

Himalaya enters nutraceutical segment

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The Himalaya Drug Company recently launched HiOwna-Jr, a prescription-based nutritional supplement for kids, that promotes physical and mental growth, marking its entry into the \$1480 million nutraceuticals market in India. This is first of the products to be launched under an entire range of products to be launched in the next two years.

Upcoming products include similar supplements for HiOwna-Jr is mainly directed towards urban families with kids who are fussy eaters. The supplement contains 13 essential vitamins and 9 minerals. Keeping in line with Himalaya's product philosophy, it contains Ayurvedic ingredients such as Ragi (finger millet) that improves nutritive status, Maricha (black pepper), a bio-availability enhancer, Mandukaparni (centella), a cerebral activator, and Amalaki (Indian Gooseberry), an immunity enhancer. The supplement will also be the first in India to be introduced with pea protein.

Unlike its erstwhile competitors in this segment such as Abbot, British Biologicals, Himalaya has decided to only market their product exclusively through their 2500 strong team of medical representatives and will be available only through prescription by doctors.

Mr Philippe Haydon, CEO, Pharmaceuticals, The Himalaya Drug Company, explained that this has been a well thought strategy that they have employed. He said, "We understand that this might result in us losing out a larger market share as compared to over-the counter supplements, but we will continue to use this route for the upcoming products for other segments such as pregnancy and lactation, products for convalescents and diabetics as well. We hope to launch these products by next financial year." This ideology will also see Himalaya's pharmaceutical division spend upto 40 percent of their revenues in marketing initiatives.

Adding about the strategic significance of this launch Mr Hayden added, "Over the next two to three years, we intend to build the HiOwna brand into a 100 crore business. Eventually, we will have a separate business vertical exclusively focused on nutritional and health products for children and people of different age groups addressing different conditions, such that it will contribute upto 25% of the pharmaceutical revenues in the next five years."

In order to make the supplement more attractive towards its target population, HiOwna-Jr. has been launched in two flavors strawberry and chocolate.

A recent Frost and Sullivan report suggested that the nutraceutical expected to reach \$2731 million in 2016 at a CAGR of 13.0 percent. Of this, the nutritional and health supplements are the largest sub-category accounting for 64 percent of the market.