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A study on consumer's preference and perception towards Patanjali product

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Abstract

The Indian herbal market is flooded with numerous well-known and recognised herbal brands. Consumers of this millennium have become more concerned about their health and also inclined to maintain quality of life which is reflected through the preferential consumption of those products that protects the good state of their health as well as provide maximum satisfaction. In pursuit of a healthy lifestyle Indian have become more inclined to Ayurvedic or Herbal therapy as alternative healthcare for natural cure. The choice and usage of a particular brand by the consumer over the time is affected by the quality benefits offered by the brand especially when it comes to brand of eatable and cosmetics. Consumer satisfaction is derived when he compares the actual performance of the product with the performance he expected out of the usage. Philip Kotler observed that is a person's feelings of pressure or disappointment resulting from product's perceived performance in relation to his or her expectations. If the perceived benefits turned out to be almost same as expected, customer is highly satisfied and that is how the company achieves loyalty of the customer towards the product.

Keywords: patanjali product, consumer's preference

Introduction

In Indian scenario, perceptions and preferences about a particular brand are important because Indian customers rely on the perception of their near and dear ones before actually buying or using the product. The perceptions and preference of the people around us affect our decision to buy or not to buy the product. Perceptions are highly subjective and thus easily distorted. The qualm of buying and not buying continues into the mind or the black box of the prospective consumer unless his decision is not supported by many. Thus in order to survive in the marketing environment of a country like India, brands need to be positioned in the minds of people. India is already an attractive destination for brands to set in due to favourable marketing conditions. India has known to be a hub of Herbal brands as well since the herbal products are deeply associated with the spirituality sentiments of the people. A WHO (World Health Organization) study estimates that about 80 percent of world population depends on natural products for their health care instead of modern medicines primarily because of side effects and high cost of modern medicine (Sharma, Shanker, Tyagi, Singh, & Rao, 2008) The worldwide herbal market products are around \$6.2 billion and estimated to reach \$5 trillion by the year 2050 (WHO & Kumar & Janagam, 2011) This paper carries out a study on what factors affect buying decision of the buyers for brand.

Patanjali

Patanjali Ayurved Limited is the leading Ayurvedic Company in India, which was incorporated in the year 2006. Patanjali Ayurved Limited manufactures a wide range of Ayurvedic products that include home care, grocery, personal care, health care, medicine, nutritional products, etc.

The company has grown swiftly to become a leading Ayurvedic company and will invest Rs. 1,000 Crore for expansion. The company has a manufacturing unit in Uttarakhand, which produces high quality Ayurvedic products. Chyawanprash, Honey, Jam, Soan Papdi, Badam Pak and Mustard Oil are some of the products of the company. Products made by the company are of premier quality and optimally priced.

Patanjali Ayurvedic and Herbal Products

Patanjali Ayurved Limited is an Indian FMCG company. Located in the industrial area of Haridwar, the company manufactures mineral and herbal products. It has also manufacturing units in Nepal under the trademark Nepal Gramudhyog and imports majority of herbs in India from Himalayas of Nepal. According to CLSA and HSBC, Patanjali is the fastest growing FMCG Company in India. It is valued at 3,000 Crore (US\$450 million) and some predict revenues of 5,000 Crore (US\$740 million) for the fiscal 2015–16.

Patanjali operates via 3 business segments, viz., foods (foods, supplements, digestives, dairy, juices, etc), FMCG (cosmetics (shampoo, soaps, face wash), home care (detergent cakes, powder, liquid), etc) and Ayurvedic products (healthcare products for blood pressure, skin diseases, joint pain, etc). In FY15, of the total sales of INR20.3bn, food and cosmetics contributed INR8bn each, while healthcare products comprised the balance. The company has adequate capacity to achieve its revenue target of INR50-60bn in FY16.

Patanjali Ayurved has limited advertising expenses, which gives it enough leeway to pass on the savings from lower ad spends by way of lower prices. The company advertises in a limited way – news tickers, regional newspapers, some digital advertising, etc., though going ahead it might start other forms of advertising too. Patanjali has adopted the unique information based advertising. For instance, the company highlights the positives of cow's ghee, which automatically helps sale of Patanjali Ghee. In the recent past, the company's print advertising has seen a marked increase.

