

## A empirical study on Export of Ayurvedic Cosmetic Products from India

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### ABSTRACT

*The concept of beauty and cosmetics is as ancient as mankind and civilization. Now a days world over people are using dead sea mud even for beautification. Women are obsessed with looking beautiful. So, they use various beauty products that have herbs to look charming and young. Indian herbs and its significance are popular worldwide. Herbal Cosmetics have growing demand in the world market and is an invaluable gift of nature. Herbal formulations always have attracted considerable attention because of their good activity and comparatively lesser or nil side effects with synthetic drugs. Herbs and spices have been used in maintaining and enhancing human beauty since time immemorial. This study is secondary data based, trend analysis has been used for predicting the trend of export of herbal cosmetics from India. This study delves in to predicting potential for export of ayurvedic cosmetics from India and to identify the challenges and prospects of this sector.*

*Key words: Purifying and Turmeric Body Wash and Essential Oils*

### INTRODUCTION

#### History

The word cosmetic was derived from the Greek word "kosm tikos" meaning having the power, arrange, skill in decorating. The origin of cosmetics forms a continuous narrative throughout the history of man as they developed. The man in prehistoric times 3000BC used colours for decoration to attract the animals that he wished to hunt and also the man survived attack from the enemy by colouring his skin and adorned his body for protection to provoke fear in an enemy (whether man or animal) . The origin of cosmetics were associated with hunting, fighting, religion and superstition and later associated with medicine . Herbal Cosmetics, here in after referred as Products, are formulated, using various permissible cosmetic ingredients to form the base in which one or more herbal ingredients are used to provide defined cosmetic benefits only, shall be called as "Herbal Cosmetics " .

Beginning 1990's cosmetic manufacturer adapted a term 'cosmeceuticals' to describe the OTC skin care products that claims therapeutic benefit by addition of plant based active ingredient such as alpha-hydroxy acid, retinoic acid, ascorbic acid and coenzyme Q10 5 . These active ingredients serves many purposes viz. increase in skin elasticity, delay in skin aging by reducing the wrinkles, protection against UV radiation by antioxidant property and to check degradation of collagen respectively . The skin and hair beauty of individuals depends on the health, habits, routine job, climatic conditions and maintenance . The skin due to excessive exposure to heat will dehydrate during summer and causes wrinkle, freckles, blemishes, pigmentation and sunburns. The extreme winter cause damages to the skin in the form of cracks, cuts, maceration and infections . The skin diseases are common among all age groups and can be due to exposure towards microbes, chemical agents, biological toxin present in the environment, and also to some extend due to malnutrition . The only factor they had to rely on was the knowledge of nature compiled in the ayurveda

The science of ayurveda had utilized many herbs and floras to make cosmetics for beautification and protection from external affects . The natural content in the botanicals does not cause any side effects on the human body; instead enrich the body with nutrients and other useful minerals . The cosmetics, according to the Drugs and Cosmetics Act is defined as articles intended to be rubbed, poured, sprinkled or sprayed on, introduced into or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness or altering the appearance .

The cosmetic does not come under the preview of drug license. The herbal cosmetics are the preparations containing phytochemical from a variety of botanical sources, which influences the functions of skin and provide nutrients necessary for the healthy skin or hair. The natural herbs and their products when used for their aromatic value in cosmetic preparation are termed as herbal cosmetics. There is common belief that chemical based cosmetics are harmful to the skin and an increased awareness among consumers for herbal products triggered the demand for natural products and natural extracts in cosmetics preparations.

The increased demand for the natural product has created new avenues in cosmeceutical market. The Drug and Cosmetics Act specify that herbs and essential oils used in cosmetics must not claim to penetrate beyond the surface layers of the skin nor should have any therapeutic effect.

