



MAKE IN INDIA - AN OPPORTUNITY AND SERIES OF CHALLENGES “WELLNESS SECTOR”

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ABSTRACT

“**Minimum Government Maximum Governance**” – represents a complete change of the Government mind set. September 2014, Prime Minister of India initiated MAKE IN INDIA, set a wider nation building initiatives devised to transform India into a global design and manufacturing hub, was also rolled out with the aim of creating millions of jobs in the country and economic transformation in India while eliminating the unnecessary laws and regulations, making bureaucratic processes easier and shorter, and to make Government too transparent and accountable. The promise of the BRICS Nations (Brazil, Russia, India, China, and South Africa) had faded, and India tagged as one of the “Fragile Five”.

It was a powerful galvanizing call to action to India's citizens and business leaders, and an invitation to potential partners and investors around the world. After the launch of Make In India programme in 2015, India emerged as a top destination globally for Foreign Direct Investment. The Government is targeting to achieve net zero imports of electronics by 2020 by creating a level playing field and providing an enabling environment.

Introduction of new reforms in policies along with a positive economic atmosphere, it has created a fertile ground for businesses to thrive in India. The World Bank's annual Doing Business 2017 report placed India in 130th position, recognizing India's achievements in implementing reforms in Make In India.

“**A Healthy Mind in a Healthy Body**” – is an old saying which has been stressed here through traditional medicine and preventive practices of Ayurveda, Yoga and meditation were aligned to deliver physical and internal well-being, mental peace and happiness.

“**Looking good from outside and Feeling from inside**” which perfectly defines the WELLNESS

INTRODUCTION

The **NABH** (National Accreditation Board for Hospitals & Healthcare Providers) defines **Wellness** as “a state of a healthy balance of the mind and body that results in overall well-being.” As per a recent study by the Stanford Research Institute International, the global wellness industry represents a market of nearly US\$ 2 trillion as opposed to the Indian Wellness Industry and generated 3 million job opportunities, it has developed vast **AYUSH** infrastructure comprising of 7,36,538 registered practitioners. This is attributed to the fact that people want to live longer and healthier lives and so wellness, at some level or the other, is no longer the comfort of the rich. The Government has also taken an active interest in promoting wellness activities like yoga among people, with special classes among school children for overall holistic development. On the regulatory side, the Government has also taken steps to ensure quality standards in wellness offerings. The overall wellness market in India is estimated at INR 490 billion and wellness services alone comprise 40% of this market.

OBJECTIVES

- To attract a large number of domestic entrants and international players.
- To develop holistic perspective for wellness.
- To mainly focus on Hygiene needs, curative needs and enhancement needs for personal cleanliness, healthy lifestyle and to gain self-confidence.
- To provide opportunity for large number of home grown Indian companies to trade globally.
- To promote **AYUSH** (Ayurveda, Yoga and Naturopathy, Unani, Siddha, Homeopathy) abroad.

WELLNESS

‘Condition of good physical, medical, mental, emotional health especially when maintained by appropriate diet, exercise and other life style modifications’- American Heritage Medical Dictionary.

In India, wellness is a concept which has been in vogue since ancient times. Wellness players thus have responded to this change, shifting their focus from traditional offerings like curative healthcare and value oriented mass products to new generational offerings like preventive healthcare, luxury products and personalized services.

A direct consequence is that most people have adopted some or the other form of physical activity in a bid to attain fitness and sustain high energy levels that go with success. Adjacent industries such as retail, healthcare, hospitality, among others, are assimilating wellness as part of their value proposition, opening up huge opportunities going forward. While the Consumers mainly comprise a young population with rising income levels and the increasing need to look good and

feel good, which has led these young consumers to seek wellness solutions to meet lifestyle challenges.

