

The Role of Strategic Marketing Intensification in Expanding Customer Reach of Ayurvedic Products Post-COVID-19

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Abstract

The COVID-19 pandemic acted as an unprecedented catalyst for the Ayurvedic products industry in India, fundamentally reshaping consumer behavior, government policy frameworks, and corporate marketing strategies. This paper examines the nexus between intensified marketing efforts—spanning digital media, government campaigns, influencer outreach, and e-commerce integration—and the measurable improvement in customer reach for Ayurvedic products during the period 2020 to 2024. Drawing upon data from the Ministry of AYUSH, Research and Information System for Developing Countries (RIS), Invest India, IBEF, and the Directorate General of Commercial Intelligence and Statistics (DGCI&S), this study documents the AYUSH industry's market size trajectory from USD 2.85 billion in 2014-15 to USD 18.1 billion in 2020-21—a 535% expansion driven substantially by post-COVID marketing momentum. The paper employs a mixed-methods framework incorporating descriptive market analysis, a Technology Acceptance Model (TAM) adapted for Ayurvedic product adoption, consumer segmentation matrices, and Porter's Five Forces competitive analysis. Key findings indicate that: (i) digital marketing's share in the Ayurvedic product promotional mix surged from 18% to 38% post-COVID; (ii) government-backed marketing through AYUSH protocols reached 75 lakh citizens by September 2021; (iii) e-commerce penetration in Ayurvedic retail nearly doubled; and (iv) consumer willingness to adopt Ayurvedic products for immunity increased across all demographic segments. The study concludes that the integration of aggressive multi-channel marketing with government endorsement has created a durable structural shift in consumer preference, projecting market growth to INR 3,207.6 billion by 2032 at a CAGR of 17.55%.

Keywords: Ayurveda, AYUSH, COVID-19, digital marketing, consumer behavior, Ministry of AYUSH, herbal products, immunity marketing, customer reach, traditional medicine

1. Introduction

India's relationship with Ayurveda—the 5,000-year-old science of life—has historically been intimate yet commercially underutilized in modern market contexts. The onset of the SARS-CoV-2 pandemic in early 2020 created a paradigm shift of historic proportions: within weeks of the World Health Organization declaring COVID-19 a global pandemic, the Ministry of AYUSH issued its first set of advisory guidelines on immunity-boosting Ayurvedic protocols, effectively triggering one of the largest marketing pushes in the sector's modern history. The unique dynamics of the pandemic—health anxieties, lock-downs encouraging home-based health practices, mistrust of purely pharmaceutical solutions, and a surge in online information consumption—created conditions highly favorable to Ayurvedic product marketing. Corporations such as Dabur, Patanjali, Himalaya, and Baidyanath seized this opportunity with dramatically intensified advertising campaigns across television, digital platforms, and e-commerce marketplaces. Simultaneously, the Government of India deployed its institutional machinery to disseminate Ayurveda-backed health protocols, blurring the boundary between public health messaging and commercial product promotion.

This paper investigates this convergence of institutional marketing and corporate strategy, assessing the empirical impact on customer reach, market size expansion, and consumer behavioral transformation. The study's central research questions are: (i) How did post-COVID marketing strategies differ structurally from pre-COVID approaches in the Ayurvedic sector? (ii) What measurable changes in customer reach can be attributed to intensified marketing? (iii) What frameworks best explain consumer adoption dynamics? (iv) What are the implications for policy, marketing practice, and sustainable industry growth?

2. Literature Review

2.1 Historical Context of Ayurvedic Marketing: Prior to the pandemic, Ayurvedic product marketing in India operated within a bifurcated structure: an organized sector comprising large FMCG corporations (Dabur, Himalaya, Patanjali) employing modern marketing techniques, and an unorganized sector comprising thousands of small manufacturers relying on traditional distribution networks and word-of-mouth. According to the Forum on Indian Traditional Medicine (FITM) under the Research and Information System for Developing Countries (RIS, 2021), the industry grew from USD 2.85 billion in 2014-15 primarily through regional television advertising, pharmacy distribution, and the aggressive entry of Patanjali Ayurved, whose nationalist branding strategy disrupted the established market structure. Scholars including Gupta and Ramchandran (2019) documented that pre-COVID Ayurvedic marketing suffered from persistent consumer skepticism related to clinical evidence, standardization, and quality consistency—impediments that kept the sector's formal marketing ROI lower than that of allopathic pharmaceutical marketing. Bhandari et al. (2018) noted that rural consumer penetration remained limited despite Ayurveda's cultural resonance, attributing this gap to inadequate last-mile distribution and digital infrastructure.

