

STRATEGIC MARKETING MODEL FOR PRACTICE OF AYURVEDIC MEDICINE – A CASE-STUDY OF TIRUCHIRAPALLI AND THANJAVUR DISTRICTS, TAMILNADU

¹DR. P. VAIJAYANTHI, ²REENA ROY, ³BIKRAMADITYA ROY

^{1,2}School of Management, SASTRA University, Thanjavur, ³Quality Assurance, BHEL, Trichy. Email: vaijayanthi@mba.sastra.edu

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ABSTRACT

India has 8000 plants with medicinal values, out of which 2200 have proven therapeutic properties, nurtured in the 25 biotic territories of the 10 bio-geographic regions of the continent. Though ranked third it is lagging behind, in herbs-based medicines, and holds less than 2% (US\$ 62 billion) of market share, whereas China with just 10% scientific base holds nearly one-third of the international market.

This paper intends to analyze the status of Ayurvedic medicines using Porter's Five Forces Model focusing on the marketing issues from the perspectives of the practitioners (doctors), distributors, service providers (hospitals) and the customers. 20 doctors, 25 distributors & retailers, and 25 customers from Trichy and Thanjavur districts which have relatively higher propensity for herbal medicine consumption, were employed and discussions elicited through personal one to one interviews. The findings of the study indicate that paucity of scientific endorsement (clinical tests) to be the most heavily felt impediment to Ayurvedic practice. With the presumption that scientific testing is feasible, implications for further research and marketing practice of Ayurvedic formulations have been presented.

INTRODUCTION

Following Schumpeter [1], researchers in competitive dynamics have acknowledged the magnitude of the competitive perspective, which upholds that organizations are innately interdependent and a firm's performance depends on the strategic actions undertaken by a firm in the context of the strategic actions of the rivals [2]. Several theoretical perspectives have been reviewed and considered to assess the relationship that prevails between the intensity of rivalry, extent of specialization of the firms, munificence of the environment, and the performance of firm. A enhanced understanding of the effect of inter-firm rivalry and behavior in this context will enable marketing strategy researchers to analyze more objectively and, marketing managers to respond better to the competitive dynamics in the industry. Taking a primary data appraisal of the competitive nature of the Ayurvedic industry in the area of study, we have also attempted to integrate the conceptual competitive models with the actual to obtain a better understanding of the effect of inter-firm rivalry and behavior which will facilitate marketing strategy researchers to analyze more objectively and marketing managers to respond better to the competitive dynamics in the industry.

Competitive Rivalry or inter-firm rivalry exists when two or more firms jockey with one another in the pursuance of better market position and can be said to influence their ability to achieve and sustain competitive advantage [3];[4]. Analysis of inter-firm rivalry, which has been an integral part of marketing strategy research, has been conducted conventionally by examining characteristics of market structure like entry barriers, concentration, etc., and marketing strategy variables like product differentiation, and characteristics of firms such as size and resources [5];[6]. The expanse of preceding competitive dynamics research, exhibits some limitations including paucity in industry-specific analysis and inadequate application of multiple theoretical perspectives [2]

The growing complexity of the overall economic processes engrosses multiple inter-firm links resulting in the evolving of organizational frameworks, which calls for improvised efforts in the direction of theoretical integration [7]. Firms function in a global economy rich in resources and knitted with inter-firm connections. The majority of agile firms in this competitive context proactively take quick advantage of these abundant resources, rightly utilizing them through a range of international inter-firm contracts. The conceptual models employed in economics and management has to echo the rich opportunities that firms can capitalize in the context of inter-firm rivalry.

We believed that strategic corporate marketing decisions will not be perfectly understood if competitive interactions are not appraised.

This paper analyses the dynamic constructs—resource, intensity of rivalry, degree of specialization of the firm, environmental munificence, and performance of the firm—and explains their role in triggering the market structures. Coalescing the intuitive concepts with the realities in the Ayurvedic market, the study provides a synthesized conceptual competitive model within the market realities of the Ayurvedic market.

Review of Literature

Competitive dynamics comprises of actions and counter reactions adopted by organizations in relation to their rivals [8];[9];[2].

2.1 Strategic relationships and Strategic responses in Competitive dynamics

Taking multicontingency and configurational perspectives into consideration Baum, Haveman & Singh [10][11] advocate on product / service choice for the specific customer targets and their varying geographic locations.

