

A Study on Factors Affecting Sales of Patanjali, Himalaya, Dabur and Zhandu Products: Consumer's Point of View

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Abstract: *In this study, the researcher aims to investigate the consumer perception and behaviour towards selection of Herbal Products and impact of various marketing strategies adopted by major Ayurvedic companies. The present study includes a study that was conducted with 200 respondents in Jaipur city from November 2016 to March 2017. This paper also stipulates about how promotional tools, marketing mix and overall company strategy are integrated for Ayurvedic marketing. Herbal medicines have been widely utilized as effective remedies for the prevention and treatment of multiple health conditions for centuries by almost every known culture. The first documented records of herbal medicine use date back 5,000 years in China. Similarly, India's Ayurvedic medicine tradition was thought to be more than 5,000 years old and herbal medicines remained an essential component of its practice. Today, the populations of certain countries still depend on herbal medicines to address their healthcare needs. In the U.S. the use of herbal medicines continued to grow since Eisenberg et al. conducted the first national study of complementary and alternative medicine use.*

Keywords: consumer perception, Herbal Products, marketing strategies, Patanjali, FMCG market, Dabur, Himalaya, Zhandu

1. Future Potential

India Alternative medicine & herbal products were expected to rise at a CAGR of ~% during the period FY'2017-FY'2021 with revenues been expected to register at INR ~ billion during FY'2021. The rising awareness about the harmful effects of chemical used in cosmetics will trigger the demand of herbal cosmetics especially skin care & hair care products in coming future.

2. Literature Review

- Dr. Ramesh Sardar, Case Studies Journal ISSN (2305-509X) – Volume 5:**
In their Research paper on “Desi Hustle Vs MNC Muscle: The Case Study of Patanjali Ayurved Ltd” the researchers that if Patanjali Ayurved Ltd (PAL) sustains its pace of growth, it will soon leave majors such as Dabur India, Emami and Marico by the wayside in terms of sales and profitability.
- Abneesh Roy, EDELWEISS:**
In their research paper on “PATANJALI AYURVED Waiting in the wings” the researchers studied the marketing strategy of Patanjali. The study aims to know Patanjali's key strength, apart from its superior product quality, which lies in pricing.
- Funds India, Volume No. 1 Issue No. 90:** The blog “Dabur India Ltd. “was related to the comparative analysis of the products in the market. Dabur, a 132 years old ‘young’ brand, has efficiently leveraged ayurveda & herbal product offerings to its advantage.

3. Objectives of the Study

A pilot study was conducted to investigate consumer perception regarding the level of awareness of Patanjali, Himalaya, Dabur and Zhandu. The study also aimed to

investigate the various factors affecting contribution to the sales of Patanjali, Himalaya, Dabur and Zhandu.

4. Research Methodology

1) Sample size

The study was carried out in towards the end of 2017. A sample set of 200 respondents (urban consumers) of different socioeconomic classes participated in the study. We conducted the study to understand their purchase behaviour expressed through consumption expenditure. What all criterion induced them to influence their consumption? Does organized retail have a similar impact in escalating the consumption of wet food, grocery, and apparel? The research thus measured the increase of consumption by the buyers among the different socioeconomic classes of urban India. Face-to-face, structured questionnaires were used to understand the impact of sales of the products. The study included Non – Probability and Purposive sampling that identified the factors affecting the sales of the FMCG brands among 200 people. This paper discussed the age wise classified population between the age group of 18 to 60 years. In this study, the Primary and Secondary data were referred.

2) Analysis

Systematic methods for the measurement of customer satisfaction was adopted. Objective and Subjective are the two distinct procedures by which customer satisfaction was measured. This was done in a highly diverse way. Customer satisfaction was therefore measured in a highly diverse way.

The assurance of test consumers belonged for example to the implied variants. Among the apparent approaches the gratification was measured with uni- or multidimensional satisfaction scales, while the unidimensional dealings which used only and only indicator (total satisfaction) were less substantial than the multidimensional dealings which collected separate views for a longer list of separate items.

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3) Nature of Sample

This section deals with an analysis of consumer awareness and buying preferences during the study period. Following table explains about the characteristics of the respondents by which customer awareness of Patanjali Ayurvedic and herbal products were examined.