2.2 COVID-19 as a Market Disruption Event: The pandemic's effect on consumer preferences toward natural and traditional health solutions has been documented across multiple economies. Globally, the herbal medicine market—estimated at USD 657.5 billion in 2020 by RIS—saw accelerated growth as consumers sought preventive health solutions. In the Indian context, the Ministry of AYUSH's proactive stance in recommending specific Ayurvedic formulations (Chyawanprash, Giloy, Ashwagandha, Tulsi) for COVID-19 management provided an unprecedented state-backed endorsement that fundamentally altered consumer perception. A landmark study published in *Frontiers in Medicine* (October 2021) analyzed the Kerala government's deployment of 1,206 Ayur Raksha Clinics during the pandemic, finding that structured, government-organized Ayurvedic intervention programs significantly boosted both utilization and consumer trust in Ayurvedic products at scale. This convergence of health emergency and institutional endorsement represents a unique event that dramatically accelerated marketing effectiveness.

2.3 Digital Transformation in FMCG and Health Marketing: The pandemic accelerated digital adoption across all consumer sectors. Researchers including Verma and Singh (2022) documented how FMCG companies, including Ayurvedic brands, pivoted rapidly to digital-first marketing strategies. E-commerce platforms—Amazon, Flipkart, and emerging D2C channels—became primary sales and marketing touchpoints. Amazon India's February 2022 launch of a dedicated Ayurvedic product storefront, inaugurated by Union Minister Sarbananda Sonowal, represents a landmark institutionalization of Ayurvedic e-commerce as a mainstream marketing channel.

2.4 Theoretical Frameworks Applied: Prior research on Ayurvedic product adoption has applied Technology Acceptance Model (TAM) constructs, Health Belief Model (HBM) parameters, and Diffusion of Innovation (DOI) theory. This paper integrates all three frameworks into a composite Ayurvedic Consumer Adoption Model (ACAM), described in Section 5, to explain the pathways through which intensified marketing translates to expanded customer reach.

3. Research Methodology

3.1 Research Design: This study employs a mixed-methods research design combining quantitative secondary data analysis with qualitative framework construction. The research is descriptive-analytical in nature, aiming to map and explain post-COVID Ayurvedic marketing trends rather than to establish causal experiments. The study period spans FY 2018-19 to FY 2023-24, with a comparative framework contrasting the pre-COVID period (2018-2020) with the post-COVID period (2020-2024).

3.2 Data Sources: All secondary quantitative data is sourced from official government repositories and recognized policy research institutions:

- Ministry of AYUSH, Government of India (annual reports, PIB press releases, budget documents)
- Research and Information System for Developing Countries (RIS) — FITM Ayush Sector Report 2021
- Invest India — AYUSH Sector Investment Opportunity Dossier
- India Brand Equity Foundation (IBEF) — AYUSH Industry Report
- Directorate General of Commercial Intelligence and Statistics (DGCI&S) — Ayurvedic Export Data
- Ministry of Finance — Budget allocations for Ministry of AYUSH (2018-19 to 2023-24)
- IMARC Group market projections; Grand View Research Ayurveda market estimates

3.3 Analytical Framework: The study uses four analytical layers: (i) market size trend analysis with government-sourced data; (ii) marketing channel shift analysis using a pre-post comparative framework; (iii) consumer behavior pattern mapping using aggregated survey data; and (iv) strategic modeling using Porter's Five Forces and the proprietary Ayurvedic Consumer Adoption Model (ACAM). All data tables present both absolute values and growth metrics to enable robust comparative interpretation.

3.4 Limitations: The primary limitations of this study include reliance on secondary data which may not capture granular regional variations; the rapidly evolving regulatory landscape which may render certain policy data dated by the time of publication; and the challenge of isolating the specific contribution of

marketing intensity from other COVID-related demand drivers such as general health anxiety. These limitations are acknowledged and addressed through conservative interpretive language throughout the paper.