Mazzeo [12], McGahan and Silverman [13] and Mintzberg [14] have also analyzed the interdependencies which might result out of the correlation between strategic and geographic positioning, analyzing those industrial units that depend grossly on these strategic decisions for accomplishing goals [2]. Though all of these factors are confirmed to be intuitively related individually to the performance of the firm by previous researches literature, there seems to be an obvious paucity in research that has examined all of them together for possible interactions [13].

Rita, Chen & Macmillan [14] held that the resource allocations of a firm can divert the resource allocations of competitive units, thereby resulting in the enhancement of the firm's sphere of influence without inducing a gross caustic war, indicating the significance of comprehending competitive interaction for meaningful stratagems. McGrath [15] called this strategic resource allocation.

The coinage Strategic amplification comprises the actions a firm can take to shape the strategic context within which it competes, instead of focusing on attributes of its own strategy [15]. Strategic resource diversion is a phrase indicating the influence of a firm in its competitive context by influencing the resource allocations of another.

Mutual forbearance in multi-market contact situations using cost and product differentiation blunts the competitive edge between rival firms. These collusion facilitating effects from multi-market contacts are more likely to be experienced by rival firms which have similar costs of production than those with dissimilar costs. Barnett

[17] and Ma & Jemison [18] also agree that mutual forbearance results in deterring competitors from attacking aggressively in any cross-market retaliation

Likewise the veracity of mutual dependence effects concern for possible competitive retaliation in other markets, when a firm considers a move in any one market [19], generating the essence of mutual forbearance [20].

Another possible significant outcome of multiple-point competition is the interdependency that is created when the same firms face one another with different products and in different markets [21];[15]. In such multiple market competitions, resource allocations can reconfigure the competitive context. Baum & Korne view that firms' entry and exit from each other's markets modify the very competitive structure that significantly influences their actions [22].

Similarly firms necessarily coordinate and integrate their interdependencies among their different subsidiaries [23], and leverage their positions in one market to enhance their position in another [24], so that it can use its multiple investments such that, when one collapses or is attacked, it can turn to others [25].

Competitors meet at points which might be Arenas (shared geographical markets [26] or lines of business [27] where they formulate competitive moves and countermoves. When rivals face each other in multiple arenas, responses do not necessarily occur at the same point at which an attack is initiated [21]. The ability of rivals to counter one another in such multiple market contexts creates a intricate game, in which the outcomes for individual players are intertwined, and depend on the strategic choices made by the others [28].

Thus multi-market situations develop spheres of influence, in which each firm informally recognizes the primacy of interests of the other firms, even in markets important to the other, with the understanding that its own priority interests will be respected similarly [29];[11];[30].

Issues surrounding differentiation and agglomeration [9]; [31]; [32], result from strategic and geographic positioning choices[9]; [33]; [34] [10]; [35], using organizational ecology perspective [36]; [37], with primary emphasis on organizational survival [36], [10]. Researchers have opted to analyze, how organizations compete within a market setting or a population, at the organizational level, instead of population based analysis [37]; [38].

Contingency and configurations theories reinstate that performance essentially results out of the compatibility between strategies, structures of organizations, and their environmental factors, all working in cohesion than independently [39]; [40]; [41]; [42].

Thus in Multi-market competition **the** competitive context is characterized with the same firms competing with each other in more than one markets (multiple markets). Research in multimarket competition is suggestive of the occurrence of mutual forbearance which may reduce the intensity of competition between firms at the market-level, and is expected to increase as the number of markets increases [22];[28]. This might result primarily due to the familiarity that might exist between firms and their capability to put off each other in multi-market context. Since inter-firm rivalry forms a significant part of marketing strategy issues, multi-market competition as a phenomenon of vital value to marketing research and practice.

Multi-market competition in the context of marketing strategy can be analyzed under two issues: product line rivalry and entry strategy. The increase in multi-market competition can be attributed to the augmentation in the related product diversification and also to the geographic market diversification by firms and also to the coordinated worldwide strategies used by multinational corporations [43].

Organizational performance in multiunit-organization studies, on the other hand, has been confirmed to be a outcome of patterns of organizational learning, across chain of multiple units. Thus in all, it is essential that international strategists, who institute and

administer multiple units in multiple geographical markets understand these Multi unit-multi market organizations to face rivals effectively.