Indian women have long used herbs such as Sandalwood and Turmeric for skin care; Henna to color the hair, palms and soles; and natural oils to perfume their bodies. Not too long ago, elaborate herbal beauty treatments were carried out in the royal palaces of India to heighten sensual appeal and maintain general hygiene. Cosmetology deals with various aspect of beauty. Beauty is the quality of being physically attractive, the qualities in a person or a thing that give pleasure to the senses or the mind. It is the quality or aggregate of qualities in a person or thing that gives pleasure to the senses or pleasurable exalts the mind or spirit. Beauty is the quality present in a thing or person that gives intense pleasure or deep satisfaction to the mind, whether arising from sensory manifestations (as shape, colour, sound, etc.), a meaningful design or pattern, or something else. It pleases the aesthetic senses, especially the sight. Beauty of person gives perceptual experience of pleasure or satisfaction. According to *Ayurveda*, the concept of beauty includes physical, mental, social and spiritual elements. Thus the demand for herbal cosmetics is rising everyday.

#### **Purifying Neem and Turmeric Body Wash**

A soap free, herbal formulation with the goodness of neem and turmeric to give one's skin gentle and effective care. Neem and turmeric, well known for their antibacterial properties, combined leave skin clean and refreshed. Now- a- days in the whole world people prefer more natural way of life as excessive synthetic chemicals are used in everything. The usage of Ayurvedic cosmetics has increased manifold and there is much craze of it in foreign countries. The main reason for popularity this product was to use it on acne which is world over common problem. People often use neem pack to get rid of acne. It does give good results and thus demanded world over. Also the body wash which contains neem and turmeric is preferred in many countries. Additionally, turmeric and neem both are well-known antiseptics, its texture is gel like and is of greenish-yellow colour and was good to use after being out the whole day.

#### **ESSENTIAL OIL**

Essential oils are anti-fungal, antiviral, anti-microbial, anti-parasitic, anti-infectious and antiseptic, Essential oils can act on both mind and body. These naturally derived oils have no detrimental side effect unlike most conventional drugs and medicines, which is a major driving factor for the essential oil market. Increasing demand for natural personal care products and pleasant aromatic cleaning agents is expected to foster the industry growth in these applications. Essential oils are capable of penetrating cell membranes since they are lipid-soluble. Essential oils detoxify, it purify the air, essential oils are small enough to penetrate every tissue in the skin. According to researchers it stimulates blood flow. Essential oils can be administered in two ways, either topically or through aromatherapy and therapeutic grade essential oils can be ingested in certain instances. When applied topically and inhaled, essential oils are absorbed immediately into blood stream. Oils used aromatically don't have to go through digestive system, so it works immediately in body. The essential oils' versatility makes them fairly inexpensive to use it and has some of the most powerful known antioxidants.

Essential oils are found in various flavours like Orange, Lemon, Com Mint, Clove, Leaf, Pepper Mint, Eucalyptus, Lime, Citronella, Spearmint and others. Essential oils are also widely utilized in cleaning & home products owing to their superior antibacterial and antiseptic properties. Customers are keen on specialized products as various applications require specific characteristics and ingredients.

**Rose oil:** Roses are widely referred to as the world's favorite. Neem leaves. flower in part due to their vast diversity in plant habitat and floral characteristics. There are mainly four species of roses for oil production. Rose oil helps soothe the skin, the mind and heals depression, grief, nervous stress and tension. It also helps to heal wound and skin health.

**Eucalyptus oil:** There are around 700 different species of Eucalyptus in the world, of which at least 500 produce a type of essential oil. It is produced by steam distillation from the leaves of Eucalyptus species. They are widely used in cosmetic products, in the preparation of liniments, inhalants, cough syrups, ointments, toothpaste and also as pharmaceutical flavors.

Essential oils are widely utilized as flavoring and aromatic agents across diverse end-use industries including medical, food & beverages, spa & relaxation, cleaning & home, etc. These oils provide immense nutritive value to food and increase the overall appeal of products with just a few drops. Food & beverage application segment dominated market accounting for over 34.6% of the overall volume share in 2015. Growing demand for high nutrition diet coupled with favorable government initiatives for promoting industrialization in emerging economies of BRIC is expected to impact food & beverage industry positively. Spa & relaxation accounted for over 29% market share in 2015 owing to rising popularity of aromatherapy and other procedures. Other applications such as medical, cleaning & home products where essential oil serve as aromatic compounds and nutritive substitutes for conventional medicines are also expected to witness sustainable growth in future

Essential oils are also widely utilized in cleaning & home products owing to their superior antibacterial and antiseptic properties. Customers are keen on specialized products as various applications require specific characteristics and ingredients. The exorbitant amount of plant matter is required to create a single ounce of oil and increasing concerns regarding resource depletion are likely to hamper the industry over the forecast period. Manufacturers in the market have to overcome numerous challenges such as high capital costs and government certification which hinders to provide high-quality products with value for money to consumers.