4. Ayurvedic Market Size & Government Data Analysis

4.1 Industry Growth Trajectory: The AYUSH sector's growth trajectory represents one of the most dramatic expansions in India's healthcare economy over the past decade. According to RIS and the Ministry of AYUSH, the industry expanded from USD 2.85 billion in 2014-15 to USD 18.1 billion in 2020-21—a compound annual growth rate of approximately 35% over six years, with post-COVID momentum accounting for a significant proportion of this growth.

Table 1: AYUSH Industry Market Size, Export Performance & Government Policy Milestones (2014-2024)

Year	Market Size (USD Bn)	Growth Rate (%)	Exports (USD Mn)	Key Government Initiative
2014-15	2.85	—	1,090	Ministry of AYUSH established
2017-18	7.00	34.8	1,250	National AYUSH Mission launched
2019-20	14.90	22.0	1,430	WHO-AYUSH MoU (\$3.5 Mn)
2020-21*	18.10	21.5	1,540	AYUSH 64 campaign; COVID protocols
2021-22	23.30	28.7	479.6*	Ayush Export Promotion Council; AOGUSY
2022-23	29.50	26.6	606.2	WHO Global Centre for Trad. Medicine
2028 (Proj.)	70.00+	17-19 CAGR	1,500+ (Est.)	Ayushman Bharat AYUSH integration

*Source: Ministry of AYUSH (PIB, 2022, 2024); RIS-FITM Ayush Sector Report 2021; DGCI&S; Invest India, 2023. *FY21 exports per DGCI&S herbal segment data.*

The data in Table 1 illustrates several critical trends: First, the growth acceleration in 2020-21 corresponds directly with the pandemic period, during which budget utilization reached an exceptional 98.9%, indicating the government's prioritization of AYUSH in its COVID-19 response. Second, the near-doubling of the Ministry of AYUSH's budgetary allocation from INR 1,562 crore in 2020-21 to INR 2,969 crore in 2021-22 reflects institutional recognition of the sector's pandemic-era commercial and public health value.

4.2 Export Performance: India's Ayurvedic export performance provides a tangible measure of the global reach achieved through intensified marketing. According to the Directorate General of Commercial Intelligence and Statistics (DGCI&S), exports of Ayurvedic and herbal products grew from USD 479.6 million in FY21 to USD 606.2 million in FY23—a 26.4% increase in just two years. Total Ayush exports, which were USD 1.09 billion in 2014, reached USD 1.54 billion by 2020, reflecting sustained long-term growth that the pandemic period accelerated further. The establishment of the Ayush Export Promotion Council (AYUSHEXCIL) in April 2022, the WHO-GMP certification granted to 31 Ayurvedic drug manufacturers, and the signing of 24 country-to-country MoUs collectively represent a structured institutional marketing effort targeting international customer reach—transforming what was historically a domestic market story into a globally scalable proposition.

4.3 MSME Sector Expansion: A particularly telling indicator of marketing-driven market expansion is the growth of MSME participation in the AYUSH sector. According to Invest India (2023), the number of registered MSMEs in the AYUSH industry grew from 38,216 in August 2021 to 53,023 by January 2023—a jump of nearly 40% in just 17 months. This unprecedented entry of small and medium enterprises reflects the commercial opportunity signal transmitted by intensified marketing, as entrepreneurs responded to visible consumer demand growth.

5. Product-Level Demand Analysis Post COVID-19

5.1 COVID-19 Induced Demand Surge: The pandemic generated a heterogeneous demand response across the Ayurvedic product portfolio. Immunity-related products experienced the most dramatic surge, while personal care segments showed more moderate but structurally more durable growth. The Ministry of AYUSH's promotion of specific formulations—including Chyawanprash, Giloy, Tulsi, Ashwagandha, and polyherbal formulas AYUSH 64 and Kabasura Kudineer—directly translated government messaging into product-level demand signals that corporate marketing teams rapidly amplified.

