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Evaluation of selected biotech herbal products using porter's five forces model: A review

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Abstract
The Indian Ayurvedic market, valued at $16.51 billion in 2025, is projected to grow at a CAGR of 16.2% to $77.42 billion by 2035, driven by the increasing demand for natural wellness products. To analyze the competitive dynamics of this market, Porter's Five Forces Model is employed, which assesses the threat of new entrants, supplier power, buyer power, substitutes, and rivalry among existing competitors. The threat of new entrants is moderate, Supplier power is relatively low, Buyer power is moderate and the threat of substitutes is moderate, with consumers having options such as allopathic medicines, homeopathic remedies, and other natural products. Rivalry among existing competitors is high, with companies competing on factors such as product quality, pricing, marketing, and distribution. Four prominent Indian companies in the Ayurvedic and bio-tech herbal sector are Dabur India, Himalaya Wellness, Zandu Pharmaceuticals, and Vicco Products. Dabur India is a dominant player, Himalaya Wellness introduces innovative products, Zandu Pharmaceuticals focuses on heritage and traditional and Vicco Products is a niche player. These companies need to focus on product innovation, quality, and marketing to stay competitive. Distribution networks and brand recognition are critical factors in determining market share. Companies need to balance pricing strategies. By analyzing the competitive dynamics of these companies using Porter's Five Forces Model, we can gain insights into the strategic decisions that drive sustained competitiveness in the Ayurvedic and bio-tech herbal sector.

Keywords: Indian herbal cosmetic industry, Industry competitive intensity, Industrial-organizational theory, porter's five forces, strategic firm performance, financial firm performance, Dabur India, Himalaya, Zandu and Vicco

Introduction
The Indian herbal and Ayurvedic sector are experiencing exponential growth due to increasing consumer demand for natural and organic alternatives to synthetic pharmaceuticals and cosmetics. This market emphasizes bio-tech integrations, leveraging biotechnology to extract potent herbal compounds for enhanced efficacy. The use of cosmetics to enhance beauty dates back to the earliest days of humanity. Indian herbs and their significance are globally recognized. In the past, synthetic cosmetics were more commonly used, but this trend is now shifting. Today, people are becoming aware of the harmful effects of chemical-based products and are increasingly turning to organic and natural alternatives. This growing awareness about appearance and beauty has fueled the global expansion of the herbal cosmetics industry. Additionally, herbal products have gained wider acceptance among consumers. The influential role of social media and beauty blogs promoting the advantages of herbal cosmetics has created new opportunities for companies to enter the market.

Furthermore, herbal cosmetics are increasingly favored as effective solutions for skin and hair concerns. To attract customers who prefer natural products and to expand their market share, established companies are acquiring businesses specializing in herbal beauty products. The global herbal beauty segment is anticipated to grow at a compound annual growth rate (CAGR) of 5.2% from 2020 to 2027. Indian herbal cosmetics enjoy strong demand both domestically and internationally.

Given the rising importance of this sector, it is essential to analyze the competitive intensity within the industry and its impact on the financial and strategic performance of companies.

The Five Forces Explained in Detail

Porter's Five Forces Model is a strategic tool developed by Michael E. Porter to assess the competitive landscape of an industry. It identifies five key forces that shape competition and influence profitability.

- Threat of New Entrants
- Bargaining Power of Suppliers
- Bargaining Power of Buyers
- Threat of Substitute Products
- Competitive Rivalry Among Existing Competitors

By analyzing these forces, businesses can gain insights into the competitive dynamics of their industry and develop effective strategies to maintain a competitive advantage.

Industry Competition - A Competitive Rivalry

This factor assesses the level of competition among established companies within an industry. When rivalry is high, profitability tends to be lower due to competitive tactics such as price reductions, aggressive marketing, and innovation. Key factors that influence the intensity of rivalry include the number of competitors, industry growth rate, degree of product differentiation, and fixed costs. Intense competition can erode industry profitability, prompting companies to focus on continuous improvement and innovation to maintain their market position.

