The Himalaya Herbal success-mix: Product innovation and beyond

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The concept of wellness had always been deep rooted in Indian culture and got manifested in Indian lifestyle through natural and organic food items, natural dyed clothing, yoga, meditation, reuse and recycling. Indian households always had been relying on certain natural, herbal, home-made recipes for wellness and for the treatment of head-to-toe ailments. In the modern, fast-paced hectic lifestyle, and increasing consciousness of environmental and social sustainability, people looked for solutions that promise overall well-being. The Himalaya Drug Company had captured the essence and power of natural ingredients and had become a forerunner in the business of providing solutions to its customers in ways which are very convenient, practical and suitable to modern lifestyles and requirements. Innovative products offered under brand name Himalaya Herbals made the aspiration of a healthy mind and a healthy body possible. But, could product innovation alone be attributed for Himalaya Herbals unique value proposition? What other aspects of company philosophy and practices steered the Himalaya Herbal outlook? What other dimensions of innovation facilitated the sustained success of Himalaya Herbal’s range of herbal formulations, from age-old solutions to remedies of modern-day problems?

The Himalaya Drug Company enjoyed the position of being India's largest research-based herbal company. It produced health care products under the name Himalaya Herbal Healthcare which was well-known across the globe for its gentle ayurvedic formulations. The company had a four-fold mission that was weaved around an agenda clearly states the company’s essence - (i) Science-based research, (ii) World-wide presence maintaining ethical standards, (iii) Nurture Himalaya Herbal workforce, the local communities and the environment, and (iv) Employee commitment for customer satisfaction & delight.
Figure 1. The Himalaya Herbals mission

Establish Himalaya as a science-based, problem-solving, head-to-toe brand, harnessed from nature’s wealth, characterized by trust and healthy lives.

Develop markets worldwide with an in-depth and long-term approach, maintaining the highest ethical standards.

Respect, collaborate with and utilize the talents of the Himalaya family members and the local communities where Himalaya products are developed and/or consumed, and to rigorously adopt eco-friendly practices to support the environment we inhabit.

Ensure that each Himalaya employee strongly backs the Himalaya promise to exceed the expectations of the consumer, each time and every time. Nothing less is acceptable.

Source: Himalaya Herbals website

All the Himalaya Herbal Healthcare’s products were natural and chemical-free and were unique combinations of modern science and research, and age-old concept of Ayurveda. 'Ayurveda' ('ayur' means 'life' and 'veda' means to know'), a traditional approach and process followed in ancient India, had become a world famous technique of curing human ailments and enhancing the overall well-being of mind and body through natural and herbal ingredients. The product range included a wide variety such as face care, body care, lip care, baby care, children’s health, derma care, eye care, nutrition health, hand & foot care, health care (specializing into women’s and men’s sub-categories), oral care, animal care, pure herbs, general wellness, general health, and Himalaya for moms.
Figure 2. The Himalaya Herbal product range

Source: Himalaya Herbals website

**Himalaya’s love with nature**

The company was founded in 1930 by Mr. M. Manal when he got fascinated by the anti-hypertensive properties of the plant Rauwolfia Serpentina. The concept of ‘herbal drugs’ emerged and it gave the company a unique image of being a herbal player in pharmaceutical segment. It started its operations in Dehradun, and then spread to Mumbai, followed by other parts of the country. During its journey from 1934 to the present times, ‘Staying Herbal’ has been the promise that the company decided to endorse. In 1934, Serpina, the world's first natural anti-hypertensive drug was launched. The drug had no side-effects as compared to its allopathic counter-parts. Its success strengthened the idea to research with herbal medicines extracted from plants in the natural state.
Research, Research and Research ….always at the core

Continuous research had been the most significant focal area of Himalaya. In 1940, Dr. Roshan Captain joined as Head of Research and Development and soon the first research team was constituted. Extensive research on herbal formulations and commendable generation of scientific materials and journals contributed to modern science. The research work also served as effective marketing tools for Himalaya and built up its credibility. As a result of extensive research in health care, Liv.52, a hepato-protective, was launched 1955. Liv.52 became the Himalaya's flagship brand and still continues to be a top seller. It was the only Indian herbal remedy to be ranked amongst the top ten best-selling medicines. In order to give more impetus to research, Himalaya set up a state-of-the-art Research & Development (R&D) center in Bengaluru, India in 1991. This center provided immense momentum to advanced research in herbal healthcare. Today, this R&D center comprised of more than 200 research scientists working on applying cutting-edge molecular biology and nanotechnology to research herbs. In the year 1998, the company forayed in the sphere of health and wellness of farm animals.