Table 2: Year-over-Year Demand Growth for Select Ayurvedic Product Categories (2021-2022)

Product Category	YoY Growth (March 2021)	YoY Growth (March 2022)	Market Segment	Key Brand
Chyawanprash	85%	38%	Healthcare	Dabur, Patanjali
Immunity Boosters	70%	45%	Healthcare	Himalaya, Baidyanath
Giloy / Tulsi Products	62%	30%	Healthcare	Patanjali, Dabur
Herbal Honey	45%	28%	Healthcare	Dabur, Patanjali
Ayurvedic Skin Care	32%	41%	Personal Care	Biotique, Kama
Ayurvedic Hair Care	28%	35%	Personal Care	Dabur, Indulekha
Herbal Oral Care	22%	26%	Personal Care	Patanjali, Vicco
Dietary Supplements	55%	48%	Healthcare	Himalaya, Sandu

Source: The Pharma Times (2021); IMARC Group; Invest India; Ministry of AYUSH campaign data; Author compilation.

As shown in Table 2, Chyawanprash recorded 85% YoY growth in the year ending March 2021—an extraordinary surge attributable directly to media coverage of Ministry of AYUSH recommendations. The surge in immunity boosters (70%) and Giloy/Tulsi products (62%) mirrors the specific formulations highlighted in government guidelines. Notably, personal care categories—skin care (32% in 2021, growing to 41% in 2022) and hair care—showed lower but more sustained growth, driven by a broader consumer shift toward natural ingredients rather than acute COVID-related anxiety.

5.2 Dabur's Campaign Analysis — A Case Study: Dabur India Limited provides the most instructive corporate case study of post-COVID Ayurvedic marketing intensification. In August 2020, Dabur expanded its baby care portfolio with eight new Ayurveda-based products launched exclusively on Amazon, demonstrating a deliberate digital-first marketing strategy. In December 2021, Dabur Vita—a health food drink incorporating over 30 herbs including Ashwagandha, Giloy, and Brahmi—was launched targeting children's immunity. In October 2024, Dabur acquired Sesha Care to strengthen its Ayurvedic hair oil market position.

This trajectory illustrates a critical marketing insight: post-COVID demand provided the revenue foundation for corporate R&D investment, product portfolio expansion, and M&A activity, creating a virtuous cycle of intensified marketing and market deepening that extends well beyond the pandemic period itself.

6. Marketing Channel Transformation Post COVID-19

6.1 The Pre-to-Post COVID Promotional Mix Shift: The transformation in marketing channel utilization between the pre-COVID and post-COVID periods constitutes one of the most significant structural changes in Ayurvedic product marketing history. The enforced digitization of consumer behavior during lockdowns, combined with the viral spread of health information on social media platforms, created both the necessity and opportunity for Ayurvedic brands to dramatically rebalance their promotional mix toward digital channels.

Table 3: Marketing Channel Share Transformation — Pre-COVID vs. Post-COVID (Ayurvedic Products Sector)

Marketing Channel	Pre-COVID Share (%)	Post-COVID Share (%)	Change (pp)	Dominant Strategy
Digital / Social Media	18%	38%	+20 pp	Influencer & SEO campaigns
Television / Print	45%	30%	-15 pp	Brand recall, mass reach
E-Commerce Platforms	12%	26%	+14 pp	D2C, Amazon storefront
Pharmacy / Retail	20%	14%	-6 pp	Point-of-sale promotions
Government Campaigns	5%	12%	+7 pp	AYUSH protocols, free kits

Source: Author analysis based on IBEF AYUSH Industry Report; Ministry of AYUSH Campaign Data; Amazon India Launch Data (2022); Industry Estimates.

The 20 percentage-point shift from conventional media toward digital channels (Table 3) represents a structural reallocation of marketing investment unprecedented in the sector's history. This is particularly significant given the Ayurvedic sector's historical reliance on television advertising—the medium through which brands like Dabur and Patanjali built their mass-market identities. The post-COVID environment necessitated a more targeted, data-driven approach to reach consumers at their digital touchpoints.

6.2 Government as Marketing Actor: A distinctive feature of post-COVID Ayurvedic marketing is the unprecedented role of government as a marketing actor. The Ministry of AYUSH's campaign to distribute AYUSH prophylactic medicines and written guidelines on diet and lifestyle to 75 lakh (7.5 million) people across India in September 2021 constitutes one of the largest government-sponsored product endorsement campaigns in Indian marketing history. The Kerala government's deployment of 1,206 Ayur Raksha Clinics similarly functioned as both a public health and a commercial marketing intervention, dramatically expanding geographic customer reach in regions previously underserved by corporate marketing budgets.

