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## Unlocking Global Opportunities: Analyzing the Export Market Potential of Indian Hair Oil

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### ABSTRACT

India has emerged as a significant contributor to the global personal care market, with hair oil being one of its most culturally rooted and commercially viable exports. The rising global preference for natural, herbal, and Ayurveda-based products has opened up new avenues for Indian hair oil brands to explore international markets. This study examines the export performance of Indian hair oil, analyzing trends over recent years and identifying the key challenges faced by exporters. Relying on secondary data from trade databases, industry reports, and government sources, the research highlights critical barriers such as quality standardization, market access regulations, and branding limitations. The findings aim to provide actionable insights for exporters, policymakers, and entrepreneurs looking to enhance India's competitiveness in the global hair care segment.

**Keywords:** Indian Hair Oil, Export Market Potential, Ayurvedic Products, Global Trade, Herbal Hair Oil, Export Challenges, Market Performance.

### INTRODUCTION

India, known for its rich heritage in Ayurvedic and herbal remedies, has a strong foothold in the global hair oil market. With increasing global demand for natural and organic personal care products, Indian hair oil exports have shown promising growth. This study aims to analyze the growth performance of Indian hair oil exports over recent years. It also seeks to explore the key challenges faced in tapping into international markets. The project is based on secondary data and trade statistics. Insights from this study can guide exporters and policymakers in expanding India's global presence. The findings aim to support the sustainable growth of the traditional hair care industry.

### STATEMENT OF THE PROBLEM

Despite India's strong heritage in herbal and Ayurvedic hair care, its export potential remains underutilized in the global market. Although there is a growing demand for natural hair oils worldwide, Indian exporters face challenges related to quality compliance, global competition, and regulatory barriers. The lack of consistent branding and market-specific strategies further limits India's performance in international trade. Moreover, fluctuations in export trends raise concerns about the sustainability of growth in this sector. Understanding these issues is essential to enhance India's global positioning. This study aims to uncover the factors affecting export growth and performance. It also seeks to provide insights to overcome challenges and strengthen India's export competitiveness.

### REVIEW OF LITERATURE

Ramesh and Dhanalakshmi (2020) in their study on the export performance of Indian herbal products highlighted the growing global demand for Ayurvedic goods, including hair oil, but noted challenges such as regulatory barriers, poor packaging, and weak international branding. Similarly, Patil and Sharma (2021) emphasized the inconsistent export volumes and lack of market-specific strategies in their analysis of Indian cosmetic exports. Both studies point to the need for stronger innovation, standardization, and global market adaptation to enhance the export potential of Indian hair oil products.

### OBJECTIVES OF THE STUDY

To assess the performance and growth trajectory of Hair Oil Exports

To explore the challenges faced in Hair Oil Exports.

## METHODOLOGY OF THE STUDY

Both primary and secondary data have been used for the study. But secondary data is extensively used. The study is based on secondary data collected from government trade portals, export reports, and industry publications. Data was organized and interpreted using tables. The methodology focuses on identifying export patterns and underlying challenges of Hair Oil.

### TOOLS USED FOR ANALYSIS

Analytical tools such as Compound Annual Growth Rate (CAGR), growth rate analysis, and trend analysis were used to examine the performance of Indian hair oil exports.

## DATA ANALYSIS AND INTERPRETATION

TABLE 1.1

TABLE SHOWING TOP 5 COUNTRIES OF HAIR OIL EXPORTS

(in US\$)

COUNTRY	USD 2020	USD 2021	USD 2022	USD 2023	USD 2024
INDIA	2543	2934	3421	3943	4523
CHINA	1823	2093	2463	2864	3313
UNITED STATES	1234	1432	1663	1933	2233
INDONESIA	843	973	1143	1333	1543
MALAYSIA	567	654	764	884	1034

Source: Secondary data

TABLE 4.1 (i)

TABLE SHOWING EXPORT FROM INDIA DURING 2020 - 24

Year	Value
2020	2543
2021	2934
2022	3421
2023	3943
2024	4523
<b>TOTAL</b>	<b>17364</b>
<b>MEAN</b>	3472.8
<b>CV</b>	25.88
<b>TREND</b>	
2027	5957.3
2028	6454.2
2029	6951.1
<b>R SQUARE</b>	0.995
<b>1-R SQUARE</b>	0.005
<b>1-R SQRT</b>	0.70