Payne et.al. [44] have analyzed the financial performance of the Small and Medium sized Enterprises (SMEs) in the service industries based on the constructs of specialization of the firms, environmental munificence, and the strength of rivalry .

Within real economies, uniqueness can result principally through various combinations and recombinations of resources, relationships, and routines [45]. Entrepreneurial spirit is a consequence of the novel approaches in the analysis of the regular production and exchange of goods, commonly called the, 'circular flow economy' within an economy, in ways that cannot be predicted or forecasted. Entrepreneurial initiatives create new trials, which attracts imitators when profitability is ensured, and these new activities get integrated as new versions of the 'circular flow', which attract the resource shifts in the economy. Thus reallocation and restructuring of resources, routines and relations can be resorted, to begin a fresh business line, or activity. [46]

3. Ayurvedic Medicines-Status in India and Abroad

Ayurveda meaning, "the knowledge for long life" [47]; [48] is a traditional system of indigenous medicine in India, and is viewed as an alternative medicine. It is a function of modern and traditional knowledge systems. India's Ayurvedic medicine is losing market and needs new marketing strategy. It is losing its global market to China and has registered a fall in the export of ayurvedic medicines [49].

The foundational works of Ayurveda can be traced back to the *Sūśruta Saṃhitā* and the *Charaka Saṃhitā*, which are encyclopedic compilations of medicine built by bringing together from various sources dating back to 500 CE, and to the *Atharvaveda* of the Vedas, which can maybe dated back to the 2nd millennium BC, and is held to be connected to Hindu religion and also considered by scholars to have a divine derivation. Indian medicine can thus be considered as the oldest system of organized medicine. It is held that *Dhanvantari* deified as the God of medicine received this system *Brahma*, *Charaka Samhita* [50], and the *Bower Manuscript*, [51] text, *Agnivesh tantra* [52], and the compilations of *Vagbhata* [53], the Chinese pilgrim *Fa Hsien* [54], *Madhava*, *Sarngadhara* & *Bhavamisra* [55] and *Sushruta* & *Charaka* [56] are the other ancient works on Ayurveda. Practitioners of Ayurvedic medicine developed surgical procedures and medicinal combinations for treating various ailments in the later centuries [57].

Underwood & *Rhodes* [58] confirmed the use of this conventional Indian medicine to treat fever, dropsy, cold, cough, diarrhea, seizures, tumors and abscesses, skin diseases, diabetes, hypertension, and stones, and the use of herbs and surgical instruments for dealing with cataract surgery, treatment of anal fistulas, extraction of fluids and foreign elements, and treatment of amputations, fractures, sewing of wounds and cesarean sections. The current practices derived from Ayurvedic medicine have come to be regarded as part of complementary and alternative medicines.[59]

Two U.S. studies after testing have raised safety concerns claiming toxic levels of heavy metals including lead, arsenic and mercury in nearly 20% of Ayurvedic treatments. These claims collectively indicated lack of quality control in Ayurvedic facilities. [60];[61]

3.1 Current status of Ayurveda in India

More than 80% of the population in India are aware of Ayurveda and also other conventional medicines and are using atleast one of the Ayurveda –based Over-The –Counter (OTC) drugs [62]. There are several small companies which prepare their own formulations as remedies. The estimated total value of the entire production of Ayurvedic medicine in India is just one billion US dollars.

There are about 30 companies who are catering to the demand of \$1b US market. There is already a steady growth in this demand across the world; hence a number of new companies are entering in to the business of production of Ayurvedic medicines. Their

products are also categorized as "fast moving consumer goods" (FMCGs)

Many of these large Ayurvedic companies are not only manufacturing pharmaceutical products but are also in manufacturing of nutraceuticals products and also FMCG like soaps, shampoos, toothpaste, toothpowder using traditional herbal ingredients in the composition of these products.

Some of the key suppliers of Ayurveda pharmaceutical & nutraceuticals products are

Dabur, Baidyanath and Zandu. These companies constitute nearly 85% of the domestic market in India.