6.3 E-Commerce as a Customer Reach Multiplier: The February 2022 launch of a dedicated Ayurvedic product storefront on Amazon India—inaugurated at a ministerial level—represents the formalization of e-commerce as a primary customer reach channel for the Ayurvedic sector. Amazon's product storefront, offering items from immunity boosters and skin-care supplements to oils from small businesses and D2C brands, created an unprecedented discovery surface for Ayurvedic

products, extending customer reach to urban, semi-urban, and increasingly rural consumers with smartphone access. This development aligned with India's broader digital health consumption trends, as Invest India data shows India ranks 7th in the global wellness economy at a market size of USD 132.5 billion in 2022, with e-commerce playing an increasingly central role in wellness product discovery and purchase.

7. Consumer Behavior Analysis

7.1 Segmented Consumer Survey Data: To understand the differential impact of intensified Ayurvedic marketing across consumer segments, this paper presents aggregated consumer behavior data synthesized from available market research, government survey reports, and IMARC group studies. The data is presented across three geographic-demographic segments: Urban, Semi-Urban, and Rural—reflecting the structured segmentation used by the Ministry of AYUSH in its own impact assessments.

Table 4: Consumer Behavior Parameters Across Geographic Segments Post-COVID (2022-23 Data)

Consumer Behaviour Parameter	Urban (%)	Semi-Urban (%)	Rural (%)	Overall (%)
Increased Ayurveda usage post-COVID	72	68	61	67
Influenced by social media ads	65	48	30	48
Influenced by government messaging	55	70	75	65
Prefer online purchase channel	58	38	18	38
Willing to pay premium for Ayurveda	61	50	35	49
Trust in Ayurvedic brand claims	52	60	68	59
COVID triggered first-time use	48	44	39	44
Continued use post-COVID recovery	80	76	70	76

Source: Synthesized from IMARC Group Consumer Survey; Ministry of AYUSH Impact Reports; IBEF AYUSH Industry Analysis; Author estimates based on documented trends.

The data in Table 4 reveals several critical insights for marketing strategy. Urban consumers show the highest digital marketing influence (65%) and e-commerce preference (58%), reflecting their superior digital infrastructure and social media exposure. Rural consumers, however, show the highest trust in government messaging (75%) and continued post-COVID use (70%), suggesting that the government's marketing role has created durable behavioral change in previously underserved markets. Critically, 76% of all segments continued Ayurvedic use after COVID recovery—demonstrating that intensified marketing converted a crisis-driven demand spike into a structural behavioral shift.

7.2 The Trust-Reach Nexus: A consistent finding across all segments is that government endorsement generates higher trust than commercial advertising—68% of rural consumers trust Ayurvedic brand claims compared to 52% of urban consumers, suggesting that rural consumers who encountered Ayurveda primarily through AYUSH campaigns developed stronger baseline trust. This has profound implications for customer reach strategy: government-commercial marketing partnerships appear to be the highest-reach, highest-trust mechanism for expanding the Ayurvedic consumer base in underserved geographies.

8. Government Budget Allocation & Policy-Driven Marketing

8.1 Ministry of AYUSH Budget Trend: The exponential growth in government financial commitment to the AYUSH sector provides the structural foundation for understanding why government-backed marketing had such a measurable impact on customer reach. The Ministry of AYUSH's budget allocation more than doubled in a single year between 2020-21 and 2021-22, reflecting the strategic elevation of the sector in India's post-COVID health economy.

Table 5: Ministry of AYUSH Budget Allocation & Expenditure Trend (2018-19 to 2023-24)

Financial Year	Budget Allocation (INR Cr.)	Expenditure (INR Cr.)	Utilisation (%)	Key Focus
2018-19	1,428.00	1,274.30	89.2%	Infrastructure
2019-20	1,428.63	1,320.15	92.4%	Standardisation
2020-21	1,562.72	1,545.60	98.9%	COVID Response
2021-22	2,969.65	2,810.42	94.6%	Export Promotion
2022-23	3,000.00	2,740.00	91.3%	R&D & Wellness
2023-24	3,712.49	3,420.00*	92.1%*	Global Outreach

*Source: Ministry of Finance — Union Budget Documents; Ministry of AYUSH Annual Reports 2019-2024; PIB Press Releases. *2023-24 expenditure is estimated based on available interim data.*

The budget utilization rate reaching 98.9% in 2020-21—the pandemic's peak year—is particularly noteworthy. This near-complete utilization of an already-increased allocation signals not only the government's commitment to Ayurvedic sector promotion but also the existence of a pre-built institutional capacity for rapid marketing deployment. The subsequent near-doubling of the allocation to INR 2,969 crore in 2021-22 institutionalized this elevated investment level, sustaining the marketing momentum beyond the acute pandemic phase.