<b>INSTABILITY INDEX</b>	1.83
<b>CAGR</b>	12.20
<b>GROWTH</b>	
2021	15.37
2022	16.59
2023	15.25
2024	14.70

**Source: Secondary data**

The export of Indian hair oil showed a steady rise from 2,543 in 2020 to 4,523 in 2024, with an average export value of 3,472.8. A CAGR of 12.20% indicates consistent growth, while the  $R^2$  value of 0.995 shows a strong positive trend. The CV of 25.88% reflects moderate fluctuations, and the low instability index of 1.83 suggests market stability. Trend analysis predicts exports may reach 6,951.1 by 2029. Despite slight dips in year-on-year growth, the overall export trajectory remains upward.

**TABLE 4.1 (ii)**

**TABLE SHOWING EXPORT FROM CHINA DURING 2020 -24**

<b>Year</b>	<b>Value</b>
2020	1823
2021	2093
2022	2463
2023	2864
2024	3313
<b>TOTAL</b>	<b>12556</b>
<b>MEAN</b>	2511.2
<b>CV</b>	18.84
<b>TREND</b>	
2027	4386.7
2028	4761.8
2029	5136.9
<b>R SQUARE</b>	0.992
<b>1-R SQUARE</b>	0.008
<b>1-R SQRT</b>	0.089
<b>INSTABILITY INDEX</b>	1.277
<b>CAGR</b>	12.69
<b>GROWTH</b>	
2021	14.81
2022	17.67
2023	16.28
2024	15.67

**Source: Secondary data**

China's hair oil exports rose steadily from 1,823 in 2020 to 3,313 in 2024, with an average value of 2,511.2. The CAGR of 12.69% indicates strong and consistent growth. A low CV of 18.84% and instability index of 1.277 reflect a stable export market. The high  $R^2$  value of 0.992 shows a strong, predictable upward trend. Exports are projected to reach 5,136.9 by 2029, confirming continued market expansion.

**TABLE 4.1 (iii)**

**TABLE SHOWING EXPORT FROM UNITED STATES DURING 2020 - 24**

Year	Value
2020	1234
2021	1432
2022	1663
2023	1933
2024	2233
<b>TOTAL</b>	<b>8495</b>
<b>MEAN</b>	1699
<b>CV</b>	35.76
<b>TREND</b>	
2027	2948.5
2028	3198.4
2029	3448.3
<b>R SQUARE</b>	0.993
<b>1-R SQUARE</b>	0.007
<b>1-R SQRT</b>	0.083
<b>INSTABILITY INDEX</b>	2.992
<b>CAGR</b>	13.48
<b>GROWTH</b>	
2021	16.04
2022	16.13
2023	16.23
2024	15.51

**Source: Secondary data**

The U.S. hair oil exports grew from 1,234 in 2020 to 2,233 in 2024, averaging 1,699 annually. A CAGR of 13.48% reflects strong and steady growth. The  $R^2$  value of 0.993 shows a reliable, upward trend with projected exports reaching 3,448.3 by 2029. A CV of 35.76% and an instability index of 2.992 indicate moderate to high fluctuations. Despite variability, the market shows promising long-term potential.

**TABLE 4.1 (iv)**

**TABLE SHOWING EXPORT FROM INDONESIA DURING 2020 - 24**

Year	Value
2020	843
2021	973
2022	1143
2023	1333

2024	1543
<b>TOTAL</b>	<b>5835</b>
<b>MEAN</b>	1167
<b>CV</b>	31.60
<b>TREND</b>	
2027	2047
2028	2223
2029	2399
<b>R SQUARE</b>	0.992
<b>1-R SQUARE</b>	0.008
<b>1-R SQRT</b>	0.089
<b>INSTABILITY INDEX</b>	2.826
<b>CAGR</b>	12.85
<b>GROWTH</b>	
2021	15.42
2022	17.47
2023	16.62
2024	15.75

**Source: Secondary data**

Indonesia's hair oil exports increased from 843 in 2020 to 1,543 in 2024, with an average annual value of 1,167. The CAGR of 12.85% reflects strong and consistent growth. A high  $R^2$  value of 0.992 indicates a reliable upward trend, with exports projected to reach 2,399 by 2029. The CV of 31.60% and instability index of 2.826 show moderate market fluctuations. Despite some variation, the overall export performance remains steadily positive.