Wellness comprises of following five segments:

SI No	SEGMENTS	PRODUCTS	SERVICES
1	Beauty services and Cosmetic products	Cosmetic products (skin care, hair care, colour cosmetics and fragrances)	Salons and beauty centre, Cosmetic treatments. (Invasive and Non- invasive)
2	Fitness and Cosmetic Products	Fitness Equipment Slimming Products	Fitness Centres Slimming Centres
3	Nutrition	Health and wellness food, beverages. Dietary supplements	
4	Alternate therapy	Ayurveda, Homeopathy, Unani etc.,	Treatment Centres for Ayurveda, Homeopathy, Unani, Naturopathy
5	Rejuvenation		Spa

Examples of Home Grown Indian Companies:

- VLCC is the largest Slimming Centres in India
- Talwalkar's new brand "Hi - Fi" 'Healthy India Fit India' in 2 tier and 3 tier cities.
- Himalaya Herbal Health Care India, Ayurvedic Health care products
- Shahnaz Hussain Group, beauty products owning 400 franchise clinics over 138 Countries.
- Kaya Skin Clinic
- Birla Pacific Medspa, segment – Rejuvenation

The Wellness Ecosystem:

The wellness industry in India has evolved rapidly from its nascent unstructured beginning in the early 90s to a comprehensive ecosystem today including consumers, providers, adjacent industries, facilitators and Government.

- **Consumers** mainly comprise a young population with rising income levels. Increasing need to look good and feel good has led these young consumers to seek wellness solutions to meet lifestyle challenges.
- **Providers** offer wellness services and products to meet the hygiene, curative and enhancement needs of the consumer.

- **Adjacent industries** such as healthcare, media, retail, gaming, hospitality and education are capitalizing on the growth of the wellness sector to generate additional revenue streams, leverage existing competencies and offer a wider array of services/products to customers.
- **Facilitators** include employers, insurance companies and schools, who are likely to play a key role in encouraging and inculcating pro-wellness habits among consumers going forward.
- **The Government** wears multiple hats in its role as a provider, facilitator, enabler and regulator in the industry.

Focused areas in WELLNESS Sector in Make In India?

Beauty care

Consumer spend on beauty care continues to be resilient, with a marginal slowdown in value growth. Within the cosmetic products segment, the hair and skin care sub-segment continues to dominate the market. However, the share of the colour cosmetics, fragrances and deodorants sub-segments have been steadily increasing over the years.

Fitness and Slimming

Fitness services continue to account for nearly half of this segment. Slimming products have grown at a rapid rate of 35-40% in the last one year, driven by urban consumers, who are placing a greater premium on looking slim and fit, and the wider availability of products through retail or direct selling channels.

The market remains fragmented, with most players having a limited number of centres and focussing only on one or two cities within India. Moreover, reduced capex by gym chains into their new centres, located within tier- 2 and tier-3 towns, have also impacted demand.

	10-15%	
	20%	
	20%	
	45-50%	
10-15%	:	Slimming Products
20%	:	Slimming services
20%	:	Fitness Equipments
45-50%	:	Fitness Services

Rejuvenation

The rejuvenation market in India is estimated at 7 billion to 8 billion INR. Day spas continue to grow at a faster clip compared to destination and hotel spas. Players are introducing new and innovative

offerings (e.g., fusion therapies that blend western and Indian therapies, service combinations, use of exotic ingredients, etc.) in order to attract footfalls and differentiate themselves from competition.

Alternate therapy

The alternate therapy market in India is estimated at 160 billion to 180 billion INR. Lower costs of alternate therapy treatments have made it affordable to a larger cross-section of the population. The 12th Five-Year Plan (FYP) has recommended budgetary allocations of up to 10% (of the total budget of the health sector in India) for the AYUSH sector.

The Insurance Regulatory and Development Authority (IRDA) has issued a notification for the inclusion of non-allopathic systems within mediclaim insurance policies. This is expected to provide a boost to the sector.

Increasing concerns about the side-effects of chemical-based products and services is expected to give an impetus to wellness providers to diversify their product portfolio into segments such as ayurvedic and herbal product categories.

AYUSH

A - Ayurveda

Y - Yoga and Naturopathy

U - Unani

S - Siddha

H - Homoeopathy

The Ministry of AYUSH was formed on 9th November 2014 to ensure the optimal development and propagation of AYUSH systems of health care. Earlier it was known as the Department of Indian System of Medicine and Homeopathy (ISM&H), with a view to provide focused attention for the development of Education and Research in Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy.

