Peer Reviewed Referred and
UGC Listed Journal
(Journal No. 40776)

AJANTA

ISSN 2277 - 5730

AN INTERNATIONAL MULTIDISCIPLINARY QUARTERLY RESEARCH JOURNAL

Valume-VIII, Issue-I
Part - III
January - March - 2019

IMPACT FACTOR / INDEXING
2018 - 5.5 www.sjifactor.com

Ajanta Prakashan

2019 March

PP - 38 - 51

ISSN 2277 - 5730
AN INTERNATIONAL MULTIDISCIPLINARY
QUARTERLY RESEARCH JOURNAL

AJANTA

Volume - VIII Issue - I Part - III January - March - 2019

Peer Reviewed Refereed
and UGC Listed Journal
Journal No. 40776

ज्ञान-विज्ञान विमुक्तये

IMPACT FACTOR / INDEXING
2018 - 5.5
www.sjifactor.com

❖ EDITOR ❖
Asst. Prof. Vinay Shankarrao Hatole
M.Sc (Maths), M.B.A. (Mktg.), M.B.A. (H.R.),
M.Drama (Acting), M.Drama (Prod. & Dir.), M.Ed.

❖ PUBLISHED BY ❖

Ajanta Prakashan
Aurangabad. (M.S.)

Printed by

Ajanta Computer, Near University Gate, Jaisingpura, Aurangabad. (M.S.)

Published by :

Ajanta Prakashan, Near University Gate, Jaisingpura, Aurangabad. (M.S.)

Cell No. : 9579260877, 9822620877, Ph.No. : (0240) 2400877

E-mail : ajanta1977@gmail.com, www.ajantaprakashan.com

AJANTA - ISSN 2277 - 5730 - Impact Factor - 5.5 (www.sjifactor.com)

VOLUME - VIII, ISSUE - I - JANUARY - MARCH - 2019
AJANTA - ISSN 2277 - 5730 - IMPACT FACTOR - 5.5 (www.sjifactor.com)

CONTENTS OF PART - III

VOLUME - VIII, ISSUE - I - JANUARY - MARCH - 2019
AJANTA - ISSN 2277 - 5730 - IMPACT FACTOR -5.5 (www.sjifactor.com)

5. A Study on the Consumer Buying Behaviour for Ayurvedic FMCG Products in Mumbai

Subhashini Naikar
Madhavi Nighoskar

Abstract

India's natural products segment comprised of 41 percent of the personal care products market in 2017, contributing to US$2.5 billion worth of Revenue; Tier 2 and 3 cities grew the fastest at nine percent followed by eight percent growth in value in major metro cities. Patanjali has around 30 products in its pipeline including a health drink, energy bar, cow milk powder, digestive biscuits, anti-ageing cream and moisturizing cream. In addition to this, they will also look to aggressively market their products through their e-commercewebsite, whichhas not been adopted by major FMCG giants. In recent time Dabur a 133-year-old Indian Ayurveda company is tapping Amazon to reach even more customers around the world due to the emergence of Patanjali.Colgate-Palmolive India has report edits 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 to continue in the future and estimates indicate that by 2020, FMCG giant scan 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 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 AyushTherapy. 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 the rapeutic solutions.

Keyword: Ayurvedic FMCG products , consumer buying behavior

Introduction

Ayurveda an ancient Indian medicinal system that mostly use herbal and mineral-based medicines to treat a range of ailments. The FMCG sector plays a vitalrole in the economic development in India. It is the 4th largest revenue generating sector. Ayurveda rooted in India has a history of several thousand years. It has in many ways been a science of observation amongst the Indian practitioners. Ayurveda is a system of medicine that deals with the cure of diseases and ailments using herbal plants, roots, leaves, fruits, bark and seeds. The Top players in the Ayurvedic space in India are:

- Patanjali Ayurved Limited
- The Himalaya Drug Company
- Dabur
- Baidyanath
- Hamdard Laboratories
- Emami Limited
- Zandu Pharmaceuticals Works Ltd
- CharakPharma Put Ltd
- Vicco Laboratories
- Surya Herbal Limited

Over the years Ayurveda hasgained its popularity as a system of medicine not only in India but all over the globe. Since India is a hub for Ayurvedic products. Indian Ayurvedic products is valued for more than Rs. 4200 crore and is expected to grow at a mark of Rs. 7000 Crore by 2020. Indian Ayurvedic products market is projected to register a CAGR of 16% during 2016-2021.