To touch new milestones in research with international perspective, Himalaya Global Research Centre (HGRC) was set up in 2014 at Dubai Science Park. This move enforced Himalaya’s identity as a research driven organization and established its products as high quality products matching international standards. The center excelled in research work under the leadership of Dr. Rangesh as Chief Scientific Officer.

Family ownership…..professional management

Himalaya had always advocated a focused professional approach. The core management team comprised of experienced professionals. The Himalaya team was sincere, motivated and dedicated to uphold Himalaya business philosophy, values and principles. Since, it had been the company’s culture to target the most challenging goals, the best amongst the breed were taken on board. Each member strived to contribute the best in Himalaya’s high performance-oriented work culture.
In 1964, the company was joined by founder’s son, Meraj Manal. A chemistry and Botany graduate, Meraj started learning processes from the shop floor to get hands-on experience. As Himalaya’s formulations started gaining trust of doctors and were getting popular amongst the practitioners, Mr. Peter Karstein was called in as pharmaceutical consultant to assist in developing a more scientific approach to marketing and training the sales force in the art of product detailing. These times witnessed the emphasis of a strong field presence, building up of a culture of winning doctor prescriptions and orders using strong clinical evidence. Meraj Manal, taking charge of Himalaya’s marketing division, grew Himalaya’s business in India through introduction of new products, restructuring the field force and infusing a fresh thinking into the organization.

As Himalaya’s international operations accelerated, Himalaya Global Holdings Ltd. (HGH) was set up in 2006. The aim was to separate family ownership from the professional management of the different operational hubs located in different parts of the world. These operational hubs, called The Himalaya Drug Company was developed as multiple, wholly-owned subsidiary companies in different geographic locations with independent professional management for each business unit while the ownership control was retained in the family.

In a foresighted move in 2007, Philipe Haydon was made CEO of Himalaya’s CEO of the pharmaceutical division to look after Himalaya’s entire product portfolio in India. Philip had joined the company as a Medical Representative and his 37 years of dedicated attachment with the company has earned him rich experience. In the same year, Saket Gore, an FMCG veteran, was appointed to head personal care in India.

Philipe contributed in a very successful transformation of the pharmaceutical division. New SBUs were created for improved portfolio rationalization, new products were launched and new segments such as nutrition, prescription oral care and dermaceuticals were ventured into. Focus was laid on therapeutic segments and field force was increased and to promote the products to cardiologists, endocrinologists and dermatologists. Himalaya’s heritage brands, Liv.52 and Cystone, were also revitalized. Himalaya got repositioned from a herbal company to a healthcare company and was now standing in direct competition with leading pharmaceutical brands. In 2009, Philipe took over Himalaya's babycare division and positioned it as a doctor-driven brand.
This increased the trust-worthiness of Himalaya products for parents as scientifically-developed and medically-prescribed formulations are preferred for babies. This proved to be a high-growth segment and within a short span of four years, brought Himalaya at second position in this product segment.

Saket took the personal care business to new heights. Many of Himalaya’s personal care products were in top lead in India. Himalaya’s personal care range was perceived by consumers as ‘Innovative’ and ‘effective’. Purifying Neem Face Wash became the number one face wash brand in India, making Himalaya the second largest player in this category, with 18 percent market share. Himalaya stood at third position in the category of face packs and scrubs. Distribution network was widened to take Himalaya to leading supermarkets. The number of Himalaya’s EBOs was increased, today at 118 in India. Stores were opened in premium hotels and airports. Today, Himalaya has 118 exclusive stores across India. As the Asian market was gaining importance, Saket was promoted as CEO of Himalaya Asia-Pacific in 2012.