Many people complain that due to Patanjali's weak distribution network its products are not easily available everywhere and they are unable to buy them. To address this concern, the company has chalked out an aggressive plan to improve its presence on the online platform.

Currently, it is already selling its products through its web-site, www.patanjaliayurved.net, from where customers can order the products and get free delivery of the same if the order value exceeds INR499. Other companies like bigbasket.com, etc., that also sell Patanjali products online have been barred from doing so. The company is also implementing ERP for better mapping of inventory (SAP has already been implemented). Patanjali will also be launching its mobile app, which will allow customers to locate nearby outlets that are selling Patanjali products and also facilitate online ordering of products.

Patanjali impact: online sales of Ayurvedic products on the rise

Awareness about Ayurvedic products driven by increasing popularity of Patanjali Rising popularity of Ayurvedic FMCG brand Patanjali is driving sales of Ayurvedic products online.

Several players, from Flip kart to Grofers, are expanding the “Ayurveda and herbal” products category and ramping up product selection, besides expecting three-fold growth in sales from this category.

Most of the players and market experts feel that the rising popularity of Patanjali is helping create awareness among consumers about the benefits of Ayurvedic and herbal products.

Competitors

Albinder Dhindsa, co-founder of hyper local firm Grofers, said, “As awareness about herbal and Ayurvedic products is increasing, the need for brands like Patanjali is also jumping. Patanjali has been listed on Grofers since August, and for us, one out of every eight carts includes at least one Patanjali product.”

This has also led to firms like Emami, Himalaya, Biotique and Dabur planning to ramp up their online presence to compete with Patanjali. For Snap deal, there has been a 90 per cent increase in sales of Ayurvedic products from 2014 to 2015.

“This trend has been noticed in all categories related to health and fitness, such as nutrition, supplements, and fitness equipment. These trends indicate an increasing consciousness of healthy lifestyle among customers, especially those in metros. We have also partnered with Dabur for their Ayurvedic products on the exclusive Live VEDA store,” said a Snap deal spokesperson.

Patanjali Ayurved, which has yoga guru Baba Ramdev as brand ambassador, has seen its turnover double to Rs.3,266.97 Crore in the first 10 months of 2015-16, as against the full year turnover of Rs.1,587 Crore in FY 15.

Patanjali’s growth has also led to the overall growth of the Ayurveda as a category, said Nitin Kochhar, Vice-President (Categories) at marketplace Shop clues.

“We expect a three-fold growth in sales of Ayurvedic product over the next six months. Though the category is slightly on the premium side, we are witnessing heavy demand for such products, in both personal care and food. We introduced this category early this year after getting queries from our consumers for Patanjali products,” Kochhar said, adding that this category is bound to grow through online channel due to huge distribution gaps.

Economic Feasibility

According to Kochhar, the reason why online is a better channel for distribution of this category is that for a local retailer or kirana store, it is not economically feasible to stock the entire product line or selection of products, as the category is still small.

Ayurveda is about 5-10 per cent of the entire food and personal care category, estimated at Rs.1, 50,000 Crore.

Patanjali Ayurved Business growth driven by increasing demand for herbal products, brand image and new product pipeline

Patanjali, which started as a small pharmacy specializing in Ayurvedic medicines, expanded to sell the full range of consumer categories, from edible oils, biscuits and noodles to toothpaste, hair, skin care products and groceries. According to Ramdev, the company is expected to cross Colgate this year, in terms of revenue and will overtake HUL within the next three to four years. Ramdev also claims that the company does not require glamorous advertising and marketing of its products as the product has the ability to sell itself unlike other FMCG companies.