Some of the statistics collected by Indian government and Non-government organization regarding manpower and institutions of Ayurvedic system in India --

- There are 366,812 numbers of registered medical practitioners in India ⁷⁰
- There are 22,100 numbers of dispensaries. ⁷⁰
- 2,189 hospitals. ⁷⁰
- 33,145 numbers of hospital beds: are there.⁷⁰
- 8,400 pharmacies manufacture Ayurvedic medicines.⁷⁰
- 60% of the physicians who are registered are practicing non-allopathic system.⁷⁰
- There are about 400,000 practitioners of Ayurvedic medicine and about 170,000 physicians practicing homeopathy ⁷⁰
- There are about 500,000 medical doctors in India which is equal to the numbers of doctors in US(but they serve 4 times more patients than in U.S.).⁷⁰
- In India the reliance on Ayurvedic medicines is heavy only in certain states like Kerala ⁷⁰
- There are several un-registered Ayurvedic practitioners in the small villages of the country. ⁷⁰

3.2 Modern Market Developments

- Though SAARC countries were influenced by Ayurvedic medicine, they went in for trading in Ayurvedic medicines, with very low production of these formulations.*
- Large number of very small factories which were in trading started supplying the local communities, with products branded in local languages. They did not export to other SAARC countries.
- Despite 20% growth in demand for traditional Ayurvedic medicines in late 1990s, the sale was restricted only to the SAARC region.
- Entrepreneurs then forayed into scientific research, leading to herbs and formulations that are based on Ayurveda but were not necessarily involving traditional practices.
- Japan, China, and the U.S are the main suppliers of nutraceuticals. Nutraceuticals are the isolates from plants and are only nutritional and dietary supplements. They are not registered as drugs and sold as over the counters in various formulations. India stands to become as significant contributor in future.

3.3 Status in US – Some facts

- An example of Ayurvedic nutraceuticals in the U.S. is Sabinsa Corporation Company with affiliates in India.
- Located in Colorado, Maharishi Ayurveda Products International, Inc is the biggest supplier of herb-based Ayurvedic products for Western countries, including the U.S.

- Maharishi Ayurveda Products International Inc, gained dominance through the popularity of Maharishi Mahesh Yogi and his teaching of transcendental meditation .
- In America, Europe, and other countries individual herbs not the drugs becomes the focus to promote the traditional medicines. This is because of the complexity in the process.
- Ashwaganda – ‘Indian Ginseng’, which is marketed as an ‘adaptogen’ (a sexual tonic and immune enhancer), is the main herb from India used in non-ayurvedic formulation..
- *Centella asiatica* is the best promoted herb from Ayurveda. It is promoted as an energizer, and as a tonic for the brain
- Significant barriers for development of traditional Ayurvedic medicine in the West include Chinese medicines that perform fairly well.
- Quality control issues have compelled Ayurvedic medicine factories to invest heavily on procedures for testing, to prove the standards of quality of the drugs as per the requirements of the FDA.

Ayurvedic Medicines which are regulated by the DCA and DCR are sold in some market as ‘Over The Counter proprietary drugs’. Dabur Chyawanprash, Vicks, Cough Drops, Vicks VaproRub, Amrutanjan Balm, Zandu Balm, Iodex, Moov Pain Cream, Itch Guard Cream, ENO Fruit Salt, and Halls Lozenges top the OTC brands in India, which have been registered and branded as Ayurvedic Medicines due to the natural herbal extracts used to prepare these drugs. These drugs are sold also by non-chemist as these drugs donot requires drug license. More over there is no price control for any ‘Ayurvedic Medicines’.

In countries outside South Asia, to legitimize the practice and education of ayurvedic medicines as CAM, several international and national initiatives are formed:

- WHO policy of traditional medicine practice [63] and Standardized benchmarks developed by WHO for training of Ayurvedic practitioners [64].
- The European Federation for Complementary and Alternative Medicine [65]
- The European Ayurveda Association [66]

Outside India several ethical and legal issues has been raised against the unregulated practice and commercialization of ayurveda medicines. This is mainly because of the difference in legal and medical regulations followed by different countries [67];[68];[69].

METHODS

This paper proceeds to arrive at a picture of the Ayurvedic market in the area of study by synthesizing the following:

1. The review of relevant strategy concepts.
2. Primary data consolidation of the Focus group interviews of the doctors/general practitioners, and retailers of Ayurvedic medicines in the area of study.
3. Primary data consolidation of the consumers in the area of study.