Need for the Study

Ayurvedic FMCG products find massive appeal among, both, India's millennials in urban and rural markets as well as among older consumers already familiar with the traditional herbal ingredients.

This study is primarily being carried out to understand the consumer buying behaviour towards Ayurvedic FMCG products in Mumbai. To understand people's buying behavior towards leading company's brands like Dabur, Patanjali, Hamdard, Ayush, Baidyanath and Himalaya.

This study only covers major brands and does not touch base upon small emerging brands. The study also aims to understand the consumer's motives and other important factors for their purchase decision. In recent time Dabur a 133-year-old Indian Ayurveda company is tapping Amazon to reach even more customers around the world due to the emergence of its competitor Patanjali. The FMCG giant Hindustan Unilever plans to launch Ayurvedic products to counter Baba Ramdev's brainchild- Patanjali. The Economic Times reported that Unilever launched around 20 products - toothpaste and skin cream to soaps and shampoos - under its existing Ayurvedic brand Ayush.

The growth of Ayurvedic FMCG products is immense hence I aim to understand, the consumers preference and perception towards Ayurvedic FMCG products. This study aims to get insight into the behaviours that people tend to exhibit while they shop for these Ayurvedic FMCG products in Mumbai. There is a shift in the purchasing decisions of consumers with the rise of Ayurvedic products.

Literature Review

According to Tech Sci Research, "The FMCG sector in India has grown at an average of about 11 percent over the last decade. India's robust economic growth and rising household incomes are expected to increase consume rspending to US$ 3.6 trillion by 2020" Indian companies such as ITC, Patanjali, Amul, Godrej, etc. have witnessed a higher revenue growth compared to foreign brands namely HUL, GSK, Nestle, etc. Indian companies have increased their product portfolios, improved their supply chain, and in-creasedtheir market share through inorganic growth. Indian companies have focussed on increasing their presence in unexploited markets such as Ayurvedic products.

Performance of Selected Indian FMCG Companies

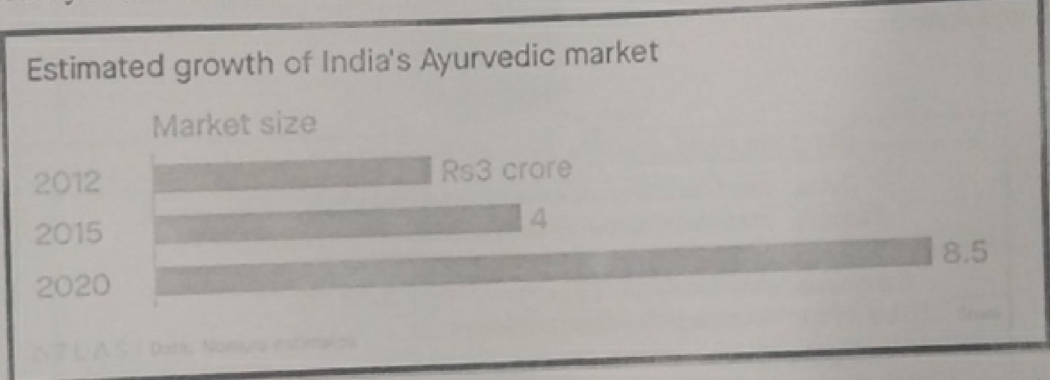
Company Name	Revenue USD Million		y-o-y	EBITDA USD Million		EBITDA Margin, FY16	PAT USD Million		PAT Margin, FY16
	FY16	FY15		FY16	FY15		FY16	FY15	
ITC Ltd.	5,944.79	5,853.93	1.55%	2,463.00	2,310.26	41.52%	1514.57	1478.11	25.48%
Britannia Industries Ltd.	1,222.75	1,104.0	10.76%	172.54	140.55	14.11%	115.24	95.76	9.43%
Dabur India Ltd	884.62	835.58	5.87%	169.04	140.70	19.11%	144.54	117.32	16.34%
Patanjali Ayurved	769.23	312.31	146.31%	-	70.32	-	-	47.51	-
Marico Ltd.	761.14	720.19	5.69%	129.58	101.84	17.02%	107.98	83.87	14.19%
Amul	743.69	637.97	16.57%	7.34	2.47	0.45%	2.38	1.80	0.32%
Godrej Consumer Products Ltd	740.24	681.51	8.62%	151.13	130.85	20.42%	113.60	100.68	15.37%