New Entrants Threat

The Threat of New Entrants force evaluates the ease or difficulty of entering an industry. Key factors influencing this threat include:

- **Capital requirements:** High startup costs can deter new entrants.
- **Economies of scale:** Existing firms with large production volumes can offer lower prices.
- **Brand loyalty:** Strong brand recognition can make it hard for new entrants to attract customers.
- **Access to distribution channels:** Limited access to established distribution networks can hinder new entrants.
- **Regulatory policies:** Strict regulations or licensing requirements can create barriers.

When barriers to entry are high, existing firms are better protected from new competition, allowing them to maintain profitability. Conversely, low barriers to entry increase the threat of new entrants, potentially eroding profitability for established firms.

Suppliers Bargaining Power: The Bargaining Power of Suppliers force assesses the degree to which suppliers can influence prices, quality, or terms in an industry. Key factors that increase supplier power include:

- **Few suppliers:** Limited number of suppliers can give them more negotiating power.
- **Unique or differentiated products:** Suppliers with unique products or strong brands can demand higher prices.
- **Switching costs:** High costs of switching to alternative suppliers can make buyers more dependent.
- **Supplier concentration:** When suppliers are concentrated or organized, they can exert more power.

When suppliers have strong bargaining power, they can increase costs for buyers, potentially reducing industry profitability. Conversely, when suppliers are numerous and substitutable, their power is limited, allowing buyers to negotiate better terms.

Consumers Bargaining Power

The Bargaining Power of Buyers force assesses the degree to which customers can influence prices and terms in an industry. Key factors that increase buyer power include:

- **Concentration of buyers:** When a few large buyers dominate the market, they can negotiate better prices and terms.
- **Volume of purchases:** Buyers who purchase in large quantities can demand discounts or favorable terms.
- **Switching costs:** Low switching costs make it easy for buyers to switch to competitors, increasing their bargaining power.
- **Product substitutability:** When alternative products are readily available, buyers can more easily switch, increasing their power.

When buyers have strong bargaining power, they can pressure firms to reduce prices, improve quality, or offer additional services, potentially reducing profit margins for companies in the industry.

Threat of Substitute Products or Services

The Threat of Substitute Products force examines the likelihood of customers switching to alternative products or services that serve the same purpose. Key factors influencing this threat include:

- **Availability of substitutes:** When alternatives are readily available, customers are more likely to switch.
- **Relative price and performance:** Substitutes that offer better value or lower cost increase the threat.
- **Switching costs:** Low switching costs make it easier for customers to choose substitutes.

A high threat of substitutes can limit an industry's pricing power and attractiveness. To mitigate this threat, firms must differentiate their products, improve cost efficiency, or enhance value to customers, making their offerings more competitive compared to substitutes.

About the Selected Companies

Evaluation of Selected Bio-Tech Herbal Products Using Porter's Five Forces Model - A Review.

Table 1: Profile of Selected Herbal and Bio-Tech Product Companies (or Overview of Key Players in the Herbal and Ayurvedic Market)

Company	Founded	Key Products	Market Share (2025)	Strengths
Dabur India	1884	Chyawanprash, Vatika, Aloe Vera Gel	15-20%	Scale, Innovation
Himalaya Wellness	1930	Liv.52, Septilin, Skincare	~10%	Scientific Validation
Zandu Pharmaceuticals	~1910	Zandu Balm, Immunity Booster	~5%	Heritage, Accessibility
Vicco Products	1952	Turmeric Cream, Vajradanti	~3%	Affordability, Niche

Dabur India

Dabur India Ltd is a multinational FMCG company with a legacy spanning over 140 years, specializing in Ayurvedic and natural products. Founded in 1884 by Dr. S.K. Burman in Kolkata, the company is now headquartered in Ghaziabad, Uttar Pradesh. As of 2025, Dabur reports revenues exceeding Rs. 12,400 crore (approximately USD 1.48 billion) and a market capitalization of over Rs. 100,000 crore, positioning it as the world's largest Ayurvedic company. Dabur's product portfolio includes a range of bio-tech herbal products such as Chyawanprash, an immunity booster with standardized herbal extracts, Vatika hair care products enriched with bio-enhanced oils, and Dabur Honey.

