An Exploratory Study on Customer Preferences towards Pathanjali Ayurvedic Products in Mysore

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ABSTRACT
FMCG market in India is facing tight competition from the both domestic and international players. The awareness towards the health related issues have given way for the herbal and ayurvedic products in the same time. Ayurveda is making way a big move into the air tight area of FMCG and paving way towards success. A brand’s reputation is the most valuable asset. In this digital era, and cluttered market space where brands are jostling for visibility, their reputation and credibility is what will set them apart. Pathanjali the brand which is making big sales in the short span with claiming the products are chemical free and herbal and natural. Though Pathanjali, focus is on traditional food products, soaps and toiletries it has diversified into the other categories as well to grab the market. For example, Nestle’s withdrawl of Maggie from the market when the instant noodles had the harmful chemicals in the product, Pathanjali used this opportunity to enter into the non-traditional produce instant noodles though it mainly focus on the traditional soaps and toiletries and FMCG products. The FMCG market is so saturated and ruled by the gaints, Market entry of new brand is so difficult, pathanjali is able to embrace the waves of swadeshi to sustain in the market being the market challenger. This paper attempts to explore how Pathanjali has been successful in this tight competition and what made customers to accept Pathanjali. The exploratory study is conducted to analyse the Customers preferences towards ayurvedic and herbal products especially the brand pathanjali.

Keywords-- Ayurveda, FMCG, Awareness, Preference, Customer Satisfaction, Customer Loyalty, Pathanjali

I. INTRODUCTION

Fast moving consumer goods (FMCG) are the 4th largest sector in the Indian economy. There are three main segments in the sector – food and beverages which accounts for 19 per cent of the sector, health care which accounts for 31 per cent and household and personal care which accounts for the remaining 50 per cent.Growing awareness, easier access, and changing lifestyles are the key growth drivers for the consumer market. The increase the disposable income in the hands of the common people, especially in the rural area,because of many initiatives by government of India has been beneficial for the FMCG sector.

Patanjali ayurved limited, a company registered under the Company’s Act, 1956 having its registered office at New Delhi and manufacturing plant at Haridwar, Uttarakhand, India is one of the fastest growing FMCG Company in India. Pathanjali has wide range of products such as soaps, shampoo, face wash, toothpaste, cosmetics, honey, haldi, instant noodles, ghee, hair oil etc in different sizes and volume.

| Sl.no | Company       | Revenue (Rs.Cr) 2018-19 |
|-------|---------------|------------------------|
| 1     | Hindustan Unilever   | 30782.7                |
| 2     | Pathanjali        | 10561.0                |
| 3     | TTC              | 10336.9                |
| 4     | Nestle           | 9159.3                 |
| 5     | Godrej           | 9134.2                 |
| 6     | Britania         | 8844.4                 |
| 7     | Dabur            | 7691.0                 |
| 8     | TATA             | 6963.5                 |
| 9     | Marico           | 5918.0                 |
| 10    | Colgate Palmolive | 4010.0                 |
| 11    | GSK              | 3784.9                 |
| 12    | Emami            | 2552.9                 |
| 13    | P & G            | 288.7                  |
14 Jyothi 1680.7
15 BAJAJ 791.3

Table 1.1- Top 15 companies operating in India. Source: ETIG database

The above table shows the revenue for year 2018-19 of top 15 FMCG companies, in which patanjali has a turnover of Rs.10561 crores standing in the second position after beating many international and domestic players. Though the market leader HUL is having wide range of products and brands and huge market and distribution channel, the market challenger patanjali is also trying to open many outlets across India. It has a tie up with many retail markets to reach to the mass.

| products        | Revenues(Rs. Cr)2018-19 | % of the total 2018-19 |
|-----------------|-------------------------|------------------------|
| Ghee            | 1467                    | 13.9                   |
| Toothpaste      | 940                     | 8.9                    |
| Ayurvedic pharmacy | 870                     | 8.2                    |
| Hair oil        | 825                     | 7.8                    |
| Herbal soap     | 574                     | 5.4                    |

Table 1.2- Patanjali top 5 best sellers. Source: ETIG database

The Table 1, 2, shows the best selling products products of patanjali which contribute to the total sales. Ghee is the more selling product of patanjali which contributes 13.9% to the total sales of Patanjali.

