

# 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 instatnt 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.

Pathanjali 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	ITC	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 pathanjali 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 pathanjali is also trying to open many outlets across India. It has a tie up with many retail markets to reach to the mass.

Patanjali's Bestsellers		
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- Pathanjali top 5 best sellers. Source: ETIG database**

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

## II. OBJECTIVES OF THE STUDY

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

## III. METHODOLOGY OF THE STUDY

The survey conducted in the mysore with the sample size of 43 respondents who are using pathanjali . The data collected through 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 pathanjali". It is found that, The research result established the fact that people are accepting Patanjali's products because of its herbal nature, good quality and reasonable price compare to its counterpart MNCs. Patanjali's 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 Ayurved 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 pathanjali. It is found that, Baba Ramdev is a brand which influenced pathanjali 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 pathanjali . 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
	<b>Total</b>	<b>43</b>	<b>100.0</b>
Marital status	Married	22	51.2
	Unmarried	21	48.8
	<b>Total</b>	<b>43</b>	<b>100.0</b>
Age	18Yrs- 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
	<b>Total</b>	<b>43</b>	<b>100.0</b>
Qualification	School	3	7.0
	College	8	18.6
	Degree	26	60.5
	Master Degree	1	2.3
	No Formal Education	5	11.6
	<b>Total</b>	<b>43</b>	<b>100.0</b>
Occupation	Owns Business	23	53.5
	Govt. Employee	10	23.3
	Private Employee	3	7.0
	NGO	2	4.7
	Unemployed	5	11.6
	<b>Total</b>	<b>43</b>	<b>100.0</b>
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
	<b>Total</b>	<b>43</b>	<b>100</b>

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 pathanjali

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 2years. 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.		.924
Bartlett's Test of Sphericity	Approx. Chi-Square	1388.240
	df	91
	Sig.	.000

Total Variance Explained						
Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.011	92.934	92.934	13.011	92.934	92.934
Extraction Method: Principal Component Analysis.						

Component Matrix <sup>a</sup>	
	Component
	1
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	TOTL
1	Skin care	N	7	3	15	12	6	43
		%	16.3	7	34.9	27.9	14	100
2	Body care	N	6	7	16	9	5	43
		%	14	16.3	37.2	20.9	11.6	100
3	Shishu care	N	5	5	24	5	4	43
		%	11.6	11.6	55.8	11.6	9.3	100
4	Dental care	N	7	1	10	19	6	43
		%	16.3	2.3	23.3	44.2	14	100

5	Eye care	N	4	6	24	6	3	43
		%	9.3	14	55.8	14	7	100
6	Hair care	N	6	4	20	8	5	43
		%	14	9.3	46.5	18.6	11.6	100
7	Toiletries	N	5	3	22	9	4	43
		%	11.6	7	51.2	20.9	9.3	100
8	Honey	N	6	1	16	13	7	43
		%	14	2.3	37.2	30.2	16.3	100
9	Noodles	N	4	5	18	12	4	43
		%	9.3	11.6	41.9	27.9	9.3	100

Source: Field Survey

The customer satisfaction towards pathanjali 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 Pathanjali products they are using. Apart from neutral opinion, positive opinions are more indicates that customers are more satisfied towards pathanjali 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 pathanjali brand. It can be interpreted that, the fall of Maggie noodles created market for the pathanjali noodles because of the health consciousness of the customers.

#### Customer loyalty of Pathanjali customers

	Statements		SD	D	N	A	SA	TOTL
1	I Prefer pathanjali than other products	N	4	6	17	13	3	43
		%	9.3	14	39.5	30.2	7	100
2	I refer to my friends	N	5	12	16	8	2	43
		%	11.6	4.7	25.6	44.2	14	100
3	I will continue to use even hike in price	N	5	12	16	8	2	43
		%	11.6	27.9	37.2	18.6	4.7	100

Source : Field Survey

37.2% customers prefer Pathanjali products than other products. Whereas 17% have neutral opinion about their preferences.

58.2% customers refer Pathanjali products their friends where as 25.6% have neutral about referring to their friends and 16.3% customers disagree with referring to their friends.

23.3% customers continue to use Pathanjali even there is hike in the price of the Pathanjali products , where as majority of their which account for 37.2% customers have neutral opinion towards continuing the use of the Pathanjali products after the price rise.

## VI. CONCLUSION

There is no doubt that, pathanjali is generating sales in saturated FMCG sector and food sector . From the study it is found that, people prefer more herbal products . Spiritual gurus entering into the business and creating awareness to consumers towards ayurveda and health. The brand pathanjali is recognised by the found and brand baba ramdev. Ramdev, yoga, health, natural, chemical free, herbal, ayurveda, swadeshi, traditional products have an edge over the multinational and foreign players who are operating in Indian FMCG sector. Consumers today are more health conscious and leading a quality of life. The blue ocean strategy of Pathanjali has

gained the market, made it inevitable for the HUL and P&G and other players to come up with herbal and ayurvedic products in their product line.

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