In 2014 Himalaya set up two companies, Himalaya Global Ltd. (HGL) and Himalaya Wellness (Cayman) Ltd. (HWCL) employing a team of specialist professionals to provide various services including that of agency and investment to the parent company and subsidiaries. This move had further strengthened Himalaya’s management arena. Shailendra Malhotra at Dubai was promoted as Global CEO consolidating new and currently served regions, other than India, under his leadership.

The year 2016 brought a new identity for Himalaya. A new logo was introduced, 'Himalaya, Since 1930', to create a unifying global identity for communicating, in simple yet powerful manner, Himalaya’s rich legacy of credibility and trust over 85 years to the global consumer.

Expanding width and depth…new markets, new products

It was Meraj’s dream to take Himalaya to the USA. Dietary Supplement Health and Education Act, implemented by The U.S. Food and Drug Administration (FDA) paved the way for entry of
Himalaya herbals in the USA. In 1994, Dr. Philip Duterme was hired to put the operations together. Packaging for the new range of products to be offered to the USA market was developed to attract the western consumer, and provide product information. In early 1996, Himalaya launched its range of Dietary Supplements in America.

In order to cater to diverse needs of the markets (both nationally and internationally), Himalaya's 'head-to-heel' product range was developed. The story began from Cayman Islands, a British Overseas Territory in the western Caribbean Sea. Meraj, married to a Caymanian girl, wanted to make use of the interesting opportunity of catering to a highly diverse audience consisting of large number of tourist from all over the world. Meraj, along with his wife, hand-delivered Himalaya products at different places to educate the tourists and local population, and popularized the wide range of Himalaya solutions in this unconventional way. Himalaya’s exclusive store, appropriately called Store 1, was opened on March 12, 1996, in George Town, Cayman. It soon became a popular destination for pharmacy products. But customers who visited the store, frequently asked for soaps, shampoos, creams and lotions. Back then personal care segment was an unfamiliar domain but Meraj’s thoughts had started wandering in this unexplored and highly competitive territory. Soon Himalaya’s research team was directed to develop need-based personal care products, and this changed the future of the company. Personal care products were developed and offered to the Caymanian market. Continuous product improvement was done on the basis of customers’ feedback. Soon, customers started asking for pet care products, and this led to Himalaya’s research on animal health, adding another very diversified product category to its portfolio.

With the growth in demand for natural and herbal products in the U.S., a full-fledged office was established in Houston, Texas. In a revamped avatar, called the 'Care' range, Himalaya’s therapeutic product range was launched the U.S. Products like LiverCare, JointCare and ImmunoCare gained huge popularity, bringing credibility of the entire product portfolio. Subsequently, Himalaya opened offices in Dubai, Singapore, Riga and Johannesburg.

After the success in Cayman, Himalaya launched 20 personal care products in India in 1999, under the brand 'Ayurvedic Concepts'. The increasing interest of consumers in natural and herbal
personal products proved as a bright opportunity for the Himalaya range. As it had established a high credibility in the pharmaceutical segment, Himalaya secured consumer acceptance in personal care space very quickly. Developed using herbal formulations backed with extensive research, the personal care product range was perceived by customers as another dutiful promise of a ‘trust-worthy’ brand. Affordable prices and captivating ad campaigns, portraying ‘trust’, ‘age-old wisdom’, ‘herbal, ‘ayurvedic’, ‘goodness of nature’, ‘scientifically developed’, ‘first to provide health and wellness solutions with no-side effects’, established consumers’ connection with the brand.

Having developed a few pet healthcare products for the Cayman market, in 1998, Himalaya formally launched a range of natural and safe drugs for commercial livestock. Based on feedback from cattle and poultry owners who expressed a desire for herbal feed supplements, Himalaya entered this segment with a complete range of herbal formulations to improve the health of farm animals. In 2000, Himalaya extended the animal health range and launched a special herbal 'Companion Care' range for pets in the year 2000. Veterinarians, farmers, dairy farmers and animal lovers increasingly opted for Himalaya's animal health products for their natural ingredients, safety and efficacy.