#### Review of Literature

Herbal Cosmetics, referred as Products, are formulated, using various permissible cosmetic ingredients to form the base in which one or more herbal ingredients are used to provide defined cosmetic benefits only, shall be called as "Herbal Cosmetics". Herbs do not produce instant cures. They offer a way to put the body in proper tune with nature (Pandey et.al. 2010). A huge number of cosmetic and toiletry formulations have been designed and developed based upon Indian Herbs recently. Other than traditionally documented applications, some modern trials have also been using the utility of Indian herbs in Personal Care products.

Herbal cosmetics are the modern trend in the field of beauty and fashion. These are gaining popularity as now a days most women prefer natural products over chemicals for their personal care to enhance their beauty as these products supply the body with nutrients and enhance health and provide satisfaction as they are free from synthetic chemicals. Compared to other beauty products, natural cosmetics are safe to use so people of foreign countries demand them more. People are not worried anytime of getting rashes or itching as they are made of natural ingredients. Example - BHA (Butylated



Hydroxyanisole) and BHT (Butylated Hydroxytoluene) are closely related synthetic antioxidants and are used as preservatives in lipsticks and moisturizers( Suzuki D 2010). BHA and BHT can induce allergic reactions in the skin. The international Agency for Research on Cancer classifies BHA as a possible human carcinogen. Herbal cosmetics contain natural antioxidants like vitamin C(Kadam,et,al 2013).

Ayurvedic cosmetics refers to beauty products that use natural ingredients, rooted in a Hindu system of traditional medicine based on herbal treatments. The demand of herbal cosmetic is rapidly rising in foreign countries because Herbal cosmetics are prepared, using permissible cosmetic ingredients to form the base in which one or more herbal ingredients are used to treat different skin ailments and for the beautification. The chemical formulation of all these cosmetic products includes addition of various natural additives like waxes, oils natural color, natural fragrances and parts of plants like leaves, etc. The Cosmeceuticals are agents that lie somewhere between pure cosmetics (lipstick and rouge) and pure drug (antibiotics, corticosteroids) methods. The cosmetic products are the best option to reduce skin problems such as hyper pigmentation, skin wrinkling, skin aging and rough skin texture etc. Instead of traditional synthetic products different plant parts and plant extracts are used in these products, e.g. aloe-vera gel and coconut oil. They also consist of natural nutrients like Vitamin E that keeps skin healthy, glowing and beautiful.

Organic skincare products are "gaining fast traction" in India and there is room for the market to expand even further, says Ms Vyas. Traditionally, Indians are more inclined towards natural products, says Kuick."India has a history and knowledge of using natural products. While consumers in the rest of the world have to be educated about the benefits of natural herbs, this knowledge is well inherited in India from generations."Ayurvedic manufacturers are investing in research to produce more effective products as they compete with synthetic brands, it added. In addition to a widening base of consumers, colour cosmetics [make-up] and anti-ageing and anti-wrinkle creams are expected to be the future drivers of growth in this segment. Currently very few brands offer colour cosmetics with natural or herbal ingredients.

Himalaya, Forest Essentials, and Biotique, are among some of the most established brands in the ayurvedic cosmetics sector. The French cosmetics company L'Oréal has said that it is planning to research the use of natural active ingredients in cosmetics as it aims to expand in India.M. Daniel(2004) India is on the threshold of a herbal revolution. With the rich wealth of herbs, a country can command the world herbal scene. But there are so many obstacles India has to cross before she becomes a superpower in the herbal scene ASSOCHAM Report 2008 Herbal product exports can be accelerated with the setting up of EPZs in about 12 Indian states as their demand soars at a rate of over 25 percent in countries like the US, Britain, Spain, Australia, Russia and Indonesia.

#### **OBJECTIVES OF THE STUDY**

To find out export potential of Ayurvedic Cosmetic products from India for Purifying Neem and Turmeric Body Wash and Essential oil.