Patanjali has around 30 products in its pipeline including a health drink, energy bar, cow milk powder, digestive biscuits, and anti-ageing cream and moisturizing cream. In addition to this, they will also look to aggressively market their products through their e-commerce website, which has not been adopted by major FMCG giants. Colgate-Palmolive India has reported its worst sales growth in the last 44 quarters. Hindustan Unilever has also seen its revenue expand at a weak pace since the last six years. This trend is likely tocontinue in the future and estimates indicate that by 2020, FMCG giants can lose 3%-8% of their market share to Patanjali. In the toothpaste market, Colgate still remains the market leader but its market share has declined over the last two years. Ramdev led Patanjali has tied up with Future group to increase the penetration of its products and this venture result in intense competition between the two companies.

While Patanjali forays its way into the FMCG segment, other FMCG companies have not remained silent during the process. HUL has restructured its herbal brand "Ayush" by launching it online. In addition to this, an array of products ranging from hair-care, skin-care and pain balms have been launched on their e-commerce platform under Lever Ayush Therapy. Emami has acquired hair oil brand Kesh King last year in order to boost its presence in the herbal market. Godrej has launched a neem-based mosquito coil, hair color with coconut oil and various natural soaps. Colgate has also responded back to Patanjali's entry with its aggressive marketing of the company's active salt neem toothpaste. Himalaya has launched its new range of wellness products which aim to provide the end consumers with therapeutic solutions.

This indicates that both herbal and no-herbal companies are moving back to the start to figure out ways in which natural ingredients can be incorporated into their already existing products and new products.

"According to Research Analyst at Ken Research- "In addition to this, Patanjali must invest resources in order to improve its distribution network and effectively penetrate the rural and urban market by coming out with new product lines and using innovative packaging and design. Other FMCG giants must take notice of the growing trend towards the demand for herbal products and must establish its presence in the herbal segment. The FMCG market is a low-margin business with companies paying high costs for the procurement of raw materials.

Hence, FMCG companies should cultivate their own raw materials or source them directly from farmers, thereby abolishing the intermediaries in the procurement process. In addition to this, FMCG giants can also adopt back to back product launch in the herbal segment to capture the growing potential of this market."

The report titled "Company Profile of Patanjali Ayurved Limited - New Product Pipeline and Brand Image to Fuel Market Growth" provides a comprehensive analysis regarding the performance of the company and its FMCG's in India and will help readers to identify the ongoing trends in the industry and anticipated growth in future depending upon changing industry dynamics in coming years. This report will help industry consultants, FMCG manufacturers, dealers, retail chains, potential entrants into the FMCG segment and other stakeholders to align their market centric strategies according to the ongoing and expected trends in the future.

Statement of the problem

Consumers are the masters of their money and they have an enormous influence on the economic market change because they possess the ability to implement and coordinate their choice of spending or saving in the purchase decision. Consumers are influenced by their attitude towards the product and therefore marketers need to implement their strategies and tactics frequently in order to achieve more consumers. Satisfaction and accurate target in finding out what customers are aware and their buying preferences and there by offering products according to this needs will help the industry stake holders to enrich their customer experience and accelerate growth of the market.

The process that turns marketing plans into marketing actions In order to fulfill strategic marketing objectives it is called marketing plan but most of the markets are still challenged by their marketing. Hence this research aims to explore the consumer's perception and buying preferences towards selected Patanjali Ayurvedic & herbal products.

Objectives

- To study the brand preference of 'Patanjali' in customer view.
- To study the brand perception of 'Patanjali' in the minds of consumer.
- To study the satisfaction level of consumer after using 'Patanjali' products.

Methodology

The current study is based on primary data and required data were collected from websites, convenient sampling was used in the study. Sample of 100 respondents were selected for the study and the study undertook a two months period in around Coimbatore city only. Secondary sources have been used to collect information about 'Patanjali' brands. Journals, articles, research reports and government documents were reviewed to get the insight of the previous interventions that the stakeholders and policy makers have already in place. Also websites of natural products manufacturing company and online document were investigated to conduct this research. To analyse the questionnaire results tools of Simple percentage analysis, Garrett's Ranking Technique, Regression and non-parametric (chi-square) test have been used and the pilot survey was conducted.

Analysis and Interpretations

This section deals with analysis of customer awareness and buying preferences during the study period.