In 2000 Himalaya eyed the Middle East market. Shailendra Malhotra took control of Himalaya's Middle East operations. Shailendra Malhotra joined Himalaya in 2000 as head of the Middle East operations. Office was set up in Dubai. Himalaya’s flagship products, Liv.52 and Cystone were launched and with this Himalaya became the first Indian pharmaceutical company to be registered with the Ministry of Health in the United Arab Emirates (UAE). Himalaya also became the first Indian company to have products at the Dubai Duty Free in 2004. In 2003 Himalaya launched its single herb formulations called Pure Herbs aimed at providing its customers internal wellness. The same year Himalaya received the ISO 9001:2000 certification for the design, manufacture and marketing of herbal healthcare products.

In 2004, Himalaya entered the babycare segment with a range of herbal personal care products that had the promise to be safe, gentle and effective for babies. Mothers who were themselves as children raised on Bonnisan and Septilin, enthusiastically adopted this new line of baby products. While the pharmaceutical segment was growing, Himalaya’s personal care range also showed a
massive growth and gave tough competition to leading national and international personal care brands. In 2009, Himalaya was ranked number one in the face wash category and as one of the top three brands in face masks and scrubs. With Himalaya's success in the Middle East, the company expanded its wings to Kenya and Uganda by launching its pharmaceutical product range. Himalaya opened three offices in Africa - Johannesburg in South Africa, Lagos in Nigeria and Cairo in Egypt and launched its personal care range in Kenya, Uganda South Africa and Tanzania. In 2008, Himalaya expanded business to in the European market. Soon Himalaya became a well-known herbal brand in the Central and East European countries. Countries like Latvia, Lithuania and Estonia have a high demand for lip care, face cleansing and oral care. Hungary is an important market for face cleansers and toothpastes. In 2012, Himalaya flew to Russia and the Commonwealth of Independent States (CIS). Shailendra was handling the expansion efficiently. Today, Himalaya is a favourite brand in in 68 countries in Europe, the Middle East, CIS and Africa.

The year 2013 was another important milestone for the company as the manufacturing of Himalaya products started in Dubai. Being a very technologically-advanced facility, the Dubai unit led to increased supply-chain efficiency cost competitiveness. After entering Netherlands and Italy, the company focused on developing markets in Western Europe, Germany and Finland.

In 2004, Nabeel Manal, the founder’s grandson joined the company. Raised in the USA, Nabeel understood the local consumers and launched a new line of body care products called Botanique, made with organically grown active ingredients. Botanique received the prestigious Whole Foods Premium Body Care Certification, the highest mark of quality and cleanliness in personal care products. Nabeel also launched a range of 24 single herb formulations, of which 19 are organically certified by the United States Department of Agriculture (USDA). Himalaya’s organic range was getting wide acceptance. The organic toothpaste and body lotion were featured in Whole Foods's top selling products. The toothpaste also won the 2013 Taste for Life Personal Care Essentials Award.
Himalaya turned seventy-five in 2005. With a presence in more than 90 countries and a range of over 200 products, Himalaya's brand of 'Contemporary Ayurveda' now reaches out to millions of customers, making their lives healthier and happier!

In 2006, Himalaya received the ISO 14001:2004 certification - the most recognized standard, globally, for environment management. The certification was granted by National Quality Assurance (NQA), UK's largest and longest established certification body, to organizations with the infrastructure, systems and trained personnel to look after its surrounding environment, including the land, water, air and communities residing around its facility.

In 2008, Himalaya launched Soliga Forest Honey, a Certified USDA Organic honey, procured from the forests of Southern India and at a fair trade price. In 2009, Organique, a range of personal care products formulated with organic oils and herbs, was introduced. In the year 2009, Himalaya introduced an organic range of Pure Herbs using innovative patent-pending technology, the company introduces. The range was certified by USDA. Liv.52 HB, world’s first herbal drug for Hepatitis B was introduced by Himalaya Herbals in 2010.

By the year 2012, Himalaya had become a much-loved and trusted brand in more than 90 countries of the world including Europe, Middle East, Africa, India, The Americas, and Asia Pacific, each region functions as an independent business headed by a CEO reporting to the Chairman and the Executive Chairman of Himalaya Global Holdings Ltd. All CEOs enjoy the freedom to manage their businesses in their own unique style. In this year, Himalaya established a new set up in Sugar Land, Texas housing offices, warehouse and training center for The Americas’ operations. This LEED Gold Certified unit stands as a benchmark of environmentally-conscious construction and sustainable processing.