To find out the trend of export of Ayurvedic Cosmetic products like Purifying Neem and Turmeric Body Wash and Essential Oil from India.

## RESEARCH METHODOLOGY

### THE STUDY

It is an exploratory study to find out export potential of Ayurvedic Cosmetic products from India.

### THE SAMPLE

The sample of the study is past five years secondary data.

### TOOLS FOR DATA COLLECTION

The data is based on secondary data. The data has been collected from authentic websites, journals, book magazines etc.

### TOOLS USED FOR DATA ANALYSIS

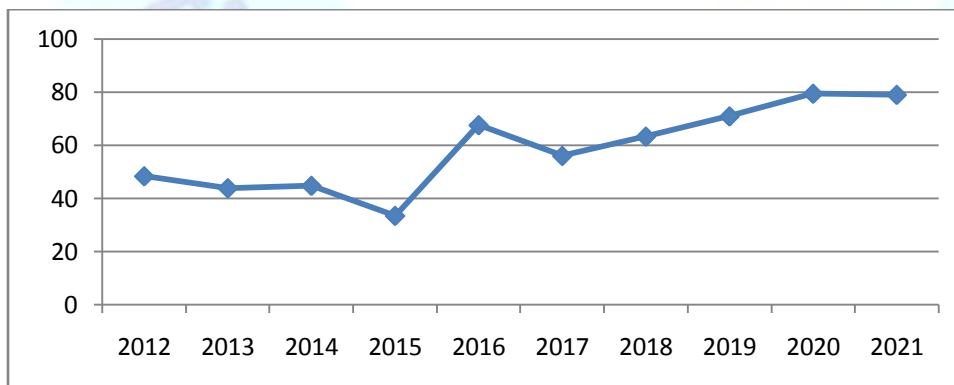
For the purpose of data analysis, data tabulation and graphic method and statistical tool trend analysis was used.

## RESULTS

### Purifying Neem and Turmeric Body Wash

Neem tree is being extensively used in powdered form, extracts, raw form to manufacture quality products to export from India the world over.

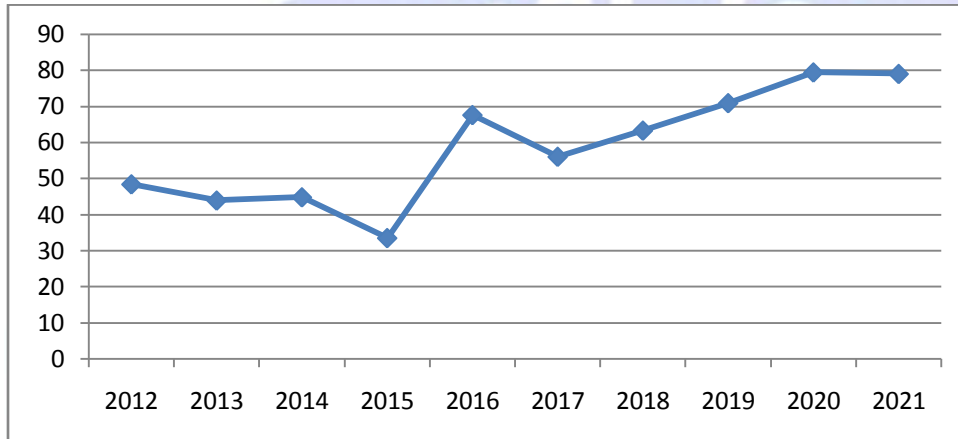
### UAE



The above trend is depicting that the export of Purifying Neem and Turmeric Body Wash was maximum in the year 2016 to UAE from India. The population of the United Arab Emirates is keen on herbal/natural alternatives, and has always used daily herbal beauty cosmetic items such as honey, aloe