The company's R&D focuses on integrating biotechnology with Ayurveda, ensuring product efficacy through scientific validation. Dabur has also expanded into the nutraceuticals sector with bio-tech formulations targeting wellness categories like immunity and energy, leveraging advanced extraction technologies for potent herbal compounds. With a strong presence in over 120 countries, Dabur leads the Indian Ayurvedic sector with a 15-20% share in segments like oral care and immunity products. The company's extensive distribution network, sustainability initiatives, and global presence solidify its dominance in the market, valued at USD 22 billion in India. Dabur's commitment to quality and innovation has enabled it to maintain its position as a leader in the Ayurvedic industry.

Himalaya Wellness

Himalaya Wellness Company is a renowned global leader in herbal wellness, founded in 1930 by Muhammad Manal in Dehradun, India. With a legacy spanning over 90 years, the company has been at the forefront of scientifically validating Ayurvedic herbs for modern healthcare. Headquartered in Bengaluru, Himalaya has expanded its presence to over 100 countries, emphasizing research-driven formulations that seamlessly blend traditional knowledge with biotechnology. The company's product portfolio encompasses various wellness categories, including cardiac health, immune support, respiratory aids, and daily skincare. Notable products include Liv.52, a liver tonic with standardized extracts, and Septilin, an immunity booster featuring bio-enhanced herbs.

Himalaya's commitment to innovation is reflected in its significant investment in biotechnology for herbal standardization, ensuring consistent potency in its products. This approach is backed by over 200 research papers, underscoring the company's dedication to scientific validation. With a strong focus on sustainable sourcing and quality certifications, Himalaya has established itself as a pioneer in scientifically validated Ayurvedic solutions. As of 2025, the company holds a prominent market position, capturing approximately 4.6% of the global herbal medicine market and 10% of India's wellness segment.

The company's emphasis on accessibility, natural efficacy, and consumer trust has positioned it competitively in a growing market. Himalaya's operations are built around three core principles: Care for Earth, Care for Community, and Care for Health. This philosophy guides its approach to community healthcare concerns, environmental sustainability, and product development. With a global workforce of over 10,000 employees and a strong distribution network, Himalaya continues to grow and expand its reach, making it a trusted brand in the herbal wellness industry

Zandu Pharmaceuticals

Zandu Pharmaceuticals is a legacy brand with over 110 years of experience in Ayurvedic medicine, focusing on holistic health solutions. Founded in India, the company was acquired by Emami Ltd. in 2008 and is now integrated into Emami's portfolio, with its headquarters in Kolkata. Zandu combines ancient Ayurvedic principles with modern technology, manufacturing products in GMP-certified facilities. Its product range includes iconic balms like Zandu Balm for pain relief, immunity boosters, digestive health solutions, and products for sexual wellness, mental wellness, and bone & joint care. All products use 100% natural, vegetarian ingredients, enhanced through scientific research and biotechnology for better absorption and efficacy.

During the year 2025, Zandu holds a 5% market share in the pain relief and wellness segments within India's USD 16.51 billion Ayurvedic market. The brand benefits from Emami's extensive distribution network and the trust built over generations. Zandu operates through platforms like Zandu Care for direct-to-consumer sales, emphasizing personalization and accessibility. With its position as a technology-enabled Ayurvedic leader, the company aims for global expansion, leveraging its legacy, quality products, and strong brand presence to reach a wider audience and promote holistic health solutions worldwide.