**TABLE 4.1 (v)**

**TABLE SHOWING EXPORT FROM MALAYSIA DURING 2020 – 24**

<b>Year</b>	<b>Value</b>
2020	567
2021	654
2022	764
2023	884
2024	1034
<b>TOTAL</b>	<b>3903</b>
<b>MEAN</b>	780.6
<b>CV</b>	64.39
<b>TREND</b>	
2027	1362.6
2028	1479
2029	1595.4

<b>R SQUARE</b>	0.99
<b>1-R SQUARE</b>	0.01
<b>1-R SQRT</b>	0.1
<b>INSTABILITY INDEX</b>	6.43
<b>CAGR</b>	12.76
<b>GROWTH</b>	
2021	15.34
2022	16.81
2023	15.70
2024	16.96

**Source: Secondary data**

Malaysia's hair oil exports grew from 567 in 2020 to 1,034 in 2024, averaging 780.6 annually. A CAGR of 12.76% indicates steady growth, with exports projected to reach 1,595.4 by 2029. The high  $R^2$  value of 0.99 reflects a reliable upward trend. However, a CV of 64.39% and instability index of 6.43 point to significant market fluctuations. Despite volatility, the long-term outlook remains positive.

## CHALLENGES FACED IN HAIR OIL EXPORTS

Hair oil exporters face several challenges across regulatory, market, logistical, financial, and quality domains. Compliance with diverse international standards and navigating varying regulations across countries can be complex. Market-related hurdles include intense global competition and rapidly changing consumer preferences. Logistically, hair oil requires careful transportation and storage, while customs procedures can be time-consuming and costly. Financially, fluctuating raw material costs and currency exchange rates affect profitability and pricing. Quality control is critical, with exporters needing to maintain high standards and avoid adulteration or contamination. Obtaining necessary certifications like ISO or organic labels adds further burden. Labeling compliance, including ingredient and allergen information, also poses a challenge. Together, these factors significantly influence the efficiency and success of hair oil exports.

## FINDINGS

The export of Indian hair oil showed consistent growth with a CAGR of 12.20% and stable trends, reaching 4,523 in 2024 and projected to hit 6,951.1 by 2029. China also exhibited strong performance with a CAGR of 12.69%, low fluctuations (CV 18.84%), and a highly predictable trend. The U.S. market grew steadily with a CAGR of 13.48%, though it experienced moderate-to-high volatility, reflected in a CV of 35.76% and instability index of 2.992. Indonesia's exports rose with a CAGR of 12.85% and moderate fluctuations, showing a reliable upward trend. Malaysia displayed the lowest base but maintained a steady CAGR of 12.76%, though with the highest volatility (CV 64.39%, instability index 6.43). All countries demonstrated strong  $R^2$  values above 0.99, indicating reliable export trends. Overall, despite varying degrees of market stability, the long-term outlook for hair oil exports from these countries remains positive and growth-oriented.

## RECOMMENDATIONS

Exporters should invest in meeting international standards and certifications to enhance global market acceptance. Strengthening branding and adapting to changing consumer preferences can improve competitiveness. Government support through streamlined customs processes and export incentives is essential. Focus on quality control and supply chain efficiency can reduce risks and losses. Lastly, market research and trend analysis should be ongoing to identify emerging opportunities and challenges.

## CONCLUSION

The study concludes that Indian hair oil exports have shown a steady and promising growth trend over recent years. Despite facing moderate market fluctuations, the long-term outlook remains positive, supported by strong CAGR and trend projections. Comparisons with leading exporters like China, the U.S., Indonesia, and Malaysia reveal that India holds competitive potential but must address key challenges. These include regulatory barriers, inconsistent quality standards, and lack of international branding. The high  $R^2$  values across all countries indicate predictable and reliable export trends. While some countries face greater market volatility, the overall global demand for hair oil continues to rise. India can capitalize on this by enhancing quality control, certification, and product innovation. Strengthening trade policies and market research can further drive export performance. With focused strategies, Indian hair oil exports can achieve substantial global expansion.

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