Performance of Selected Indian FMCG Companies

Company Name	Revenue USD Million		y-o-y	EBITDA USD Million		EBITDA Margin, FY16	PAT USD Million		PAT Margin, FY16
	FY16	FY15		FY16	FY15		FY16	FY15	
Hindustan Unilever Ltd.	4,921.10	4,735.33	3.04%	875.52	903.47	17.79%	625.06	653.39	12.70%
Nestle India Ltd	1,257.74	1,516.13	(17.04%)	162.17	313.66	12.89%	66.66	162.26	5.19%
PepsiCo India	1,250.77	1,106.88	13.00%	-	-	-	(27.23)	(43.08)	(2.18%)
GlaxoSmithKline Consumer Healthcare Ltd	662.88	662.71	0.03%	128.44	112.32	19.38%	105.68	90.78	15.94%
Colgate-Palmolive (India) Ltd	640.15	612.63	4.53%	136.45	126.50	21.32%	88.69	86.00	13.85%
Procter & Gamble Hygiene & Health Care Ltd	382.30	359.04	6.45%	93.02	74.53	24.34%	65.10	53.25	17.03%
Gillette India Ltd.	321.62	316.82	0.55%	55.63	74.53	17.30%	32.77	24.33	10.19%

TechSci Research | Indian FMCG Market 2020

According to a research paper conducted by International Journal of Multidisciplinary Research and Devel-opment "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."



According to Nomura "The market size of Ayurvedic products in Asia's third largest economy is expected to grow at 15% between 2016 and 2020". The Asia Ayurvedic product market has grown at a CAGR of 10.7% in the last 5 years. About Rs. 440 crore value of Ayurvedic and herbal products are exported from India to other countries. This shows that there is a market for Ayurvedic FMCG products in India. The top 3 players in these markets are Patanjali, HUL's Ayush & Dabur amongst the others. The main selling point of these products is that they are chemical free products made of natural herbs and minerals.

Research Objective

1) To understand Consumer Buying Behaviour in relation to Ayurvedic FMCG products.
2) To study the perception of people about Ayurvedic FMCG products.

3) To study the brand preference of Ayurvedic FMCG brands.

Research Methodology

Research Design: To meet the said objectives, the study used quantitative research. Descriptive research was conducted by means of a structured questionnaire. This constituted the primary source of data.

The secondary sources of data were the articles and research papers from the internet.

Population: The population comprised of residence in Mumbai who have shopped Ayurvedic FMCG prod-ucts at least once in their life.

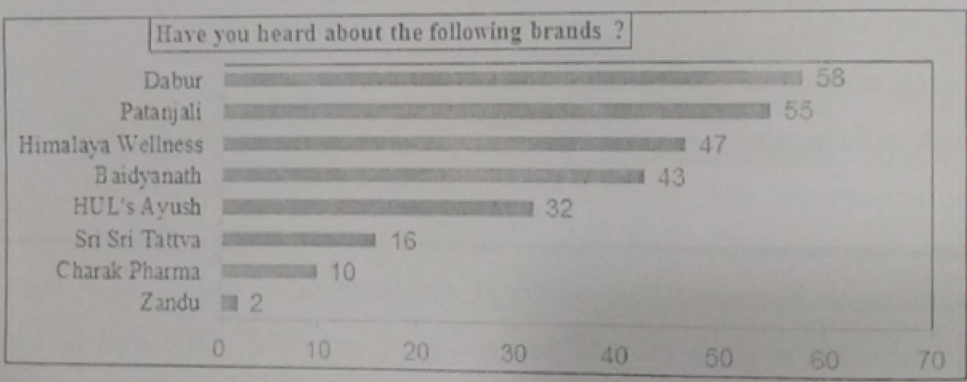
Sampling Technique: Convenient sampling method was used to select the sample.