Vicco Products

Vicco Group is a privately-held family business that has been a pioneer in Ayurvedic herbal hygiene and healthcare products for over 70 years. Founded in 1952 by Keshav Vishnu Pendharkar in Mumbai as Vishnu Industrial Chemical Company, the company has successfully blended traditional Ayurvedic practices with modern innovation. With a portfolio of over 40 products, Vicco specializes in natural and chemical-free solutions for skin care, oral care, and overall wellness. Some of its key products include Vicco Turmeric Cream, which utilizes bio-enhanced turmeric extracts for skin care, and Vicco Vajradanti Toothpaste and Powder, which leverage herbal biotechnology to promote gum health.

The company's commitment to Ayurveda and holistic wellness is reflected in its use of biotechnology to standardize herbal ingredients, ensuring high-quality products that are both effective and safe. With a strong presence in India and a global reach spanning over 45 countries, Vicco has established itself as a trusted brand, known for its affordability and legacy. Although it holds a niche market position with around 3% share in the turmeric-based and dental care segments in India as of 2025, the company continues to grow steadily through traditional marketing strategies and its global network. Vicco's dedication to natural alternatives and its rich heritage have enabled it to differentiate itself in a competitive landscape, making it a preferred choice for those seeking authentic Ayurvedic solutions

Review of Literature

The Omnibus Law on Job Creation in Indonesia aims to provide certainty and convenience to entrepreneurs, impacting industry competition. According to Michael E. Porter's framework, this law influences competition among

companies, allowing them to select generic competitive strategies. The law's impact on industry competition is primarily through competition among existing companies, which is one of the five forces outlined by Porter. By understanding this dynamic, companies can leverage the law to inform their strategic decisions and gain a competitive edge. The Omnibus Law on Job Creation can be a valuable tool for businesses to navigate the industry landscape and make informed choices about their competitive strategies. (Nugraha Pranadita, Agus Rahayu & Lili Adi Wibowo, 2022) [4].

This study examines the relationship between Porter's Five Forces and the financial and strategic performance of Indian herbal cosmetic firms. The research collected data from 131 marketing and project managers through a survey and analyzed it using Structural Equation Modelling. The findings reveal that the herbal cosmetics market in India is relatively stable, with no significant threat from new entrants, indicating that established firms hold a strong presence. Additionally, the bargaining power of buyers does not influence firm performance, as product differentiation makes it difficult for customers to switch, reducing the impact of buyer power. Bargaining power of suppliers has a notable influence on strategic performance, though not on financial performance, highlighting the crucial role suppliers play in shaping firms' strategic decisions. In contrast, the threat of substitute products affects financial performance but not strategic performance, suggesting that substitutes may impact revenues without altering firms' broader strategies. The competitive rivalry has a significant and positive effect on both strategic and financial performance, demonstrating that competition drives firms to innovate and compete, ultimately enhancing their overall performance. To effectively address industry rivalry, firms must focus on building strong strategies, including adopting flexible pricing to adapt to changing market conditions, implementing watertight marketing strategies to sustain a competitive edge, and ensuring robust customer care to strengthen loyalty and retention. By understanding the dynamics of Porter's Five Forces, firms in the herbal cosmetics industry can craft informed strategies to remain competitive and enhance both their strategic and financial outcomes. This knowledge enables firms to navigate the complex competitive landscape, make informed decisions, and drive business growth. Ultimately, the study provides valuable insights for firms operating in the Indian herbal cosmetics industry, highlighting the importance of competitive strategy and market dynamics in driving business success. (Ravina Bansal & Sanjeev Kumar Sharma, 2022) [5].