Total Respondents: 180

Table 1: Exhibits the type and nature of sample consuming Ayurvedic products.

	INCOME			Total
	<2,00,000	2,00,000-8,00,000	>8,00,000	
Old People				
Male	7	8	7	22
Female	6	7	8	21
Adults				
Male	4	4	7	15
Female	5	5	8	18
Youth				
Male	5	6	6	17
Female	6	7	6	19
Total	33	37	42	112

Out of 180 respondents, 112 of them were found to be Ayurvedic product users.

Ayurvedic product users were gradually acknowledging the impact of outdated and age old tested Ayurvedic treatment which could be judged by growth in the number of patients visiting primary and community health centres.

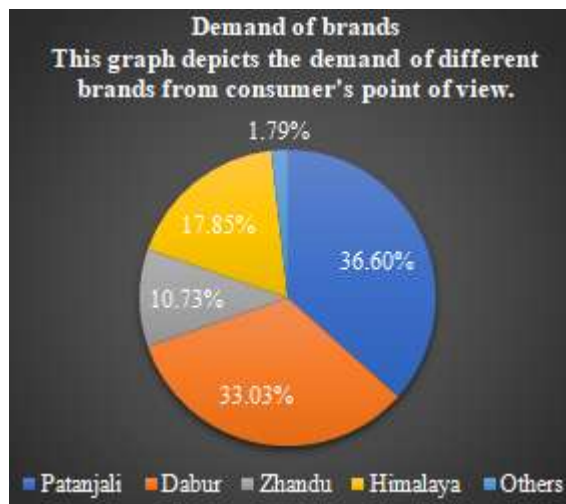
At the same time, people in the age group of 19 to 55, the working population, demanded fast action of drugs which was not possible by Ayurvedic supplements. Out of which 55% of them preferred Ayurvedic supplements due to faith or recommendations.

The Teenagers, under 19 yrs, were found to be more health conscious. They believed in the quality of treatment, irrespective of the time. 60% of them preferred Ayurvedic products. On the other hand, 38% of the total population were found to be non-users.

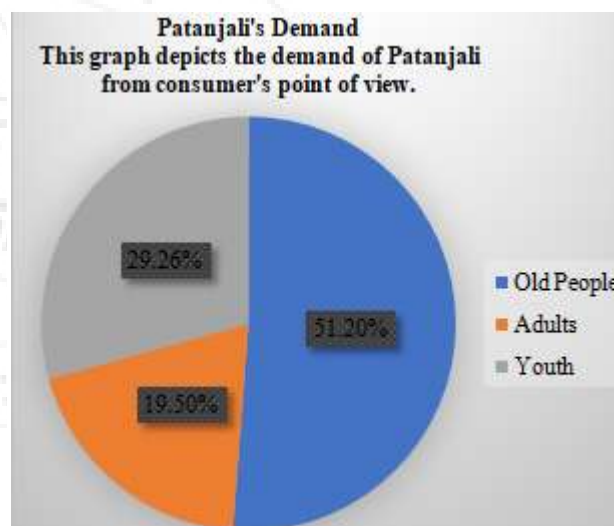
5. Demand of Patanjali

Consumers were becoming smarter, had got a quick access to information and blindly trusted the endorsements. Only a celebrity was enough to attract the consumers towards the brand. But if the brand didn't perform well then the consumers would switch to its substitute. In case of Patanjali, the quality of Patanjali products attracted more and more consumers and not any endorsement link. The consumers were confident enough of what were they buying. People had follow-up questions and wanted to know if the product that was being sold to them by a renowned person was actually good.

To be sure, Patanjali's sales growth rates in the last three years had been scorching, with revenues growing at a 55 percent annual rate when the FMCG market was inching up at 8-9 percent. But these growth rates were seen in the context of a low base, and the vast product portfolio that Patanjali relied on for its critical mass.



Patanjali company manufactured 444 products including 45 types of cosmetic products and 30 types of food products. A sudden huge variety of Patanjali products had a great impact on the consumers. Out of the population using Ayurvedic products, it was found that 51.20% of the total Patanjali product users were the old people. Whereas only 19.50% of Adults were Patanjali product users. Later it was found that the percentage of Patanjali users under 19 yrs, exceeded the percentage of Adults by 9.76%.