The survey of consumers was done using a structured questionnaire which was administered to the selected users of the Ayurvedic system of medicines. This survey instrument contained items covering the consumers’ personal profile, treatment preferences and behavior before and current. The doctors, general practitioners and retailers were personally interviewed to elicit opinions .These lengthy focused discussions were very much essential to have a comprehensive understanding of the ayurvedic market, since compiled statistics and synthesized information of the Ayurvedic market was scanty.

The Sample

- 20 experienced doctors included consultants and General practitioners, selected from various parts of Tiruchirapalli and Thanjavur districts of Tamilnadu , as per the convenience

- 25 retailers included chemists, selected from various parts of the study area.
- 25 consumers selected from different parts of Tiruchirapalli and Thanjavur districts

Sampling procedure

Stratified random purposive sampling

5. Findings and Discussion

5.1 Background information on Trichy-Thanjavur Ayurveda Doctors:

A few Ayurveda doctors are well known as famous doctors in Tamil Nadu. Many people see them synonymous with Kottakal Doctors of Kerala. The exact demarcation is really hazy. Truly speaking, Kottakal Arya Vaidyasala is the competitor for most of the Ayurveda clinics but these Ayurveda families do not have rivalry with them. They are rather their Gurus. It does not matter much since the Kottakal clinics are again partly owned by them and the same doctors provide consultation to patients from their Kottakal Clinics and prescribe ayurveda medicines manufactured by these doctors.

This is not a serious mis-alignment till these manufacturers grow to Kottakal size. Moreover, the Kottakal and the most of the renowned doctors in Tamil Nadu are treated as one and the same and patients prefer to buy from local doctors.

Ayurvedas' patients are mostly middle class or low middle class families. Most patients have great faith in these doctors because of their decades of clean practicing image. Moreover these medicines they make themselves using original Ayurveda manuscript with consistent performance. In fact, Ayurveda preparations by these doctors gained an image of affordable quality for ages but still they are well known as doctors only and that also as doctors with a strong market position among Ayurveda aware patients.

5.2. Focus group interview's inferences - from Doctors, Sales Representatives / Distributors of the Ayurveda Pharma companies:

The focus group study with doctors has revealed some important facts about the target market. We have seen that the target market consist of low and middle income groups with a majority of middle and older aged females suffering from life cycle as well as life style diseases. The life cycle diseases happen to individuals as they keep aging. These lifecycle diseases do not have any better cure from Allopathy or other medicine systems. These often make patients switch to Ayurveda system or other traditional system of medicines for relief. The diseases are like calcium deficiencies which cause various forms of arthritis, rheumatism; high blood pressure or sugar or high deposition of cholesterol resulting in heart, kidney or neuro disorders; climatic allergies like asthma, digestive disorders like acidity or pigmentation disorders in the skin and the like. Females tend to suffer from calcium deficiencies with aging and hence natural victims of different kinds of rheumatism and arthritis related ailments. Tamil Nadu is a place with extremes of environmental severities. The heat and intensive ultra violet radiations produce skin disorders gastric problems.

As per Ayush statistics, Ayurveda faces the threat of substitution from two major systems of medicines namely, Allopathy and Siddha. The siddha is almost as strong as Ayurveda as a market here in Tamil Nadu. From focus group studies we could make out that siddha doctors have a tendency to switch to Ayurveda in absence of any organized system of manufacturing the siddha medicines. This is how the threat of substitution from siddha can be converted into an opportunity by forming strategic coalition with siddha doctors.

The siddha doctors seem to exhibits interest to get themselves converted into ayurvedic system. The size of this siddha market seems sizable enough to tap. The sales representatives will truly

orchestrate the delivery of such services to this targeted segment of doctors. They have to be trained to approach segment friendly doctors to build vendor-client relationship outside Trichy.

The segment friendly doctors are those who serve patients from low or middle income group with females as majority suffering chronically from rheumatism, asthma, skin disorders. It is a challenge for the sales representatives to know the profile of these doctors well before attempting to build vendor-client relationship. The segment friendly doctors are again those who religiously follow the ayurveda script for providing treatment, enjoy reputation for their clean practicing image in their region, value both the classical and proprietary quality preparations with affordability as one of the most important criteria and do not prioritize the commissions alone.

- The data available from the clinics suggest that the ayurveda pharma market size is not even one crore today in Trichy and it is growing hardly 4-5% every year. This tells us that there is enormous potential for growth.