“Today’s Medical Science gives us quick relief but not the guarantee of health. For health guarantee, we will have to go back to holistic health care whether its naturopathy, Ayurveda, change of life style or homoeopathy” – Shri Narendra Modi, Prime Minister of India

The Vision of the Ministry of AYUSH is to position AYUSH systems of living and practice for attaining a healthy India. The Ministry has identified its Mission in terms of seven broad thematic areas of AYUSH activities. The thematic areas are as follows:

- Provision of quality AYUSH services
- Growth of the medicinal plants sector
- Quality research in AYUSH

- Effective human resource development
- Information, education and communication
- International exchange programmes / seminars / workshops on AYUSH
- Drug administration

Objectives:

1. To upgrade the educational standards of Indian Systems of Medicines and Homoeopathy colleges in the country.
2. To strengthen existing research institutions and to ensure a time-bound research programme on identified diseases for which these systems have an effective treatment.
3. To draw up schemes for promotion, cultivation and regeneration of medicinal plants used in these systems.
4. To evolve Pharmacopoeial standards for Indian Systems of Medicine and Homoeopathy drugs.

OPPORTUNITIES:

Investment Opportunity:

1. Setting up of specialised treatment centres.
2. Medical tourism for curative and rejuvenation treatment.
3. 100% Foreign Direct Investment is permitted in the AYUSH sectors.

Growth Opportunity:

1. To create awareness about AYUSH strengths and utility in emerging health problem.
2. To give boost to AYUSH products in International markets and to establish AYUSH academic chairs in foreign countries.
3. Global promotion of Indian Herbal products.

CHALLENGES:

Challenges faced by users:

Users of wellness products and services face around the quality of the offerings, primarily due to the following aspects

- Usage of sub-standard, ineffective and harmful products by service providers with a view to regulate costs
- Over promise and under delivery by service providers leading to unmet expectations of the Clients.

Challenges faced by providers:

Our focus on organized providers in the wellness space reveals several key challenges, a few of which are influenced by the cost of providing the service, while the rest are independent of cost:

- Significant Investment costs and long payback periods due to a lag in creating brand credibility and loyalty
- Shortage of skilled manpower and rising costs of inputs, rentals, advertising and promotions.

Challenges faced by media:

Media players face multiple challenges around the sustainability of creating a business model focused on wellness, influenced by the following factors:

- Difficulty in attracting a large base of players in the wellness field to generate cost effective advertising solutions
- Creating wellness specific content for media can be a major challenge due to a paucity of Experts.

Challenges faced by the Government:

The Government faces challenges mainly due to the high extent of un-organization in the various segments in wellness, in addition to the following aspects:

- Difficulty in application of control over unorganized sector
- Difficulty in implementing a control mechanism for regular monitoring

A Peek into the future

The young generation will continue to be conscious of personal appearance, pushing the demand for beauty services, fitness and slimming and rejuvenation. Markets beyond Tier 1 cities will drive future growth for most service and product providers. However, the top eight cities will continue to be the mainstay of these businesses. Other adjacent industries will continue to converge on the wellness space, paving the way for alliances between wellness players and allied sectors. The growing motivation for healthy and better living, coupled with time constraints of consumers will give rise to a number of instant solutions and remedies that can be bought off-the-shelf and bundled with health and beauty offerings

Indian Wellness Industry likely to hit 1.5 trillion dollar by Financial Year 2019-2020. Collective action from multiple stakeholders such as industry leaders, investors, the government and infrastructure and service providers to the wellness industry, can be a panacea for the challenges in the sector and enable it to live up to its trillion rupee potential.

CONCLUSION:

Government has the potential of making India as a global manufacturing hub, poverty alleviation through employment generation on a mass scale in wellness sector and hence achieving sustainable development. It can stabilize the Indian economy and make self-reliant economy. AYUSH medicaments, medicinal plants and their by-products constitute an important part of the Indian Foreign Trade.

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