Following table explains about the Demographic and socio-economic characteristics of the respondents. Customer awareness and level of satisfaction of Patanjali Ayurvedic and herbal products. To examine the data simple percentage analysis and Garrett's Ranking Technique were applied.

Demographic and Socio- Economic Characteristics of the Respondents

Demographic profile		Frequency	Percentage
Gender	Male	49	49
	Female	51	51
	Total	100	100
Age	Below 20 Years	12	12
	21-30 Years	23	23
	31-40 Years	33	33
	41-50 Years	11	11
	51-60 Years	15	15
	Above 60 Years	6	6
	Total	100	100
Marital Status	Married	67	67
	Unmarried	33	33
	Total	100	100
Types of Family	Joint Family	53	54
	Nuclear Family	46	46
	Total	100	100
Educational Status	School Level	37	37
	Degree / Diploma	44	44
	Professional Degree	15	15
	Others	4	4
	Total	100	100

Occupational Status	Business	15	18
	Employed	37	45
	Housewife	18	22
	Professional	8	10
	Agriculture	3	4
	Others	1	1
	Total	82	100
Income Level	Below Rs.10000	17	18
	Rs.10001-20000	57	58
	Rs.20001-30000	20	20
	Rs.30001-40000	3	3
	Above Rs. 40,000	1	1
	Total	98	100
No. of earning members in the Family	Only one	31	31
	Two members	54	54
	Three members	11	11
	Above three members	4	4
	Total	100	100
Source of awareness of the product	Advertisement	31	30
	Magazine	4	4
	Newspaper	12	12
	Internet	16	16
	Family members	22	21
	Own interest	18	17
	Through this questionnaire	0	0
	Total	103	100
Level of satisfaction towards selected factors	Hygiene	52	49
	Nutrition value	42	39
	Immune system	1	1
	Digestive system	8	8
	Nerve system	0	0
	Others	3	3
	Total	100	100
Frequency of buying	Daily	1	1
	Day by Day	3	3
	Weekly	28	27
	Fornight	29	28
	Monthly	19	18
	At time of window shopping	15	14
	Depends upon the budget	9	9
	Any other	0	0
	Total	104	100
Purchase decision	Male-Head of the family	27	27
	Female-Head of the family	32	32
	Children	12	12
	Jointly	17	17
	Base on occasion	2	2
	Any other	1	1
	Total	100	100
Pricing level	Suit for me	95	95
	Need modification	5	5
	Total	100	100

Interpretation

Total numbers of 100 respondents involved in this pilot survey, regarding demographic characteristics of the respondents, 51% were females the remaining 49% were males. Regarding the age group, 33% of the respondents were in the age group of 31-40 years. Based on the findings, the respondents are mostly married persons with 67%, 53% of the respondents in the sample are joint family, Regarding size of the family, 52% of the respondents were in the group of below 4 members, and 44% of the respondents are mostly Degree /Diploma holders, Regarding the income level, 57% of the respondents were in the category of Rs.10001-20000, Finally, the no. of the earning members in the family of the respondents were mostly in the category of 2 members.

The study shows that, 31% of the respondents are come to know about the products through advertisement, and 52% of the respondents feel that the health factor / benefit are hygiene, and 28% of the respondents buy the products at fornight, Regarding the purchase decision, 32% of the respondents were in the category of female- head of the family, 95% of the respondents are said suitable pricing policy of all their products are followed for their products.

Garrett's Ranking Technique

Garrett's Ranking Technique - Major influencing factor.

This technique has been used to find the majority of the customer by order of their preference and presented in the following table.

S. No	Particulars	Garret Score	Percentage	Rank
1	Pesticides / chemical free	6924	0.182	1
2	No adulteration	6567	0.173	2
3	Eco-friendly	5898	0.155	3
4	More nutritious	5316	0.139	4
5	Competitive price	4320	0.113	5
6	Traditional based	4051	0.106	6
7	Health factors	3814	0.100	7
8	Any other	1158	0.030	8
	Total	38048		

Interpretation

By applying Garrett's Ranking method it is found that, the factors 'Pesticides / Chemical free' and 'No adulteration' are the major factors that influence the reasons for prefer Patanjali organic food products.