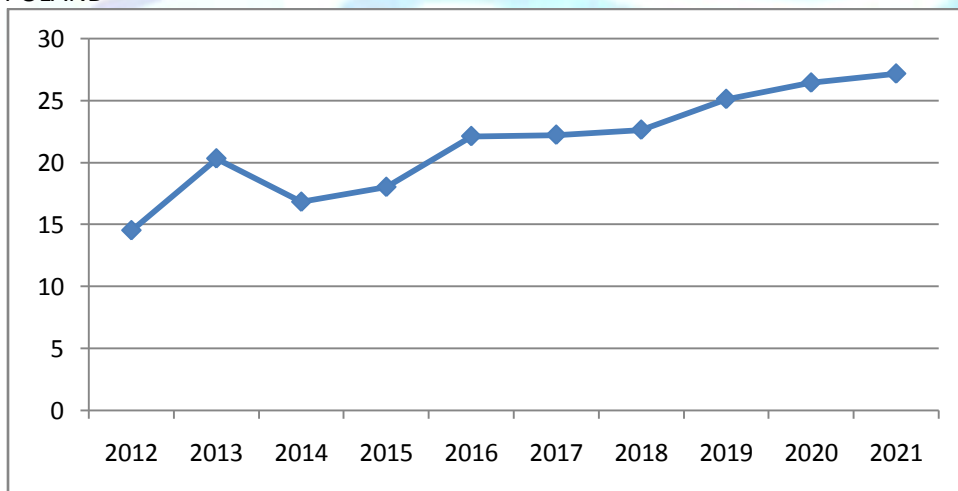
vera, etc. to look more beautiful. Women in UAE are more after beauty and with the presence of many expatriates from different regions, such as India and China, the use of Ayurveda has risen in UAE. These trends prove to be having a positive impact on demand for herbal cosmetics products in the United Arab Emirates, boosting sales of natural cosmetic products, some of which can also be easily purchased in grocery retailers. Thus the herbal cosmetics and beauty products market has enormous potential for further growth in UAE can be observed from the above graph.

#### BANGLADESH



In case of Bangladesh too the above graph is depicting that the export of Purifying Neem and Turmeric Body Wash was maximum in the year 2016. The export market for ayurvedic cosmetics products in India is expected to grow at a rapid pace over the coming decades. The market is only beginning to get populated with ayurvedic brands and it will be a while until it gets too crowded and the same is the case with exports of ayurvedic cosmetic products.

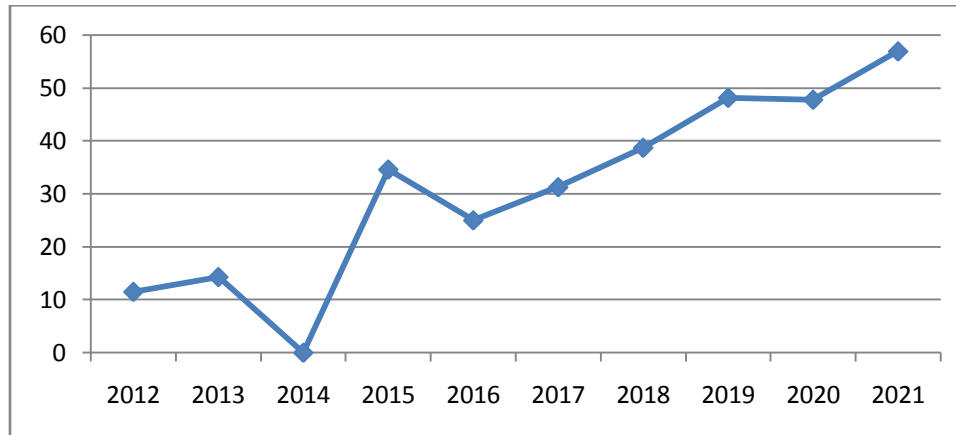
#### POLAND



In case of Poland things seem to be quite different from the above two countries' while natural ingredients such as aloe vera, coconut oil, argan oil and shea butter have become popular for bath and shower products and as a result the export figure of Purifying Neem and Turmeric body wash came