In present times, Nabeel was CEO of Himalaya for The Americas. Having achieved stability in the U.S. operations, he focused his attention to the Latin American market. Nabeel, like his father believed that business success lies in knowing the customers well and providing them with solutions that not only satisfy, but exceed their expectation. Nabeel learnt Spanish language to understand the market dynamics and customers’ requirements in the newly establishing Latin America business.
Connecting to the consumer creatively

The power of creativity

Himalaya connected with its consumers through very creative ads. As early as in 1940, during the times of nascent advertising, Himalaya was innovative enough to use ‘Mobile branding’ to educate people about its products. A Himalaya branded van with advertisements of hair care and general health products. Creative graphic art on product packs and interesting product names were used to communicate the brand story, product features and use. The Himalaya ad campaigns portray ordinary people in their daily roles and responsibilities or chasing some aspirations in very natural and realistic and relatable settings and situations. Customers instantly feel a connect and develop intention to believe and remember the communication.

At Himalaya, innovation was pivotal, but in addition to product innovation, there are some other ingredients that were responsible for its success as a wellness brand. These were innovations at various dimensions such as process innovation, establishing a high customer connect with initiatives like environmental and social sustainability, purity, wellness, captivating ad campaigns, omni channel retail interfaces (physical stores, e-retail, mobile app, retail through other e-retailers, Himalaya Herbal website and app). Consumers connected to Himalaya due to various reasons, ranging from herbal formulations derived from ayurvedic concepts to convenience in availability and usage of Himalaya herbal products, to quirky ad campaigns that connect consumers in a snap.

Himalaya’s personal care were popularized in India through the iconic 'Dadima' (grandmother) ad campaign that showed a wise grandmother, who relies on age-old ayurvedic formulations for health and wellness. This Dadima, who was well-acquainted with latest trends and technology, endorses Himalaya products depicting that while she understood Ayurveda, she was also 'up to speed' on all the latest technology and trends, making her accessible and acceptable to consumers with modern lifestyle and also to those in the younger age-groups. The campaign depicted Himalaya philosophy as a synthesis of age-old wisdom and modern trends. The campaign revitalized the importance of Ayurveda and introduced ayurvedic concepts in the modern Indian households.
Exposure to new information about products and uses to consumers was majorly done through advertising campaigns. The main mode of generating awareness about the Himalaya herbal products and information regarding new launches was through commercials in television, print media, outdoor, digital and retail. Himalaya herbals had been known for its quirky, catchy yet simple, refreshing, amusing, advertisements that hardly show celebrities, but models are all common people, messages were simple and easily relatable to the lifestyle of the common people. Easy to interpret and creating an element of trust, The ‘Himalaya Sabse Pehle’ advertisement for neem face wash, in 2007, was a smashing hit with the youth got instantly connected to the brand. The message was ‘Try Himalaya first’ because the product delivers on its promise. The TV commercial had an extremely young look and feel-aimed at capturing the interest of youth. In 2013 and in 2017 new ad campaigns were launched to neem face wash that was as amusing as the first one but showcasing new, younger faces to keep up the fresh essence of the ad. The ad campaigns emphasized the key product propositions, that were natural, hassle-free & efficacious solution at fingertips. Most of the Himalaya Herbal advertisements were designed with actual day-to-day problems that accentuate the need of using Himalaya Herbal products. There were no superfluities in the characters or communications. Himalaya herbals effectively strategized its operations across all of its customer interfaces to provide a convenient user-friendly.

In 2016, Himalaya Herbals launched a social campaign titled 'Muskaan', in association with Smile Train India, an international NGO dedicated to spread awareness on cleft deformities and providing free corrective surgeries for the under-privileged people. The aim of this initiative was to spread smiles. Rs. 2 from the sale of every Premium Lip Care product was contributed to the cause that aimed at providing the ‘first smile’ to more than 300 children.