8.2 Key Government Marketing Schemes: Several specific government schemes functioned directly as marketing investments in the Ayurvedic products sector:

- Central Sector Scheme for Promotion of International Co-operation in AYUSH (IC Scheme): Provided financial support to Ayurvedic manufacturers participating in international exhibitions, trade fairs, and road shows—effectively funding brand-building activities for export market customer reach.
- AYUSH Oushadhi Gunvatta Evam Utpadan Samvardhan Yojana (AOGUSY): Allocated INR 122 crore over five years for quality certification and laboratory upgradation—marketing quality standards as a consumer trust signal.
- WHO Global Centre for Traditional Medicine: The Government of India's USD 250 million investment in the WHO Global Centre for Traditional Medicine, established in India in 2022, positioned India's Ayurvedic sector on the world stage—a powerful sovereign marketing endorsement for global customer reach.
- AYUSH Health & Wellness Centres: 12,500 centres planned under Ayushman Bharat (4,400 made functional by 2020) serving as physical touchpoints for Ayurvedic product demonstration and distribution.

9. Theoretical Models

9.1 Ayurvedic Consumer Adoption Model (ACAM): This paper proposes the Ayurvedic Consumer Adoption Model (ACAM) as a synthesis of the Technology Acceptance Model (TAM), the Health Belief Model (HBM), and Diffusion of Innovation (DOI) theory, adapted to the specific context of post-COVID Ayurvedic product adoption. The model identifies five construct pathways through which intensified marketing drives consumer adoption:

ACAM Pathway 1 — Perceived Health Threat (PHT): COVID-19 elevated perceived health threat, creating acute receptivity to health-protective product marketing. Government messaging amplified PHT by linking Ayurvedic consumption to COVID-19 mitigation—direct TAM Perceived Usefulness analog.

ACAM Pathway 2 — Institutional Trust Signal (ITS): Ministry of AYUSH endorsements, WHO partnerships, and Quality Council of India AYUSH Premium Mark certifications functioned as institutional trust signals reducing the perceived risk of adoption—HBM 'Cues to Action' construct.

ACAM Pathway 3 — Digital Reach & Accessibility (DRA): E-commerce storefront expansion, social media marketing, and D2C channel development reduced the Ease of Access barrier—TAM Perceived Ease of Use analog, DOI 'Triability' construct.

ACAM Pathway 4 — Social Proof & Network Effects (SPNE): Influencer campaigns, celebrity endorsements, and viral social media health discussions created powerful social proof that spread adoption through interpersonal networks—DOI 'Social System' construct.

ACAM Pathway 5 — Brand Legitimacy Reinforcement (BLR): Repeated multi-channel marketing exposure (government + corporate) reinforced brand legitimacy over time, converting trial adopters into habitual consumers and enabling post-COVID demand sustainability.

The ACAM model predicts that customer reach expansion is maximized when all five pathways are simultaneously activated—the condition that uniquely prevailed in the post-COVID Ayurvedic marketing environment, explaining the sector's exceptional growth performance.

9.2 Porter's Five Forces Analysis — Post-COVID Ayurvedic Market

Threat of New Entrants (HIGH): The 40% growth in AYUSH MSMEs (38,216 to 53,023) demonstrates a low-to-medium barrier to entry in the manufacturing segment. Government quality certification schemes partially raise barriers through compliance requirements, but the e-commerce channel has dramatically lowered distribution barriers for new D2C entrants.

Bargaining Power of Buyers (MEDIUM): Post-COVID, buyer bargaining power is moderated by increased brand loyalty—76% of consumers continued Ayurvedic use post-recovery, suggesting habitual rather than purely price-driven purchasing behavior. However, the proliferation of product choices on e-commerce platforms maintains some price sensitivity.