Sample Size: 65 respondents participated from Mumbai City. The data was collected in the month of Sep-tember and October 2018. The data has been presented with the help of Bar-Diagram and Pie Charts. Chi Square and T- Test method was used to analyse the data.

Data Findings and Interpretation

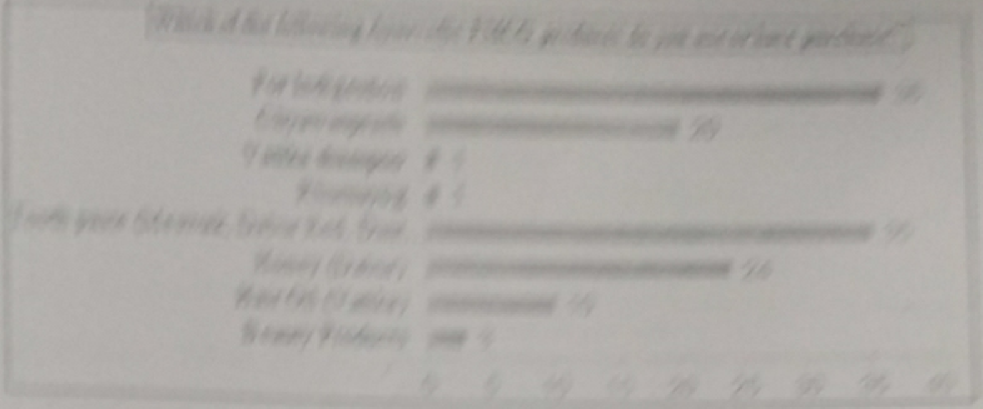
Interpretation: The above bar chart shows the number of people who have heard about the following brands. Most respondents are aware of Dabur and Patanjali followed by Himalaya Wellness and Ayush.

Figure 1



Interpretation: The following Ayurvedic FMCG products are purchased by respondents. Most people have purchased products like toothpaste, honey, chyawanprash and products for indigestion like hajmola.

Figure2



General Questions

Interpretation: Most people prefer buying Ayurvedic FMCG products from Supermarkets because of the variety.