Men’s face care, being a relatively newer entrant in Himalaya Herbals Men’s care products, needed special efforts in motivating and attracting the male consumers. Making an aptly timed interesting move during the IPL, 2016, Himalaya Herbals launched its new campaign for men’s skin care. The teaser video titled “Does RCB #HateThePimple?” featuring the RCB team with Sarfaraz shown to have the pimple problem. The teaser was a huge successful in generating curiosity. With the team captain, Virat Kohli, seeming to know the solution main film, people keenly waited for the full film ‘Himalaya MEN and RCB Hate Pimples too!’

company’s expectations. According to the Business Head- Consumer product division, the campaign was designed with sportsmen as today, sportsmen talked not only of performance, but also symbolized fitness, grooming, styling and overall wellness. evolving need among men to look good and care for their skin for being more confident, especially by getting rid of pimples, the communication hits a sweet spot.

The company came up with the concept of herb-inspired train in partnership with Moove Media in Singapore in 2016. Three cabins of a Downtown Line train were used to accentuate the brand, its ingredients and the benefits. Commuters got exposed to the brand and the benefits of three key ingredients, Neem, Aloe Vera and Apricot through creative use of stickers on walls, floors and panels. The option of fun posing photographs of themselves “donning” one of 18 “herb crown” stickers instantly connected the commuters to the brand. They could win Himalaya Herbal products by uploading the photographs on Facebook and Instagram.

Over a period of time packaging had been made more contemporary and attractive to make products more appealing, even in international markets. The packaging design also communicated the pro-environment wellness motive of the company. Himalaya’s product packaging carried a ‘100% herbal actives’ logo as Himalaya’s promise to use only herbal ingredients.

Be it the Himalaya herbals physical store or company’s website, customers experienced a serenity with a clean look, simple user interface, highlighting the age-old Indian connection with natural and herbal formulations, with emphasis on information products, their ingredients and benefits. Thus the brand essence and communication was designed for consumer’s cognitive arousal and emotional connection.

**Quality certification**

In the year 2009, the compliance with international guidelines laid down by the Organization for Economic Co-operation and Development's (OECD) Principles of Good Laboratory Practices and Norms brought the Good Laboratory Practices (GLP) certification to Himalaya. The high
quality and reliable test data endorsed the best quality of Himalaya formulations. The company was the first herbal drug manufacturer in India to have received the GLP certificate granted by the National GLP Compliance Monitoring Authority of India, established by the Department of Science & Technology, Government of India. In 2010, The Bengaluru manufacturing facility was approved for compliance with WHO-cGMP (World Health Organization-current Good Manufacturing Practices) testifying the efficacy, safety and quality at Himalaya’s manufacturing unit. The prescribed standards are at par with the ones for manufacturers of allopathic medicines.

Social and environmental stewardship

Being a herbal brand, Himalaya closely connects to social and environmental causes. As part of this social forestry program, the company partnered with the U.S. based tree-planting organization, Trees for the Future, and planted thousands of trees in Southern India and the Western Ghat in 2007.

Himalaya made 'Biodiversity Protection' an integral part of its CSR program. Critically endangered herbs or the herbs under the threat of extinction had been identified for biodiversity preservation. The aim was to cultivate these herbs in their natural habitat; tissue culture also being explored as an alternative method for growing herbs commercially.

In 2010, Himalaya launched its first concept 'Green Store', with the objective of minimizing its carbon footprint. The store was made from ecofriendly materials, and had maximum natural lighting from glass panels, nontoxic paints and in-store units made from wood. The company aimed to convert all exclusive Himalaya retail stores to ‘Green’ stores in coming times.

Himalaya: Some momentous communiqués

Some important communiqués that were significative of the company’s growth and its directions were highlighted to promote the company.