Ayurveda, an ancient Indian holistic health system, is gaining increasing significance in global healthcare due to its natural and personalized approaches. The industry is at a crossroads, with opportunities and challenges shaping its future. Growing interest in natural and traditional remedies presents an unparalleled opportunity for the industry to expand its scope and influence, particularly with the integration of Ayurveda into conventional medical practices and wellness approaches opening new doors for collaborations. However, the industry faces significant challenges, including the need for standardization and regulation to ensure the safety and reliability of Ayurvedic interventions, limited adoption of new technology and modern dosage forms, and the requirement for a nuanced equilibrium between preserving traditional practices and embracing innovation. Furthermore, the existing Intellectual Property Rights system demands serious discussion and possibly an overhaul to address the industry's needs. To determine the future trajectory of the Ayurvedic industry and its contribution to global health and well-being, it is crucial to skillfully exploit opportunities and competently handle challenges, ultimately unlocking the industry's full potential to make a meaningful impact on global healthcare. (Katiyar, Chandra Kant; Dubey, Sunil Kumar, 2023) [3].

This study examines the major driving forces that impact the operational efficiency of the Indian pharmaceutical industry, with a specific focus on Small and Medium-sized Enterprise (SME) pharmaceutical companies. Using Porter's Five Force Model as a framework, the research gauges the effect of various environmental and regulatory forces on the Indian SME pharmaceutical industry through Regression Analysis. The findings reveal that competitive rivalry among existing firms is the strongest force, followed by the bargaining power of buyers, the threat of new entrants, the bargaining power of suppliers, and the threat of substitute products. While numerous researchers have theoretically explored the Porter model or studied different aspects of the pharmaceutical industry, there is a notable gap in research analyzing the industry using this model, apart from Michael Dobbs' pioneering work. This study builds upon his research by applying the Porter model to the Indian pharmaceutical industry, specifically focusing on SME units. The outcomes of this study will be of practical value to the industry, particularly for SMEs, as they can utilize the findings to devise strategies for growth and competition assessment, ultimately informing their decision-making processes and enhancing their competitiveness. (Dr. Chitra Rathore, Jyotiprasad Kalita, et, al. June 2023) [2].

Research Methodology: Secondary research was conducted to study the 'Porter's Five Forces Model for Bio-Tech Herbal Products' in India. This research was based on the various online materials, online materials and research papers. This paper aims to offers conceptual discussion / understanding on the patients' priority in private hospitals.

Research Objectives

- To explore the Porter's Five Forces Model for the selected companies in India.
- To understand and compared the effectiveness of Porter's Five Forces Model among Dabur India, Himalaya, Zandu and Vicco.

Scope of the Study & Limitations

- The present study covers selected bio-tech based herbal product companies only.
- This study explains the Porter's Five Forces Model among Dabur India, Himalaya, Zandu and Vicco.
- This study planned to implement the Porter's Five Forces Model among the selected company individually and also compared with each other's.
- This study planned in such a way that using available secondary data in public domine, focusing on selected companies.

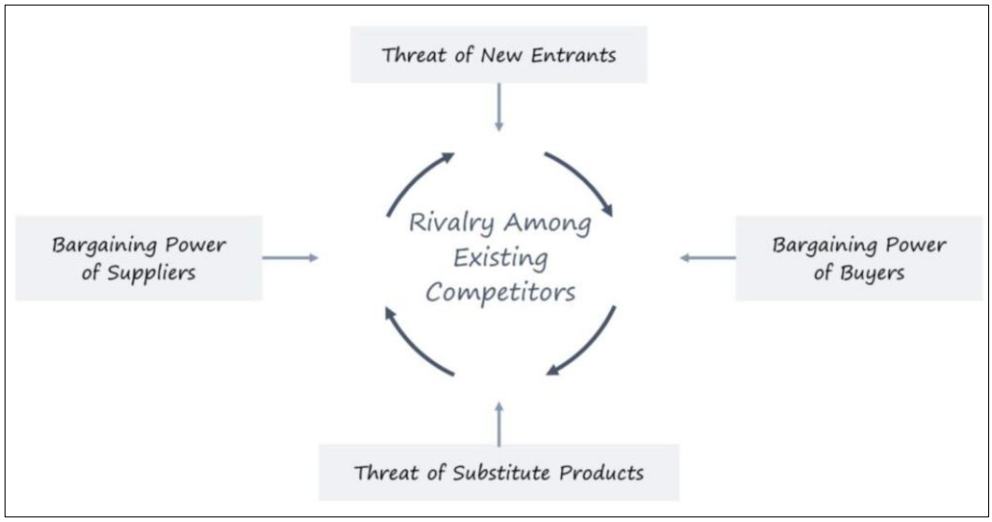
Sources of Data

Data was collected using online resources like research articles, websites, reputed blogs and other online materials.

