 Market*. Volume 5, Issue 8.



- Moloughney, S. S. (2009). What Lies Ahead? *State of Industries*.
- Pango, C. H. (2018). The Nutraceutical quality of Tomato fruit during domestic storage is effected by chitsoncoating *.Journal of Food Processing and Preservation*.Volume 6 Issue 17.
- Pat, C. a. (2017). Animal Pharma.*Pharmaceutical and Biotechnology industry*.
- Rebecca, W. a. (2016). Nutraceutical packaging trend.*NutraceuticalWorld*, Volume 4, Issue 18.
- Sloan, E. H. (2015). Repositioning nutraceutical products for growth market.
- Steinfeld, S. (2017). Dietary Supplements Industry. *Nutraceutical World*.
- Yu-Cheng Wen, T.-T. L.-K. (2017). Hybrid evolutionary optimization for nutraceutical manufacturing process.

## **Consumer Awareness and Behavior Towards Nutraceutical Products in India Tarique Azmi**

### **Websites**

*amazon.in*. (2018). Retrieved from Market Overview of Nutraceuticals in India:

<https://www.amazon.in/Market-Overview-Nutraceuticals-India-Supplements-ebook/dp/B00EOLQTC>

*Amrit ventures*. (2018). Retrieved from Nutraceutical Industry in India:

<https://amritt.com/industries/india-consumer-packaged-goods-market/nutraceutical-industry-in-india/>

*Information vine*. (2018). Retrieved from list of nutraceutical companies:

[https://www.informationvine.com/index?qsrc=999&qo=semQuery&ad=semD&o=603905&l=sem&askid=b18baa54-3e35-4875-a063-075333f9df0b-0-iv\\_gsb&q=list%20of%20nutraceutical%20companies&dqi=&am=broad&an=google\\_s](https://www.informationvine.com/index?qsrc=999&qo=semQuery&ad=semD&o=603905&l=sem&askid=b18baa54-3e35-4875-a063-075333f9df0b-0-iv_gsb&q=list%20of%20nutraceutical%20companies&dqi=&am=broad&an=google_s)

*Nuffoods spectrum*. (2018). Retrieved from Nutraceutical industry in India: Current scenario and future trends:

[http://www.nuffoodsspectrum.in/inner\\_view\\_single\\_details.php?page=1&content\\_type=&vrtcl\\_panel\\_nm=&ele\\_id=NOR\\_588b37ba948df4.78777381](http://www.nuffoodsspectrum.in/inner_view_single_details.php?page=1&content_type=&vrtcl_panel_nm=&ele_id=NOR_588b37ba948df4.78777381)