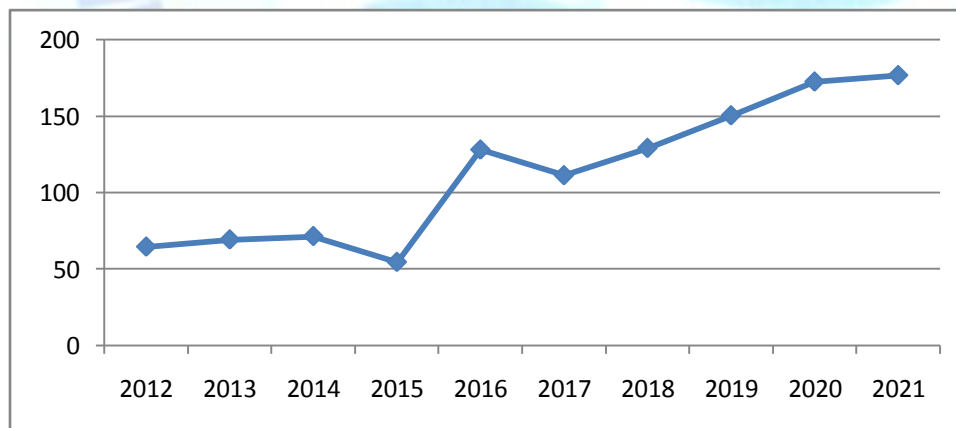
down in the year 2014-15. But again took a turn to return towards the use of Purifying Neem and Turmeric body wash and export rose.

#### USA



International natural brands and natural spa services are becoming common everywhere. India exports Natural Cosmetics like skincare, make-up and fragrance products to USA. From the above graph it can be observed that export of purifying neem and bodywash plummeted like anything in 2014 but again gained in the year 2015 and then kept growing. Thus it can be predicted that USA can be a market having rich potential. It has highly developed industries, high per capita income, governmental subsidies and tax benefits that encourage the application of essential oils across diverse fields. Thus it is expected to shoot up in future as predicted through the above trend.

#### NEPAL

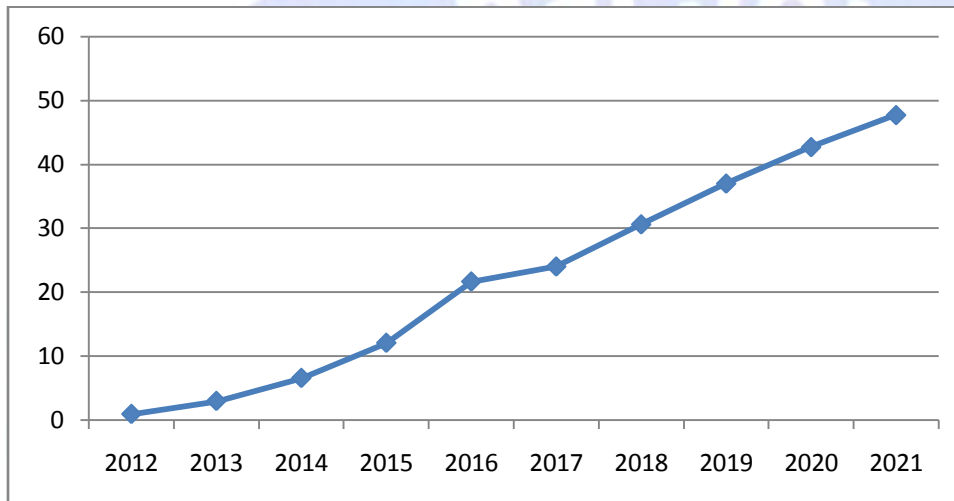


Nepal has a glorious history on Ayurveda. It is still taken as eternal because nobody knows when it was not there. Even the festivals and ethnic rituals celebrated in Nepal have the background of Ayurveda. Ayurveda is being used as a sociocultural and hereditary therapy. Ayurvedic cosmetics has had long tradition and has deep attachment to the Nepalese culture. India's exports of Purifying Neem and Turmeric wash to Nepal was less during 2012-2014 and shows deep dip in the year 2015 in the above

graph but shows a “shoot up” in the year 2016 which again fell in the year 2017. But its export is further going to shoot up by the year 2020-21.