Discussion & Results

Porter's Five Forces Model: Detailed Overview

Created at Harvard Business School, this model suggests that industry profitability depends not only on internal factors but also on external competitive pressures. These forces interact to shape how economic value is allocated among industry participants. When the intensity of these forces is high, profitability decreases; when it is low, profitability improves. In the context of the bio-tech herbal industry, the model highlights opportunities arising from wellness trends, as well as challenges posed by substitutes and competitive rivalry. The following is a detailed analysis of each force.



Porter's Five Forces Model a review about Indian herbal product companies like Dabur India, Himalaya, Zandu and Vicco.

Dabur India: Porter's Five Forces Analysis

Dabur India, with revenues around USD 1.2 billion in recent years and a 15-20% market share in key segments, leads in bio-tech herbal products like Chyawanprash and Vatika. Its scale and R&D in bio-tech extracts shape its force positioning.

Low to Moderate - Threat of New Entrants

Dabur benefits from high barriers like economies of scale, vast distribution networks, and patents on bio-tech formulations, deterring startups. AYUSH regulations add costs for new players, though digital platforms enable entry in niches. Dabur's brand loyalty from products like honey reduces this threat.

Low - Bargaining Power of Suppliers

With backward integration via owned farms and contracts for herbs like ashwagandha, Dabur minimizes supplier leverage in a fragmented market. Climate impacts on organic sourcing are managed through diversification.

Moderate - Bargaining Power of Buyers

Price-sensitive consumers have choices, but Dabur's perceived efficacy and loyalty in immunity boosters temper buyer power. E-commerce amplifies comparisons, pressuring pricing.

High - Threat of Substitutes

Allopathic alternatives and synthetic products compete with Dabur's herbals, though wellness trends favor naturals. Multivitamins challenge Chyawanprash.

High - Rivalry among Existing Competitors: Intense competition from Patanjali, Himalaya, and others drives price wars and innovation; Dabur gains market share through diversification.

Table 2: Porter's Five Forces Analysis for Dabur India Ltd.

Force	Intensity for Dabur	Key Factors
New Entrants	Low-Moderate	Scale and patents
Suppliers	Low	Backward integration
Buyers	Moderate	Brand loyalty
Substitutes	High	Synthetics vs. herbals
Rivalry	High	Market leaders' battles

Himalaya

Himalaya, valued for scientific validation in herbal skincare and wellness, holds ~10% share with global certifications. Its R&D focus influences force dynamics.

Moderate - Threat of New Entrants

Research-driven barriers and certifications protect Himalaya, but low capital for basic herbals invites entrants. E-commerce heightens threats in skincare.

Low to Moderate - Bargaining Power of Suppliers

Partnerships with cooperatives for standardized extracts reduce dependency, though organic scarcity can elevate power.

Moderate to High - Bargaining Power of Buyers

Empowered by reviews, buyers demand premium quality; Himalaya's differentiation mitigates but faces price sensitivity.

High - Threat of Substitutes

Chemical cosmetics and pharmaceuticals offer alternatives, countered by Himalaya's natural claims.

High - Rivalry among Existing Competitors

Competes with Dabur and global brands; innovation in bio-tech keeps Himalaya competitive.

Table 3: Porter's Five Forces Analysis for Himalaya Wellness

Force	Intensity for Himalaya	Key Factors
New Entrants	Moderate	Certifications
Suppliers	Low-Moderate	Partnerships
Buyers	Moderate-High	Premium positioning
Substitutes	High	Chemical alternatives
Rivalry	High	Innovation focus

Zandu Pharmaceuticals (Emami)
Zandu, acquired by Emami, specializes in pain relief with ~5% share, leveraging heritage in balms. Emami's networks enhance its position.