Patanjali had 350 products portfolios ranging from noodles and biscuits to toothpastes and shampoos were given a head-on rivalry to the consumer goods majors and it was becoming a strong competitor in the consumer goods markets in India. One of its key competitors, Dabur which offered honey and Chyawanprash to the consumers was closely analyzing the Patanjali products. Patanjali got its entry into the market through department stores.

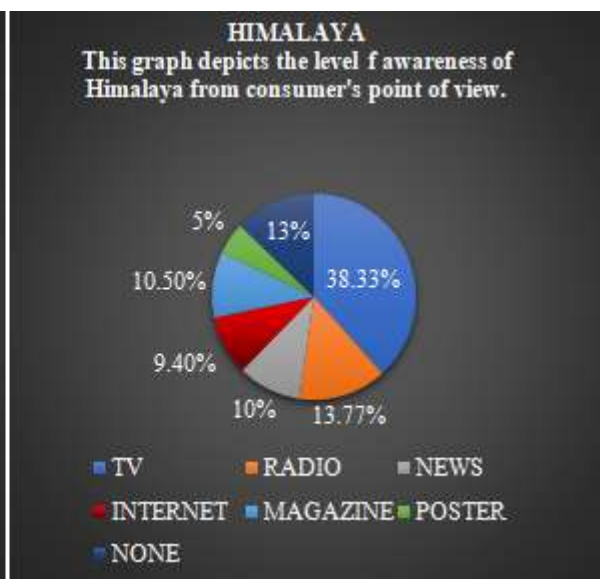
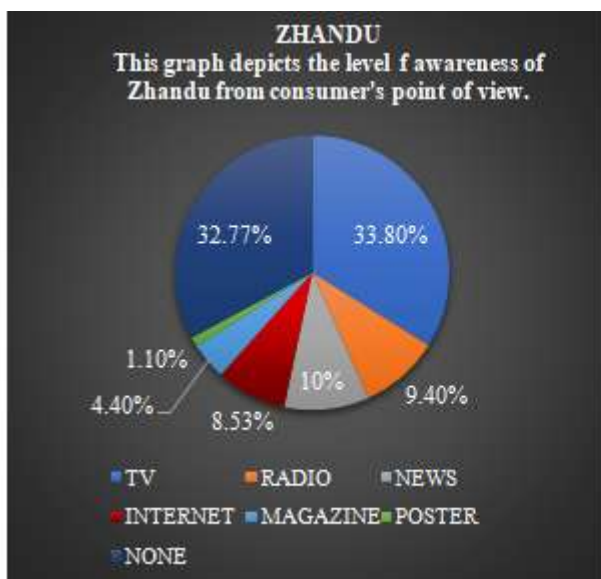
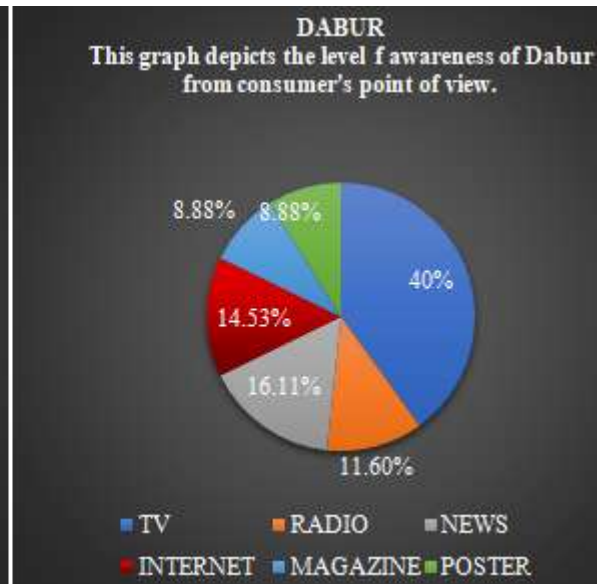
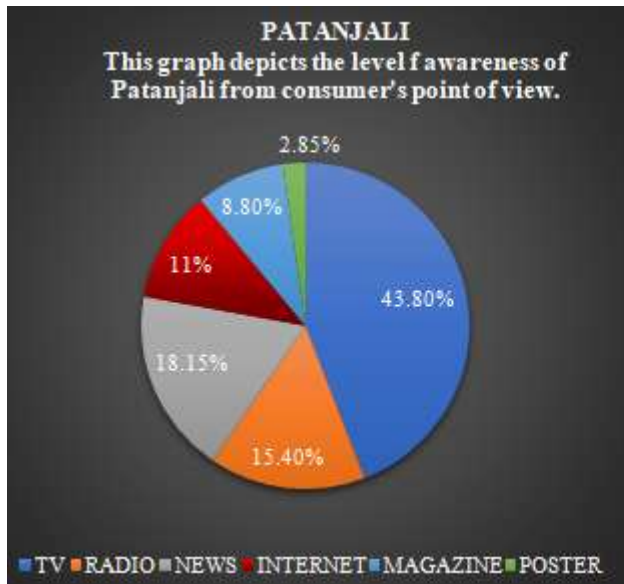
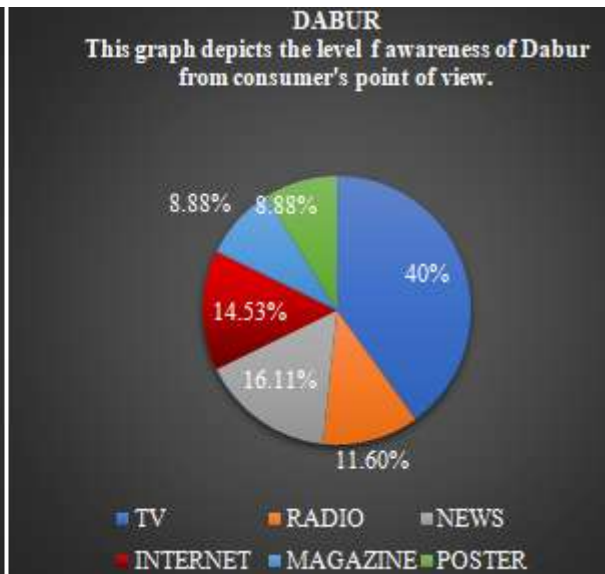
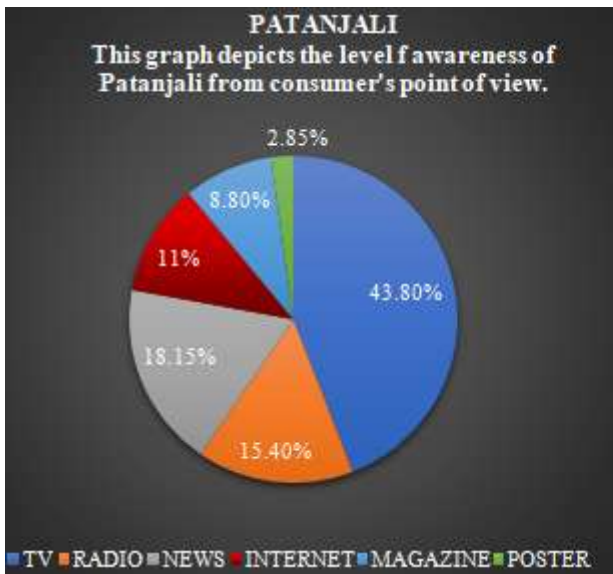
5.1 Promotions