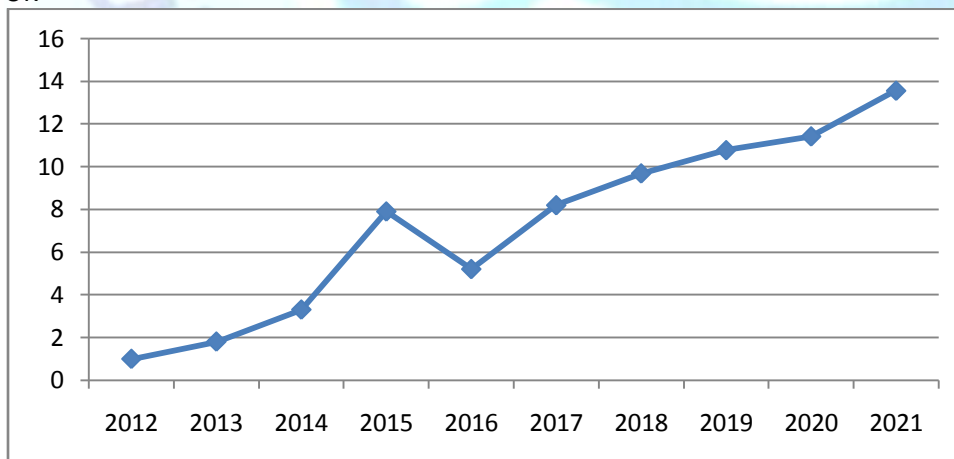
**Essential oil**

USA



Growing need for aromatic flavors and fragrances in cosmetics, perfumes, as well as spa and relaxation applications is expected to fuel demand in upcoming years though earlier if one see in the year 2012-15 in above graph the demand was less due to lack of awareness of Indian quality Oils.

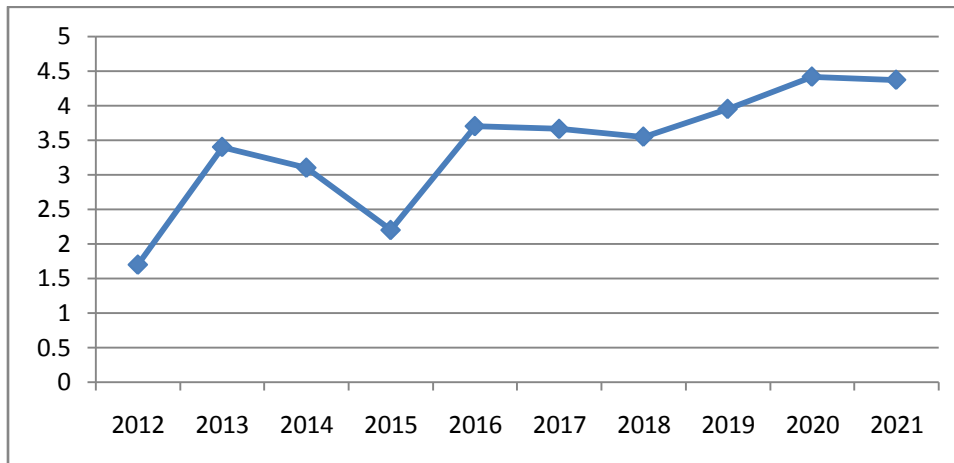
UK



Corn mint oil is expected to grow at a significant growth rate on account of high menthol content with several health benefits. The segment is projected to witness strong demand for medicines, food and beverages, flavors and fragrances.