From focus group with the distributors we understood that most of the distributors were reluctant to stock ayurveda formulations from small companies like Warriars, Arya Vaidya Pharmacy, etc. They stated that the products from these companies moves at a slower speed leading to building up of stock. If allopathy doctors starts prescribing ayurveda medicines, then they would not mind to stock products from these companies.

5.3. Findings & Inference from Customers Survey

1. Types of Disease

Majority of the respondents suffered from Diabetes, second majority - High Blood Pressure, third - Rheumatism and the fourth major health problem was skin disease.

Figure no.1: Health	Percent	Valid	Cumulative
Rheumatism	19.2	20	20
Skin related	11.5	12	32
Gas troubles	7.7	8	40
Diabetes	26.9	28	68
High Blood Pressure	23.1	24	92
Hair loss/ fall and	3.8	4	96
Gynecological Disorders	3.8	4	100
Total	96.2	100	

Source: Primary Data

2. Which system of treatment did they started and for how long?

Majority of them started treatment with allopathy and have been taking the treatment for 3 - 5 years.

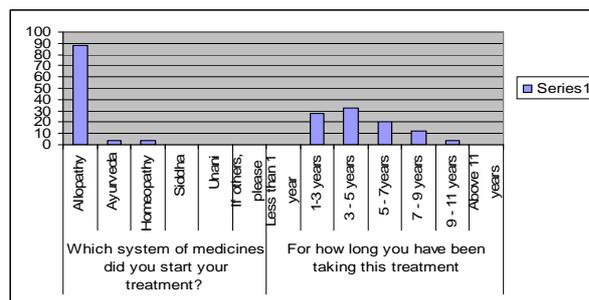


Fig. 2: Source: Primary Data

3. Which system of medicine they prefer now, source from where they got the information and for how long they have been using this treatment?

Majority of them prefer ayurveda medicines. Most of them have got information about this treatment from their friends, relatives or colleagues. And most of them have been getting this treatment for a year and a good number of them said that they were getting the treatment for about 1 -3 years.

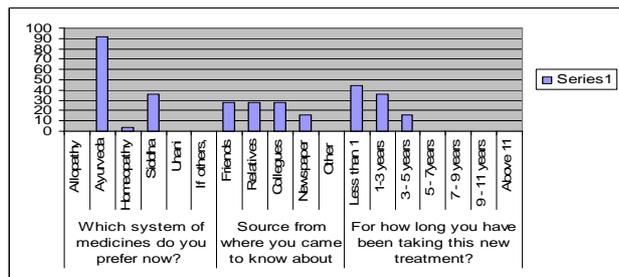


Fig. 3: Source: Primary Data

4. Procurement of medicine of new system and ease of usage:

Majority of respondents have said the product is available at only specific shops or with physicians only.

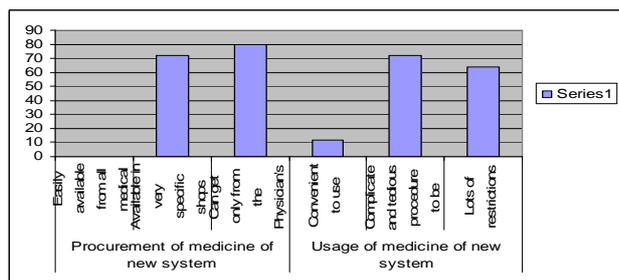


Fig. 4: Source: Primary Data

5. Why did you change from your regular system to new system?

Majority of the respondents said that they have shifted to the new system because they were not getting any benefit with the existing system..New system gives better relief and there were no side effects.

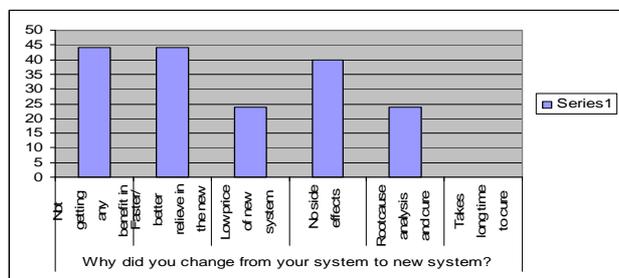


Fig. 5: Source: Primary Data

6. Which system of treatment will you continue in future and why?

Majority of them said they will continue with ayurveda or siddha treatment. The reason they stated was because it does not have side effects, low price and cure from root cause.