Patanjali Ayurved goes with the Slogan "Prakriti ka Ashirwad". Patanjali Ayurved had developed the requisite fame and popularity among people because of the globally recognized Yoga Guru, Baba Ramdev.

The advertising and promotions were on air on four networks including HT Media Ltd's Fever 104 FM and Radio Nasha,

Entertainment Network India Ltd's Radio Mirchi, Reliance Broadcast Network Ltd's 92.7 Big FM and Music Broadcast Ltd's Radio City 91.1. HT Media was the publisher of Mint and Hindustan Times.

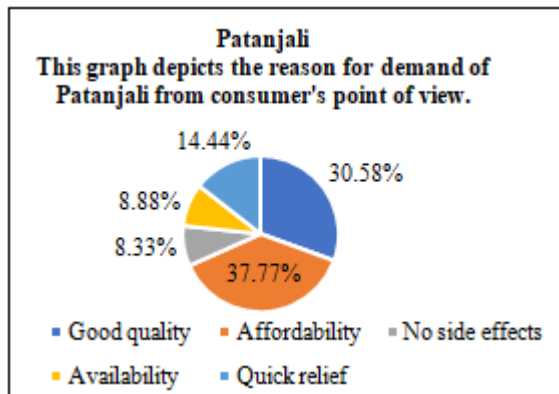
5.2 Level of Awareness



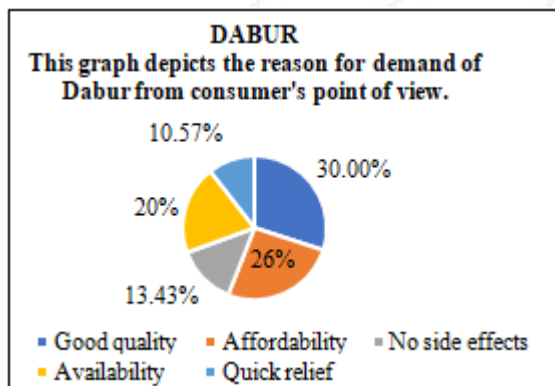
The level of awareness of Patanjali via T.V was the highest whereas that of poster was the least. The promotion of different brands by various medias was low as compared to Patanjali.

6. Reasons for Demand

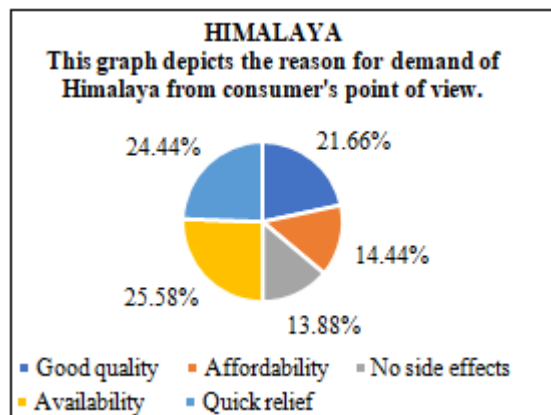
Ramdev Baba aimed to double its turnover and struggled to meet the demand for its products.



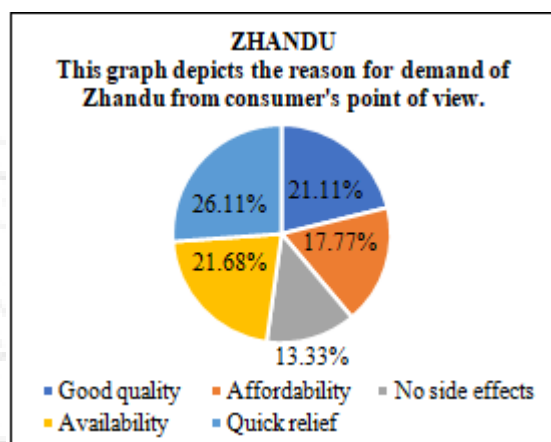
Patanjali's demand relies mainly on its affordability which accounts for 37.77%. Patanjali's demand can be rendered by its side effects and low availability. Quality is the second reason for the increase in Patanjali's demand.



The main reason behind Dabur's demand was due to its good quality which exceeded its second best parameter, which was its affordability by 4%. Its demand could decrease due to its time of action.



Himalaya's strong points were its availability and time of action, which accounted for 25.58% and 24.44%. Its Quality was Himalaya's third strong point. Its side effects and affordability could somehow affect its market demand.