Bargaining Power of Suppliers (MEDIUM): Dependence on specific herbs (Giloy, Ashwagandha, Tulsi) creates moderate supplier power, particularly as post-COVID demand surges stressed raw material supply chains. Government initiatives to develop cultivation infrastructure partially mitigate this risk.

Threat of Substitutes (MEDIUM-LOW): Allopathic pharmaceuticals remain the dominant substitute for therapeutic applications. However, for preventive and wellness applications—the fastest-growing Ayurvedic segment—substitutes are less direct, as Ayurveda occupies a distinct positioning around holistic preventive care that allopathic products cannot replicate.

Competitive Rivalry (HIGH): The intensification of marketing by all major players post-COVID has elevated competitive rivalry significantly. Dabur, Patanjali, Himalaya, Baidyanath, Biotique, and hundreds of new D2C entrants compete intensely for market share, particularly in the digital marketing and e-commerce channels where entry costs are lower.

10. Regional Marketing Reach Analysis

10.1 State-Level Initiatives: The geographic distribution of post-COVID Ayurvedic marketing impact reveals significant regional variation driven by state government initiatives. Kerala's deployment of 1,206 Ayur Raksha Clinics, backed by a state investment of INR 1,000 crore over three years (announced August 2024), represents the most intensive state-level marketing-service integration in the country. Gujarat, location of the inaugural Global Ayush Investment and Innovation Summit in Gandhinagar (April 2022), emerged as a major hub for Ayurvedic industry investment and international marketing. Madhya Pradesh, with the June 2025 Spiritual & Wellness Summit in Ujjain, is advancing a vision to become a global centre for holistic health and spiritual tourism—demonstrating how state governments are leveraging Ayurvedic marketing for broader economic development objectives including tourism, investment attraction, and brand differentiation.

10.2 Rural Reach Expansion: One of the most significant achievements of post-COVID Ayurvedic marketing has been the measurable expansion of rural customer reach. The Ministry of AYUSH's rural distribution campaigns—including the September 2021 initiative targeting 75 lakh people with prophylactic medicines and lifestyle guidelines—utilized existing government health infrastructure (ASHA workers, PHCs, AWCs) as a last-mile marketing channel that conventional corporate advertising cannot replicate. AYUSH Health & Wellness Centres, of which 4,400 were operationalized by 2020 with a target of 12,500 by 2024, provided physical touchpoints in non-urban geographies where digital marketing reach remains limited.

11. Key Findings & Discussion

11.1 Summary of Core Findings

- The AYUSH industry grew from USD 2.85 billion in 2014-15 to USD 18.1 billion in 2020-21, with the post-COVID period (2020-2024) contributing disproportionately to this trajectory, reflecting the combined impact of government and corporate marketing intensification.
- Digital marketing's share in the Ayurvedic promotional mix increased by 20 percentage points post-COVID (from 18% to 38%), while e-commerce as a distribution and marketing channel nearly doubled its share (from 12% to 26%).
- Government marketing functioned as the single most effective reach multiplier in rural and semi-urban segments, with rural consumers showing 70-76% continued adoption rates and 75% trust in government messaging.
- Product-level demand growth was highest in immunity and healthcare segments immediately post-COVID (Chyawanprash +85%, immunity boosters +70%), while personal care categories showed more moderate but structurally more durable growth.
- The AYUSH MSME ecosystem expanded by 40% (38,216 to 53,023) in just 17 months, demonstrating how intensified marketing created economic signals that attracted entrepreneurial investment and further diversified supply-side competitive capacity.
- India's Ayurvedic export performance—growing from USD 479.6 million in FY21 to USD 606.2 million in FY23—confirms that domestic marketing intensification created a reputational platform for international customer reach expansion.
- Ministry of AYUSH budget allocations more than doubled in a single year (from INR 1,562 crore to INR 2,969 crore, 2020-21 to 2021-22), confirming institutional commitment to sustained marketing investment.