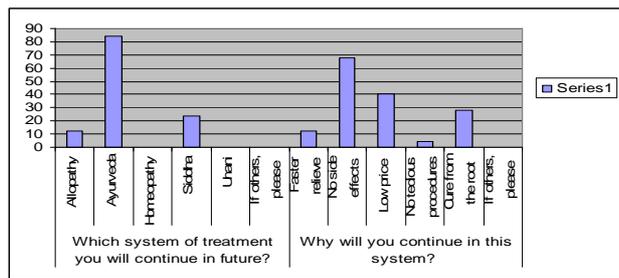


Fig. 6: Source: Primary Data

7. Satisfaction level from old treatment and from alternative method:

Majority of the respondents was neutral i.e. nether satisfied or dissatisfied with their old treatment but are very satisfied with their new system of treatment.

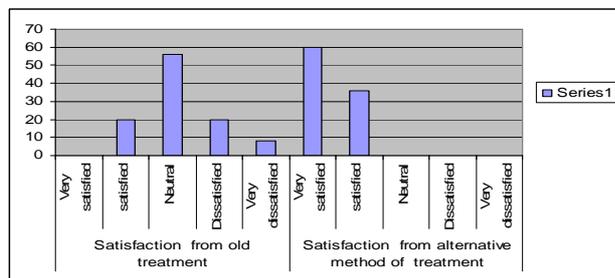


Fig. 7: Source: Primary Data

8. Which system of treatment they will revert to in future and why?

Majority of respondents will revert to ayurveda or allopathy because they feel that these treatment acts at a faster pace and give only immediate relieve.

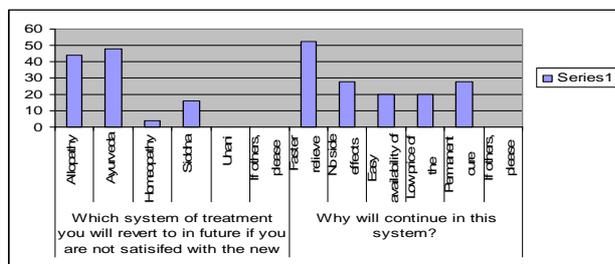


Fig. 8: Source: Primary Data

CONCLUSIONS

6.1 Summary

The synthesis enables us to comprehend Competitive dynamics in its fullest manifestations providing a wider and more realistic framework of the market for Ayurvedic medicines.

The ayurvedic industry which already exhibits a very high level of inter-dependence of rivals and multi-market multi-contact situations will stand to benefit immensely when the resource allocations and utilization are also performed after Mutual forbearance (Barnett, 1993; Ma & Jemison, 1994) consideration of the rival units. The network perspective affixed along with the resource perspective would add practicality to the firms' competitive strategies, fine tuning them towards more pragmatic market maneuvering.

6.2. Implications for practice

Regardless, for the motives illustrated in this article, marketing managers and marketing strategy researchers stand to benefit from reflecting on the various concepts that underline the impact of multi-market competition dynamics, enabling them maneuver appropriately.

Since multi-market multi-contact situation exists with high level of interdependence of rivals in the ayurvedic market Mutual forbearance will evade dissipation of resources in market collision and facilitate collusions. The firms / players in this industry are very unique in that they are providers of both products and services. Hence the resource network perspective explored along with target segmentation approach for maximized customer satisfaction. For example focusing on the resource availability and specializations the networks can be fragmented into 'entities' to concentrate on specific

segments of the customers. Thus this might call for networking of the rivals in the first stage and then regrouping among themselves based on expertise and resource availability.

Third, in service-intensive industries, recognizing the interdependencies between geography and strategy [12];[13];[14] is principally important because competition is normally localized and the services are usually delivered direct to the consumer. This customer centric approach in the context of interdependent rivals needs to be extended to the fullest extent to maximize customer satisfaction and customer retention.

6.2.1 Growth Strategies

The stagnant sales has forced management to look at other alternatives like positioning ayurveda product as Pharma Company from scratch among Ayurveda doctors Allopathy and Siddha doctors, both in Tamil Nadu and outside following the growth path of Kottakal Arya Vaidyasala. Kottakal Arya Vaidyasala acts as Pharma Company while simultaneously remaining Professional Service provider (as Doctors).