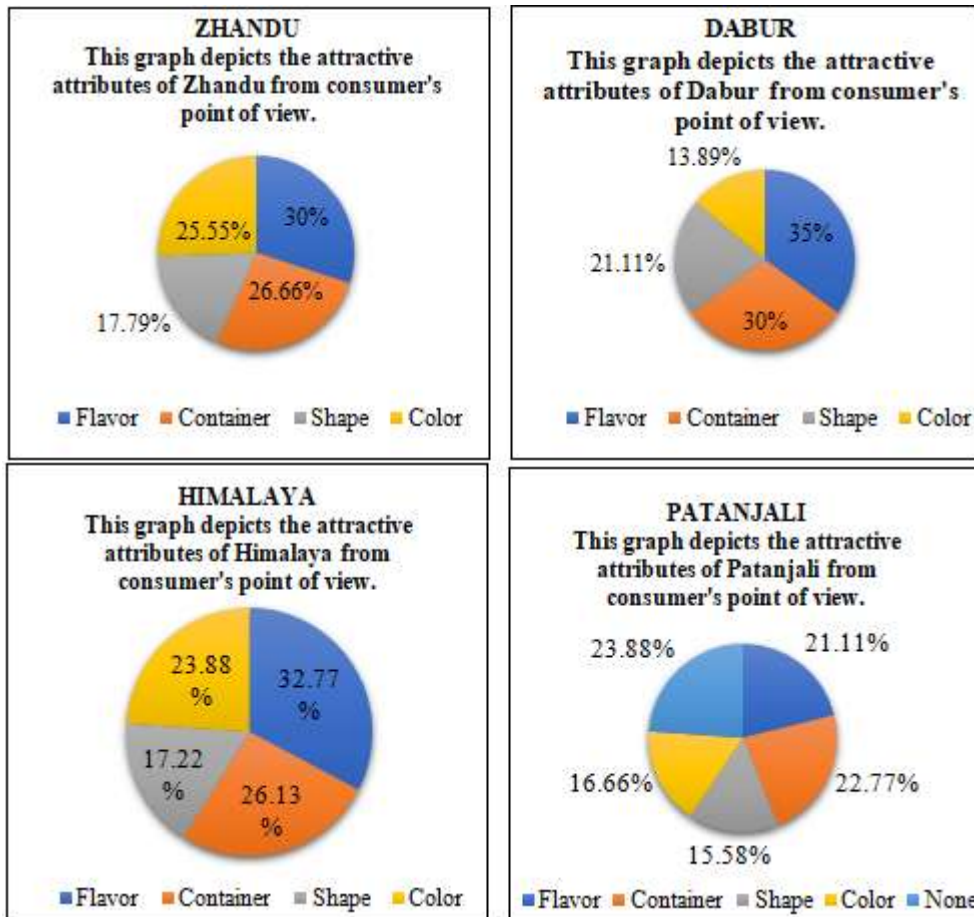
Zhandu is well known for its quick relief by its consumers. Its quality and availability were approximately given equal importance for its demand. Whereas, Zhandu's side effects were found to be their weakness.

The quality of Patanjali was found to be the best. It also excelled in the parameter of affordability, which helped Patanjali grow in the market. Dabur took the lead when the matter of availability and no side effects came in the picture.

Point Of Attraction

Product's packaging could be a helpful marketing tool through in-store advertising. Branded products were easily recognized, so designing packaging with the front and center logo helped consumers remember the product next time they shopped.

Attractive attributes



Retailer's Data

No. of Respondents: 20

Retailers were happy with the sales of Patanjali products. 46 % of the retailers reported Patanjali sales in the range of 51% to 75%.

20% of the retailers promoted Patanjali products with the help of banners to grab the attention of the consumers for increasing the sales.

7. Findings

Quality of Patanjali products played a key role in consumer purchasing behaviour and the price was given a little lesser importance.

Offers and discounts on the products attracted customers towards a brand. Deduction in MRP or increase in quantity could completely change the demand of products.

8. Conclusion

Customers' perception towards a brand is built principally on the acceptable value that the user receives after paying for the product and the benefits that the user looks for. In the above study, a large portion of the users was gratified with Patanjali products.

It's clear that Baba Ramdev understood the fact that without a solid foundation, one will always have trouble creating anything of value. From building a strong community before launch to bringing back Swadesh in our country, it looks like he took all the right decision or maybe went the Ratan Tata way, took the decisions and then made them right.



A significant amount of 95 % of retailers indicates that their costumers usually bought the same Patanjali products again. 88 % of these consumers do so because they knew that the product does work, 7 % because they do not have the time or energy to explore other options, 4 % because the product could be found in their relative's home and 1 % due to some other reason. 2 % don't usually buy the same product.

References

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