II. OBJECTIVES OF THE STUDY

1. To analyse the factors which contribute to the consumer preferences towards patanjali.
2. To measure the customer satisfaction towards various products of the patanjali.
3. To examine the customer loyalty and preferences towards patanjali.

III. METHODOLOGY OF THE STUDY

The survey conducted in the mysore with the sample size of 43 respondents who are using patanjali. The data collected though the structured questionnaire and analysed using suitable statistical tools through SPSS software.

IV. LITERATURE REVIEW

Dr. Moloy Ghoshal(2016), conducted swot analysis in the paper “phenomenal success of patanjali”. It is found that, The research result established the fact that people are accepting Patanjalis’ products because of its herbal nature, good quality and reasonable price compare to its counterpart MNCs. Patanjalis’ strategy of entering all the segments of FMCG sector, also unique in India and may be in the world, where a single infant domestic company is taking numbers of world giant MNCs on its horns. Both domestic and international big companies are afraid-off for the success of Patanjali Ayurveda Ltd, a complete Indian company in FMCG sector.

Dr. Priyanka Rawal (2016) studied the success story of Baba Ramdev's Make in India brand and how an Indian yoga guru’s promising consumer goods empire is making multinationals in Asia’s third-largest economy sweat. The paper threw light up on the product strategy, promotional strategy and pricing and distribution strategy of patanjali. It is found that, Baba Ramdev is a brand which influenced patanjali to sell more through yoga and ayurveda movement.

Dr. Mridanish Jha(2016), in the paper “A voyage from niche to mass marketing: A case study of Patanjali Ayurveda “ studied the marketing mix elements of patanjali. It is found that Patanjali Ayurveda is planning to raise Rs 1,000 crore in project loans. It is in talks with banks including State Bank of India, Bank of Baroda, Uco Bank etc for project financing in order to expand its presence pan India by extending its product lines. This is necessary for setting up more plants across the country. The growth of Patanjali Ayurveda has given other several multinational as well as other Indian companies a tough challenge to protect their fort.

Vinod Kumar (2013), The study revealed that yoga and pranayam are very effective tools in marketing through spirituality and influence the consumption behavior of masses.

Dr. Shahnawaz Khan and Dr. Asmita Srivastav (2018), found that, Patanjali's core competencies are in pricing, except for exceptional product quality. The company's products are 15-30% cheaper than competitive prices, making it an attractive proposition for consumers. A & P expenditures are negligible. The A & P expenses
in relation to A & P expenditures can vary from 12% to 18% of sales, so offer discounts

### Demography of the Respondents

| Particular   | Sub-Category | Frequency | Percentage |
|--------------|--------------|-----------|------------|
| **Gender**   | Male         | 25        | 58.1       |
|              | Female       | 18        | 41.9       |
| **Total**    |              | 43        | 100.0      |
| **Marital status** | Married | 22        | 51.2       |
|              | Unmarried    | 21        | 48.8       |
| **Total**    |              | 43        | 100.0      |
| **Age**      | 18 Yrs- 20 Yrs | 4         | 9.3        |
|              | 21 Yrs-30 Yrs | 22        | 51.2       |
|              | 31 Yrs-40 Yrs | 12        | 27.9       |
|              | 41 Yrs-50 Yrs | 5         | 11.6       |
| **Total**    |              | 43        | 100.0      |
| **Qualification** | School | 3          | 7.0        |
|              | College      | 8         | 18.6       |
|              | Degree       | 26        | 60.5       |
|              | Master Degree | 1        | 2.3        |
|              | No Formal Education | 5 | 11.6 |
| **Total**    |              | 43        | 100.0      |
| **Occupation** | Owns Business | 23       | 53.5       |
|              | Govt. Employee | 10      | 23.3       |
|              | Private Employee | 3     | 7.0        |
|              | NGO          | 2         | 4.7        |
|              | Unemployed   | 5         | 11.6       |
| **Total**    |              | 43        | 100.0      |
| **Income**   | Rs.10,000- Rs 20,000 | 10      | 23.3       |
|              | Rs 20,000- Rs 30,000 | 4       | 9.3        |
|              | Rs 30,000- Rs 40,000 | 7       | 16.3       |
|              | Rs 40,000- Rs 50,000 | 10      | 23.3       |
|              | Rs 50,000- Rs 60000 | 3       | 7.0        |
|              | Rs.60,000 & above | 9       | 20.9       |
| **Total**    |              | 43        | 100.0      |

Source: Field Survey

The survey is conducted for 43 respondents in Mysore, where 58.1% are male, 49.9% are female where 51.2% are married and 48.8% are unmarried. The respondents age varies from below 18 years to 50 years. Except 5 respondents other respondents have gone through the formal school education which varies from school to master degree education. 5 respondents are unemployed and rest of them are working in public and private organisations and majority respondents which accounts for 53.5% owns their own business. The income level of the respondents varies from Rs.10,000-Rs.20,000 to Rs.60,000 and above.