- Himalaya herbals aims at doubling the market share in men's facewash to 20%, with men's grooming segment estimated to be approx. Rs 5,800 crore. (May 21, 2017,
Himalaya Drug company eyes $1 bn turnover; honcho reveals what its biggest advantage is…. Homegrown holistic wellness firm Himalaya Drug Company, which posted Rs. 1,800 crore turnover last fiscal, is expecting to be a billion dollar company by 2020. (November, 15, 2016. Financial Express)

The Himalaya Herbals Personal care market to touch $ 20 billion in India by 2025, with more than 42% growth in Indian men's grooming and personal care market. (July 8, 2016 by Report by Assocham, Business Standard)

In an innovative campaign using RCB team of IPL, Himalaya introduces Pimple Care Range for Men. (April 19, 2016, Business Standard)

Himalaya to lay more focus on its range of wellness products for revenue growth, with the aim to reach domestic revenue of Rs.1,800 crore by close of fiscal year 2016. (April 6 2016, Live mint)

Himalaya eyes doubling men's facewash market share to 12%. With the focus on men's grooming, Himalaya wants to cash in on the growth momentum. (March 13, 2016, Business Standard)

Himalaya treks the millennial route. (February 16, 2016, Business Standard)

Himalaya Herbals to sponsor cleft lip surgery for the under-privileged - Cleft patient Jyothi smiles for the first time with Himalaya Lip Care. (February 1, 2016, The Hindu)

Himalaya Herbals to double sales to Rs 4,000 cr by 2020, concentrates on wellness, babycare and personal care portfolio. (December 20, 2015, Money Control)

Himalaya launches two new campaigns; focuses on experiential & digital marketing. (May 04, 2015 exchange4media)

Himalaya Herbal aspires to be known as a wellness company, states Philipe Haydon, CEO, The Himalaya Drug Company. (October 14, 2014, Business Standard)

Nature Cure of Himalayan Heights (February March 2014, India Brand Equity Foundation)

Himalaya enters oral care segment (March 7, 2013, Business Standard)

Himalaya sees four-fold jump in India business over five years. Ayurveda medicine and
cosmetics maker to launch new drugs, enters new product categories such as animal health. *(December 12, 2012, Live mint)*

- Herbal Science Has A Solution For Hangovers- A New Entity, Herbal Science, To Market And Distribute Herbal Remedies For Lifestyle Disorders. *(May 05, 2005, Business Standard)*

**Identifying the core elements of Himalaya’s competitive business strategy**

The literal meaning of the word “Himalaya” was a mountain range with many of the earth’s highest peaks. The Himalaya Drug Company had surely lived up to its name with a very broad product portfolio and multiple best performers in different categories, not only nationally but also internationally. What core ingredients of the company’s business model could be attributed for its growth and success in the highly competitive business environment? To be successful in a competitive business environment, companies needed to devise a road-map that directed and lead them to a path of excellence in one or more of its core competencies. What had been the road-map for The Himalaya Drug Company? Which business aspects had enabled Himalaya to gain a distinct position of a herbal drug manufacturer amongst the high competition of various herbal and ayurvedic manufacturers on one hand and allopathic brands on the other hand.

Different businesses had different success mantras and strategic models. Since, establishment and expansion of Himalaya had been done on certain principles and values of innovation for wellness, mapping Himalaya’s values against the models of business values could bring out interesting proposition of its success mix. Treacy and Wiersema (1997) proposed three generic competitive strategies, also known as value disciplines that must be embraced by a business that strives to achieve competitive excellence and to accomplish a distinctive market leadership. These value disciplines were called - operational excellence, customer intimacy and product leadership.
• **Operational efficiency:** The fundamental approach for bringing operational efficiency was to attain cost leadership. Automated work processes, streamlined and integrated work flow, high-volume production, standardization of key processes ensured cost efficiency, waste minimization and capacity utilization, thus reducing costs and increasing efficiency.

• **Customer intimacy:** In the business environment, customer was the king. A customer-centric firm moved towards customer intimacy, not just to retail its customers but to delight them in each and every transaction a manner that they automatically look forward for continued association with the company. Customer intimacy strategy focused on unique offerings in form of distinct value proposition, personalized services, customized products and meeting the specific needs of the target customers through innovatively designed solutions. Deep customer knowledge could only facilitate this. A truly customer-centric company aligned the key activities such as conceptualization, designing, product development, manufacturing, retailing and customer support around the needs of the individual customer.