Moderate - Threat of New Entrants
Heritage and Emami's scale deter entrants, but generics in pain relief lower barriers.

Low - Bargaining Power of Suppliers
Emami's supply chains for herbs minimize power in fragmented sourcing.

Moderate - Bargaining Power of Buyers
Loyalty to heritage products tempers power, though alternatives abound.

High - Threat of Substitutes
Over-the-counter painkillers pose threats, offset by Ayurvedic preferences.

High - Rivalry among Existing Competitors
Faces Emami peers and leaders like Dabur; acquisitions bolster rivalry response.

Table 4: Porter's Five Forces Analysis for Zandu (Emami Group)

Force	Intensity for Zandu	Key Factors
New Entrants	Moderate	Heritage protection
Suppliers	Low	Emami networks
Buyers	Moderate	Loyalty
Substitutes	High	Pain relief options
Rivalry	High	Acquisition synergies

Vicco Products
Vicco, with ~3% share in niche turmeric and dental care, emphasizes affordability but struggles with modernization. Global reach in 45 countries aids resilience.

Moderate to High - Threat of New Entrants
Easy replication of traditional formulas heightens threats, despite loyalty.

Moderate - Bargaining Power of Suppliers
Local sourcing for turmeric keeps costs low, but quality variability affects power.

High - Bargaining Power of Buyers
Budget-conscious buyers switch easily, pressuring Vicco's affordable positioning.

High - Threat of Substitutes: Chemical creams and modern herbals compete, challenging Vicco's traditional appeal.

High - Rivalry among Existing Competitors
Intense in cosmetics; Vicco's legacy helps, but adaptation to youth markets is needed.

Table 5: Porter's Five Forces Analysis: Competitive Intensity for Vicco

Force	Intensity for Vicco	Key Factors
New Entrants	Moderate-High	Easy replication
Suppliers	Moderate	Local sourcing
Buyers	High	Price sensitivity
Substitutes	High	Modern alternatives
Rivalry	High	Niche competition

Comparative Overview Using Porter's Five Forces
Porter's Five Forces assesses industry dynamics, with each force's intensity varying by company size, integration, and positioning in the bio-tech herbal space. Below, we compare the forces across Dabur, Himalaya, Zandu, and Vicco, drawing on market shares (Dabur: 15-20%, Himalaya: ~10%, Zandu: ~5%, Vicco: ~3%) and strategic factors.

Table 6: Comparing the competitive forces for Dabur, Himalaya, Zandu, and Vicco

Force	Dabur Intensity/Key Factor	Himalaya Intensity/Key Factor	Zandu Intensity/Key Factor	Vicco Intensity/Key Factor
New Entrants	Low/ Scale & Patents	Moderate /Certifications	Moderate/Heritage	Moderate-High/Replication
Suppliers	Low/Integration	Low-Moderate /Partnerships	Low/Networks	Moderate/Quality Variability
Buyers	Moderate/Loyalty	Moderate-High/ Premium	Moderate/Loyalty	High/Price Sensitivity
Substitutes	High/Natural Claims	High/ Validation	High/Ayurvedic Appeal	High/Synthetics
Rivalry	High/Diversification	High /Innovation	High/Synergies	High/Niche Adaptation

Threat of New Entrants
Industry-wide, this force is moderate-high due to regulatory barriers (e.g., AYUSH certifications), supply chain complexities, and brand loyalty, but eased by e-commerce and demand growth.

- **Dabur India:** Low threat; economies of scale, patents, and 140-year legacy deter entrants.
- **Himalaya Wellness:** Moderate; scientific validation and global certifications provide defense, but innovation attracts copycats.
- **Zandu:** Moderate; heritage under Emami's network raises barriers, though generics in pain relief invite competition.
- **Vicco:** Moderate-high; easy replication of traditional formulas heightens threats despite loyalty.