The least factor that influences the reasons for organic food products is 'Any other'. Therefore 0.182% respondents have considered Pesticides / Chemical free as the most important factor leading to reasons for prefers Patanjali organic food products.

Regression Analysis

For the purpose of regression, satisfaction level of the user is taken as dependent variable and attributes of products are independent variables. We assume H0 The customers are dissatisfied by using Patanjali Products and hence, they willnot buy product again. So we regress the satisfaction of customer on the factors which together make up his buying decision. We also regress 'buying again' factor to other attributes of product to further study the satisfaction of the user, because if a customer is satisfied, the user will purchase the product again. The regression table is as follows:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.538[a]	.289	.152	.868

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	25.478	16	1.592	2.113	.015[b]
Residual	62.562	83	.754		
Total	88.040	99			

a. Dependent Variable: Satisfied

b. Predictors: (Constant), Advertising, GoodQuality, Age, Availability, Experience, N &

P (natural and pure), Health Benefits, B. Ramdev (endorsement), Gender, Swadeshi, Reasonable Price, Brand Image, Occupation, Informative, income, Ad-ons.

The above table shows that about 29% variability in satisfaction level of customer is explained by the dependent variables. The significance level is .015 which is less than 0.05, so we reject the null hypothesis and conclude that users are satisfied using the Patanjali products.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.602[a]	.363	.239	.929

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	40.283	16	2.518	2.920	.001[b]
Residual	70.707	82	.862		
Total	110.990	98			

Here, the value of p is far less than 0.05 too depicting that people, being satisfied, would like to buy Patanjali Product again after using once. Chi square interpretation (test of association)

H0: The product attributes affect post buying satisfaction level of the buyer H1: The product attributes do not affect post buying satisfaction level of the buyer.

Test Statistics

	nableP rice	GoodQu Ality	HealthB Enefits	AVLBLI TY	BrandI Mage	& P	Inform Ative	B.Ram Dev	Swade Shi	Experi Ence	Ad ons	Adv	Pricequality	health benefit	band image	recom mend	buy again
Chi-square	54.200[a]	72.600[a]	95.500[b]	29.720[a]	34.880[a]	74.000[a]	34.640[a]	16.640[a]	36.080[a]	39.560[a]	22.040[a]	5.960[a]	82.880[a]	99.680[a]	61.760[a]	103.121[c]	73.303[c]
df	5	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5
As ymp.Sig	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000

The above table shows that value of $p<0.001$ in all cases except in case of advertising depicting the rejection of Null hypothesis in all other cases accept advertising. That means advertising of 'Patanjali' is effective to post buying satisfaction level of people because of claims made by the advertisers in their ads from experience of others.

Findings

From the analysis it is found that most of the customers are aware of the product through advertisement, customers are satisfied with the quality & price of the product. All the selected respondents were selected the product due to chemical free. Thus the result shows that the users are satisfied with the Patanjali products.

Conclusion

Ayurvedic and Herbal remedies are available in all Patanjali and organic stores. Ayurvedic products are reasonably cost effective and well accepted by customers. They are easily available and do not have side effects. With its rich bio-diversity and rich heritage of Indian medicinal system, India would draw world attention as an abode of eco-friendly medicinal systems that are in harmony with the nature, it is concluded that all the customers are aware of the product, and the customers are satisfied with the quality and price of the products.

The Findings in the paper show that there are many significant factors that together make up the buying decision of the product. Customers' perception towards a brand is built largely on the satisfactory value the user receives after paying for the product and the benefits the user looks for. In the above study, a large portion of the user is satisfied from Patanjali products. It may be because of reasonable price of the product. It may be due to ability of the product to cure the problem. The satisfaction brings in the retention of customer. Patanjali is enjoying the advantageous position in market through spirituality element involved in its products. However, it should not ignore the competitors like Naturals, pure roots, Vindhya herbals. Patanjali in order to retain more customers and satisfy them, must fulfill the claims made by the company before any other brand may mushroom up and take away the benefits of marketing through spirituality.

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