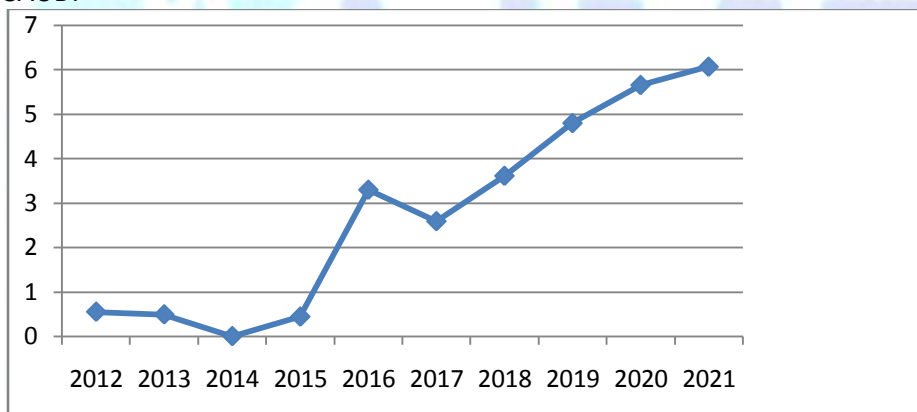


FRANCE



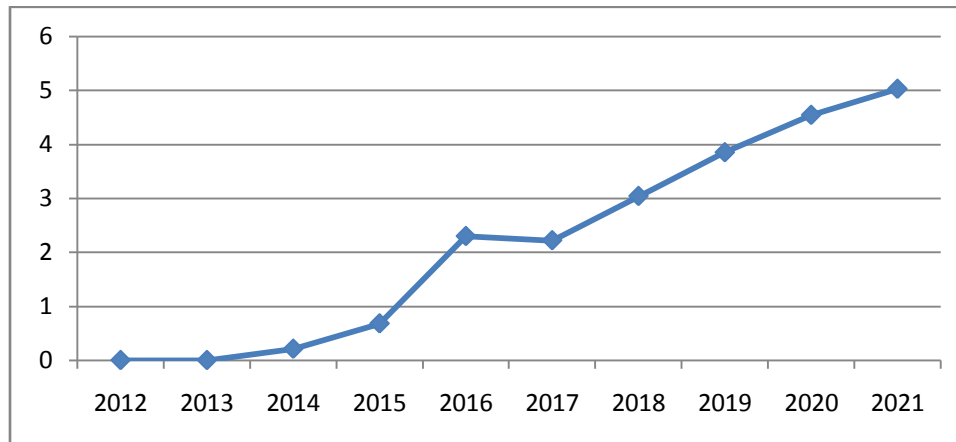
The market in the UK is likely to witness a steady growth rate owing to market saturation as observed from the above graph. Europe is estimated to hold the prominent market share, owing to rising awareness. Increasing awareness in youth, as well as from vast geriatric population and growing demand for medicines, natural cosmetics and beauty products, and nutraceuticals.

SAUDI



Orange oil emerged as the largest product segment generating USD 1,356.2 million in 2015. Rising demand in numerous applications owing to its antidepressant, diuretic, anti-inflammatory, aphrodisiac and antiseptic properties, is expected to boost the orange oil demand in upcoming years. Orange oil has also been traditionally used in fruit juices, jams, bakery products, etc.

## CANADA



From the above graph it can be observed that the essential oil market is expected to witness tremendous growth over the forecasted period with the introduction of natural and genuine products which are produced using pure essential oils. Increasing desire to benefit from naturally sourced products backed by high purchasing power and growing consumer awareness will positively impact the demand for products derived from essential oils.

**CONCLUSION**

With its rich bio-diversity and rich heritage of Indian ayurveda, India would draw world attention as an abode of eco-friendly cosmetics that are in harmony with the nature. Although India has the knowledge, skill and resources, yet it has neglected the opportunities in the global markets for a long time but now improving. It has however been insufficient scientific approach to its promotion. There is need for understanding of regulatory requirements of different countries and for this government help is needed. Global opportunities for Indian Herbals are on the rise.

Generation of scientific information can help in increasing global opportunities. We can capture good share of market if good laboratory Practices, Good manufacturing Practices, Good agricultural Practices, Good product development Practices are followed. Together with that proper marketing strategy should be framed keeping in view the four P's of marketing i. e. Product, Price, Place and Promotional anguishing due to inadequate care. The French cosmetics company L'Oréal has said that it is planning to research the use of natural active ingredients in cosmetics as it aims to expand in India. So Indian companies are facing tough competition. There are also new players entering the ayurvedic and herbals market in India. Aditi Vyas, the founder and director of Azafran Innovacion, based in Ahmedabad, said her company is focusing on creating organic beauty products and has invested 200 million rupees in a 40-acre facility outside the city in the western state of Gujarat, including an organic farm and greenhouses. A research and development centre for it is growing dozens of varieties of plants, flowers, and herbs for its organic skincare range.

Organic skincare products are "gaining fast traction" in India and there is room for the market to expand even further, says Ms Vyas. It is thought that while more of special retail stores of natural beauty will emerge, growth will nevertheless most likely come from other channels, such as spas, pharmacies, and increasingly online – a channel that could give the export demand a major boost. The exorbitant amount of plant matter is required to create a single ounce of oil and increasing concerns regarding resource depletion are likely to hamper the industry over the forecast period. Manufacturers in the market have to overcome numerous challenges such as high capital costs and government certification which hinders to provide high-quality products with value for money to consumers in foreign market.

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