• **Product leadership:** Product leadership was a competitive strategy under which the company continuously researched on and developed new products according to advancement in technology and customer requirement. The aim was to offer superior products to the customers, with continuous innovation. Products that were able to provide distinct and intriguing experiences to their customers, were able to demand higher prices and acquired the status of being a ‘premium’ brand. Continuous research, problem solving approach, team work, technical and managerial skill upgradation, product enhancement, marketing management were some of the core activities that facilitated product leadership.

It was clear after studying the Himalaya business that the building block of the competitive excellence model had been the above three value disciplines manifested through one key aspect, and that is ‘Innovation’.
Understanding Innovation, its connotations and types:

To ‘Innovate’ means to ‘create something new’. In present types, the term ‘Innovation’ had different meanings. It could be understood as creation of new models, products, practices, system or sub-systems, to bring solutions for problems in diverse fields such as marketing, advertising, consultancy, politics, society, environment, economics, healthcare and so on. Organization of Economic Corporation & Development (OECD) provided the basic definition and typology of innovations. In a latest revision in the Oslo Manual, innovation was defined as “the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations” (OECD, 2005).

Literature contained various types of classifications of innovation, majorly revolving around new products, new uses, new materials and new processes. Some experts had proposed multi-layer classifications of innovations. The Himalaya Herbal innovations and strategy map could be explored using the three dimensions of innovations (i) Aspects of innovation, (ii) Degree of technological newness (Market vs Technology), and (iii) Essence of innovation.

- Aspect of innovation: Innovation could have various different aspects. It could be manifested through change in product, process, service, communication, human effort, or even the nature, level and facet or characteristic of the change that the innovation has resulted in.
- degree of technological newness – no market change, market strengthening and new markets
- essence of innovation – product leadership, customer intimacy zone, Operational excellence zone, category renewal zone

A mapping of the value disciplines to Himalaya herbals business accentuated the key ingredients of the business strategy that could be attributed to Himalaya’s success.
Table 1: Mapping of Value disciplines to Himalaya Herbals business

<table>
<thead>
<tr>
<th>Value disciplines /zones</th>
<th>Himalaya Herbals position</th>
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</thead>
<tbody>
<tr>
<td>Operational efficiency / excellence zone</td>
<td>Although Himalaya herbals is known for its good quality herbal products but ‘affordable prices’ along with consistently reliable quality is an important attribute that is responsible for consumer’s brand preference and loyalty. Majority of players in the category of herbal supplements, health ware and wellness products fall in price-ranges much higher than Himalaya products. Cost leadership is acting as a vehicle for continued growth for volume-oriented business model and Himalaya Herbal fits in this framework well.</td>
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<tr>
<td>Customer Intimacy</td>
<td>Customer trust, loyalty, customer perception of Himalaya as a brand of trust, purity, natural, ayurvedic, safe, chemical free</td>
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<tr>
<td>Product leadership</td>
<td>Herbal products that uphold environmental and social sustainability</td>
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Conclusion

The key ingredient of Himalaya success mix was ‘Innovation’. The company had been able to proficiently exploit all the dimensions of innovation to provide attractive offerings to its target consumers. Innovation, in Himalaya, was manifested right through the company’s vision of ‘all round wellness’ and its mission of ‘providing science-based, head-to-heel solutions harnessing nature’s wealth’. Innovation, as a core strength, drove Himalaya’ business philosophy and practice and could be visualized in its products, services, processes and communications. Himalaya’s multi-thronged business approach stands validated through its product and process innovation, creativity, customer-centricity, nurturing the best talent, being venturesome and progressive, and keeping the company technology-updated.
Over the period of time, the company had shown excellent growth and diversification. Although, it was a very celebrated brand in the market in current times, but with entry of new players in the wellness segment, Himalaya Herbals would have to continuously drive innovation further, its success mantra, to be in the forefront. A strategy map needed to be developed for identifying the future course of action based on core strategic elements or ingredients that the business has built up since its origin. The standard strategic elements for business were (i) Financial stability & strength, (ii) Customer focus, (iii) Internal capabilities and (v) learning and growth. Since Innovation was the core element of Himalaya existence and growth, there would be need to focus on how and what innovative standpoints company should delve upon in the coming future so as to sustain its position as a leader in the segment.

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