Bargaining Power of Suppliers
Generally moderate, with fragmented herb suppliers but risks from rare ingredients and sustainability issues.

- **Dabur India:** Low; backward integration (owned farms) and high volumes reduce dependency.
- **Himalaya Wellness:** Low-moderate; partnerships for standardized extracts mitigate power, but organic scarcity persists.
- **Zandu:** Low; Emami's networks ensure reliable sourcing for herbs like menthol.

- **Vicco:** Moderate; local turmeric sourcing keeps costs low, but quality variability increases leverage.

Bargaining Power of Buyers

Moderate-high overall, driven by choices, online reviews, and price sensitivity.

- **Dabur India:** Moderate; brand loyalty in products like Chyawanprash tempers power, despite e-commerce comparisons.
- **Himalaya Wellness:** Moderate-high; premium positioning faces scrutiny, but efficacy claims retain buyers.
- **Zandu:** Moderate; heritage loyalty in balms reduces switching, though alternatives abound.
- **Vicco:** High; budget focus makes buyers price-sensitive and prone to switching.

Threat of Substitutes

High across the board, from allopathic drugs to other traditional systems like Unani or TCM.

- **Dabur India:** High; multivitamins rival immunity boosters, countered by natural claims.
- **Himalaya Wellness:** High; chemical cosmetics compete with skincare, offset by validation.
- **Zandu:** High; OTC painkillers threaten balms, balanced by Ayurvedic preferences.
- **Vicco:** High; synthetic creams challenge turmeric products.

Rivalry Among Existing Competitors

High, with fragmentation (>1,000 players) fueling price wars and innovation.

- **Dabur India:** High; leads against Patanjali *et al*., using diversification.
- **Himalaya Wellness:** High; innovation differentiates from global rivals.
- **Zandu:** High; Emami synergies aid against leaders like Dabur.
- **Vicco:** High; niche focus requires adaptation to modern competitors.

Conclusion

Porter's Five Forces analysis reveals a competitive landscape in the bio-tech herbal products industry, where companies like Dabur and Himalaya are strongly positioned due to their scale and focus on innovation. Zandu benefits from its heritage, while Vicco is known for affordability, all operating within a market characterized by intense rivalry and the presence of numerous substitutes. To sustain growth in this USD 16.51 billion market, strategies such as investing in bio-tech research and development and enhancing digital marketing efforts are recommended. This model provides a valuable framework for understanding industry structures and highlights strategic priorities for firms like Dabur, Himalaya, Zandu, and Vicco within the bio-tech herbal space. By addressing the high-threat forces through innovation and forming strategic alliances, companies can improve the attractiveness of the industry and maintain growth in this expanding sector. The analysis indicates that this industry is moderately attractive, supported by growth opportunities but facing challenges due to fierce competition and substitute products. Dabur India stands out for its market dominance and resilience, Himalaya excels in innovation, Zandu leverages its rich heritage, and Vicco competes effectively through affordability. Strategic priorities for these companies include strengthening bio-tech R&D capabilities, ensuring sustainable supply chains, and adopting robust digital marketing to counter competitive pressures. Further research could focus on the impact of global expansion and regulatory changes beyond 2025.

The influence of each of the five forces on industry profitability is significant, affecting pricing, costs, and investment decisions. The model helps businesses identify where power resides, guiding them to develop strategies that enhance their market position and secure long-term competitive advantage. The selected companies Dabur, Himalaya, Zandu, and Vicco, exemplify the transformation of the Indian bio-tech herbal sector from traditional origins to modern biotechnological integration. Their histories and market positions highlight opportunities created by growing wellness trends, supporting the Porter's Five Forces conclusion of moderate industry attractiveness amid intense rivalry. For sustained growth, future strategies should emphasize research and development and sustainability initiatives.

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