The dormant market demands wakeup call by bringing the waking up services close to customers. We are proposing market penetration strategy in Tamil Nadu as professional service provider and stop all misaligned activities like positioning itself as Pharma Company from scratch among doctors in Trichy. Young Doctors shall be encouraged to incorporate the traditionally missing items i.e the flavour of customer relationship in their medical consultancy and prepare to switch gradually to customer relationship business model with emphasis on low cost as usual and serve its segments better than its competitors and thereby thwart the threat of demographic changes for gaining sustainable competitive edge in the years to come. The clinical expansion in the area with high density of patients will enable the industry to remain closer to the customers.

The segment friendly Allopathy Doctors shall be called for Factory Visit with an arrangement of Seminar or Medical Camp with an intention to forge a strong relationship and exchange. The field research and clinical test report should be shown to these doctors to get their conviction and approval for the ayurveda products, so that they may prescribe it for their patients.

Companies like Kottakal Arya Vaidyasala, Warriars, etc are professionally skilled to manufacturer high quality pharma products but have failed to market their product efficiently. These companies should adopt branding and market development strategy. During the discussion with one of companies it was found that individual clients from US were asking for certain formulations specifically without any label or name. Then these formulations are sold by these middlemen at an exorbitant price in US market, after they create their own brand name for these formulations.

6.2.3 Growth Strategy for OTC Products irrespective of Geographic Boundary

The OTC products namely Chyvanaprasha, Liv-52, Lasuna, Karela, Triphala, honey drop, etc from Himalaya; Pudinhara, Hajmola, Vatika, Lal Danta manjan, etc from Dabur; Kesia, Kesia Shampoo plus Massaging Oil, etc from Ashtanga, Gum tone from Charak, etc. (which are ayurvedic formulations) enjoy different strategic advantages and can be marketed everywhere across the country as a Proprietary Health Care Solution innovated by the Himalaya, Dabur, Ashtanga Pharma companies / Doctors noted as Genuine Ayurveda Doctors with their seven to ten decades of Successful Ayurvedic Practicing Experiences.

These OTC are targeted at all age groups preferably however unmarried and younger ones who prefer to use unique health care products with or without Doctors' advice and nurture strong faith in the decade old ayurvedic practicing image. OTC segment exhibits more of psychographic characteristics. The segment is highly price insensitive and hence the price can be consistently revised upwards with the rise of demand. The labels or packages shall be attractive and shall be preferably in built with the bottles till the brand is established to avoid any duplication. The packages shall display

brand name, with emphasis and mention the name of the web site which will act as another distribution channel for OTC Products.

The sales representative shall strive to sell all the products through the various clinics irrespective of Ayurveda or Allopathy and retail channels, shopping malls, convenience stores, Departmental stores and the like. The communication through media, news paper, Magazines and TV Exclusive Interviews shall encourage people to take doctors' advice for better results or follow instructions provided at the web sites. The emphasis on web site through communication media shall encourage buyers to buy OTC Products with credit cards if they find no stocks at the local stores or get any doubts over the prices.

The sales representatives shall participate in the sales exhibitions and promote OTC Products and web channel for e-purchases. The web channel is the most profitable one since it does not entail any price or product discounts and attracts only minimal postage or VPP Charges (which can be passed on).

6.2.3 Patenting

In February 2011 patent for the 'Herbal Laxative' preparation by Himalaya Drug Company (HDC) was registered in the U.S. Around 250,000 doctors worldwide have endorsed HDC's products and the company is exporting its products in 60 countries. In Switzerland HDC is the only phyto-pharmaceutical company registering its ayurvedic products as a 'pharmaceutical specialty'.

Dabur India Ltd. had applied for 96 patents in India during 1995 and 2003. Dabur is amongst the leaders in healthcare and owns 29 patents in the US. It was one of the two companies in the world to introduce an anti-cancer drug - Intaxel (Paclitaxel)

6.3 Limitations of the study and Implications for further research

The diagnosis is limited to the identified areas of Tamilnadu, which is not representative of the entire country. Heavy paucity in synthesized secondary data sources specific to this industry had compelled the dependency on various primary sources, which were again, limited both quantitatively and qualitatively in their resource ability. The strategic responses based on resource availability, for example, have not been explored for want of full fledged information base.

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