11.2 Theoretical Implications

The post-COVID Ayurvedic marketing case provides empirical validation for the Ayurvedic Consumer Adoption Model (ACAM) proposed in this paper. The simultaneous activation of all five ACAM pathways—elevated health threat perception, institutional trust signals from government, enhanced digital accessibility, social proof through influencer marketing, and repeated brand legitimacy reinforcement—created a marketing effectiveness environment qualitatively superior to any single-pathway activation. This finding has broad implications for marketing theory in traditional medicine contexts, where institutional credibility constraints have historically depressed the effectiveness of pure commercial marketing strategies.

11.3 Sustainability of Growth

A critical question is whether post-COVID Ayurvedic market expansion represents a structural shift or a temporary spike. Multiple indicators support the structural shift hypothesis: 76% consumer retention post-COVID recovery, 40% MSME growth, continued government budget expansion to INR 3,712 crore in 2023-24, the establishment of WHO Global Centre for Traditional Medicine in India, and IMARC's market projection of INR 3,207.6 billion by 2032 at 17.55% CAGR. These indicators collectively suggest that intensified marketing has permanently elevated Ayurveda's position in India's consumer healthcare landscape.

12. Policy & Marketing Recommendations

12.1 For Government Policymakers

- Accelerate the integration of AYUSH treatment packages into Ayushman Bharat (AB-PMJAY): The planned inclusion of 170 AYUSH treatment packages will dramatically expand institutional customer reach by integrating Ayurvedic access into India's largest health insurance scheme, creating a reimbursement-driven demand expansion.
- Invest in quality standardization as a marketing asset: The AYUSH Premium Mark and WHO-GMP certifications function as powerful trust signals. Expanding the number of certified manufacturers and creating consumer-facing awareness campaigns around these certifications will strengthen the quality-trust-adoption chain.
- Develop a unified Ayurveda Digital Marketing Taskforce: A government-industry joint taskforce for coordinated Ayurvedic digital marketing campaigns would maximize reach efficiency by combining government credibility with corporate marketing expertise.

12.2 For Ayurvedic Corporations

- Invest in data-driven personalization: With digital channels now representing 38% of the marketing mix, sophisticated CRM and personalization capabilities will differentiate leading brands from commodity competitors in an increasingly crowded digital advertising landscape.
- Develop government-partnership marketing strategies: The data consistently shows government-endorsed marketing generates higher reach and trust, particularly in rural and semi-urban segments. Brands should proactively align product formulations and marketing messages with AYUSH protocols and health schemes to benefit from institutional marketing halo effects.
- Prioritize post-purchase retention marketing: Given that 76% of COVID-triggered adopters continued use post-recovery, retention marketing programs (loyalty schemes, subscription models, wellness communities) offer high-ROI opportunities to convert pandemic-driven trial into lifetime customer value.

12.3 For Researchers

- Develop longitudinal consumer tracking studies to quantify long-term retention rates of COVID-triggered Ayurvedic adopters, providing empirical validation for the structural shift hypothesis.
- Investigate differential marketing effectiveness across demographic and geographic segments to optimize resource allocation in both government and corporate marketing investment decisions.

13. Conclusion

The COVID-19 pandemic catalyzed the most significant marketing transformation in the Ayurvedic products industry's modern history. The unprecedented convergence of government health mandates, corporate marketing intensification, digital channel proliferation, and consumer health anxiety created conditions in which the five pathways of the Ayurvedic Consumer Adoption Model were simultaneously activated—producing marketing outcomes qualitatively superior to any single prior epoch in the sector's development. The empirical data is unambiguous in its direction: market size tripled from USD 2.85 billion to USD 18.1 billion over six years; digital marketing doubled its promotional share; e-commerce customer reach expanded dramatically; government budgets more than doubled; MSME participation grew 40%; and exports grew by over 26% in two post-COVID years. Most critically, 76% consumer retention post-COVID demonstrates that intensified marketing converted acute demand into durable behavioral change. The implications extend beyond the Ayurvedic sector. This case establishes a robust evidence base for the proposition that in traditional medicine markets characterized by persistent consumer skepticism and quality concerns, the combination of institutional trust signals (government endorsement), digital accessibility expansion, and coordinated multi-channel marketing can achieve breakthrough customer reach outcomes that pure commercial marketing investment cannot replicate. India's Ayurvedic sector, en route to INR 3,207.6 billion by 2032, stands as both a national economic success story and a global archetype for marketing-driven traditional medicine sector development.

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