### Usage of Patanjali

| Since how long are you using Patanjali? | Frequency | Percent |
|----------------------------------------|-----------|---------|
| Less than 6 months                     | 11        | 25.6    |
| 1 Year                                 | 9         | 20.9    |
| 2 years                                | 5         | 11.6    |
| more than 2 years                      | 18        | 41.9    |
| **Total**                              | 43        | 100.0   |

Source: Field Survey
The respondents are the users of Pathanjali products from less than 6 months to more than 2 years. 41.9% customers are using Pathanjali products from more than 2 years.

V. FACTORS INFLUENCED FOR THE PURCHASE OF PATHANJALI

The factor analysis is conducted to know the factors that influence the purchase or reason for the purchase of pathanjali products.

### KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | Bartlett's Test of Sphericity |
|-----------------------------------------------|------------------------------|
| .924                                          | Approx. Chi-Square 1388.240 |
| df                                            | df 91                      |
| Sig.                                          | Sig. .000                  |

### Total Variance Explained

| Component | Initial Eigen values | Extraction Sums of Squared Loadings |
|-----------|----------------------|-------------------------------------|
| Total     | % of Variance        | Cumulative %                        |
| 1         | 13.011               | 92.934                              |

Cumulative %: 92.934

Extraction Method: Principal Component Analysis.

### Component Matrix

| Component | Component |
|-----------|-----------|
| 1         | .973      |
| chemical free | .973      |
| no adulteration | .970      |
| Natural product | .975      |
| more herbs | .980      |
| competitive price | .971      |
| Healthy | .948      |
| traditional based | .973      |
| Discounts | .953      |
| Retailers choice | .944      |
| Ramdev | .961      |
| Advertisements | .961      |
| Swadesi tag | .967      |
| quality of the products | .958      |
| Availability | .963      |

Extraction Method: Principal Component Analysis.

| a. 1 components extracted. |

Source: Field Survey

From the factor analysis it is found that, the factor influenced the consumers to purchase Pathanjali products are it is herbal, natural product, and it is more of traditional and chemical free. The Pathanjali is more competitively priced and there is no adulterations are the reasons for the purchase of Pathanjali followed by swadeshi tag, availability, advertisements, ramdev, quality, discounts, healthy and retailers choice are the factors that influence the purchase of Pathanjali products from the retail shops.

### Customer satisfaction towards various Pathanjali products

| Products     | SD | D  | N  | A  | SA | TOTAL |
|--------------|----|----|----|----|----|-------|
| 1 Skin care  | 7  | 3  | 15 | 12 | 6  | 43    |
| %            | 16.3| 7  | 34.9| 27.9| 14 | 100   |
| 2 Body care  | 6  | 7  | 16 | 9  | 5  | 43    |
| %            | 14 | 16.3| 37.2| 20.9| 11.6| 100   |
| 3 Shishu care| 5  | 5  | 24 | 5  | 4  | 43    |
| %            | 11.6| 11.6| 55.8| 11.6| 9.3 | 100   |
| 4 Dental care| 7  | 1  | 10 | 19 | 6  | 43    |
| %            | 16.3| 2.3| 23.3| 44.2| 14 | 100   |

Electronic copy available at: https://ssrn.com/abstract=3517135
The customer satisfaction towards patanjali brand of various products are analysed. From the above table it is found that, Majority of the customers are neutral about their satisfaction towards the Patanjali products they are using. Apart from neutral opinion, positive opinions are more indicates that customers are more satisfied towards patanjali skin care, body care, Dental care, Hair care, Toiletries, Honey and noodles. Where the users of dental care and shishu care are shown little dissatisfaction towards the patanjali brand. It can be interpreted that, the fall of Maggie noodles created market for the patanjali noodles because of the health consciousness of the customers.

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