Figure 3

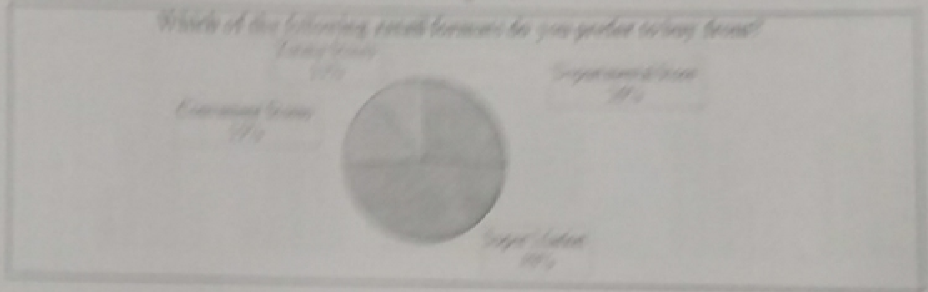


Figure 4

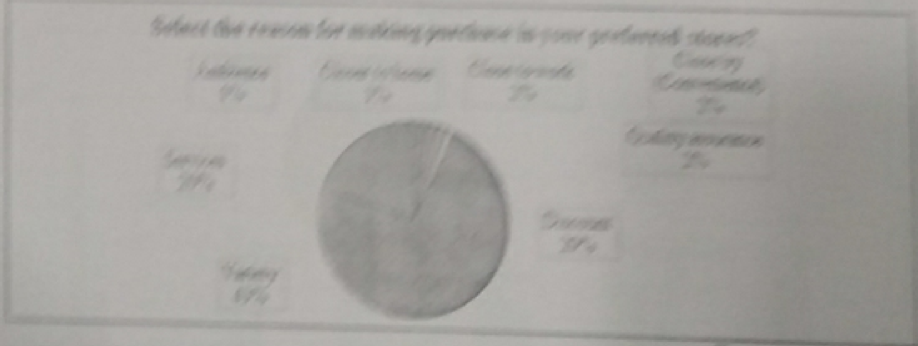


Figure 5

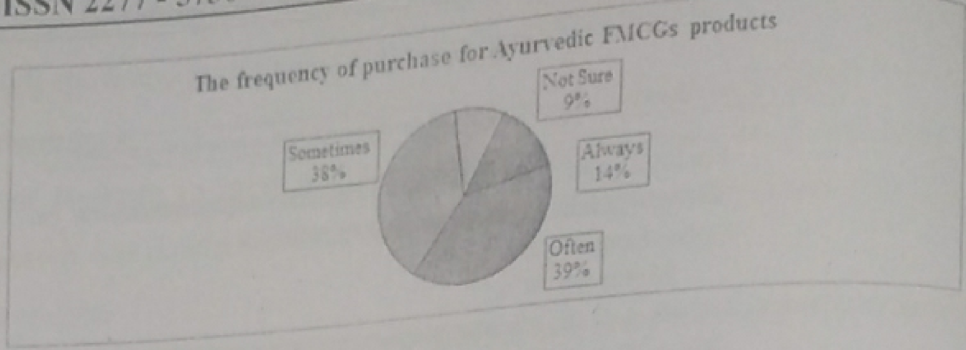


Figure 6

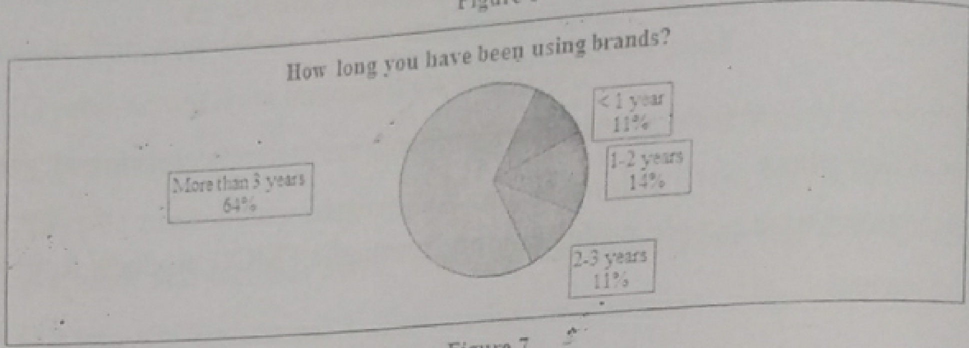


Figure 7

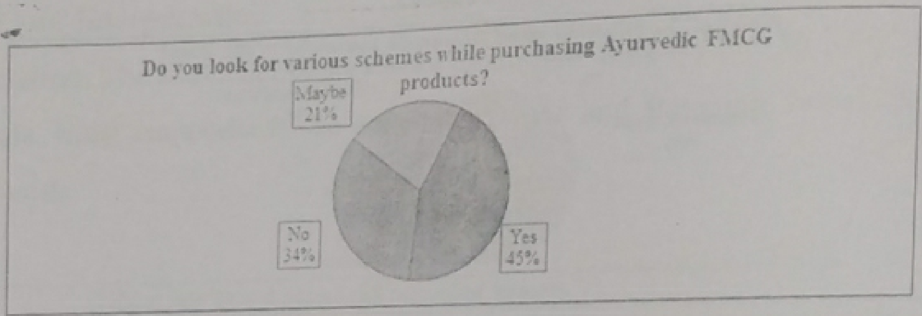
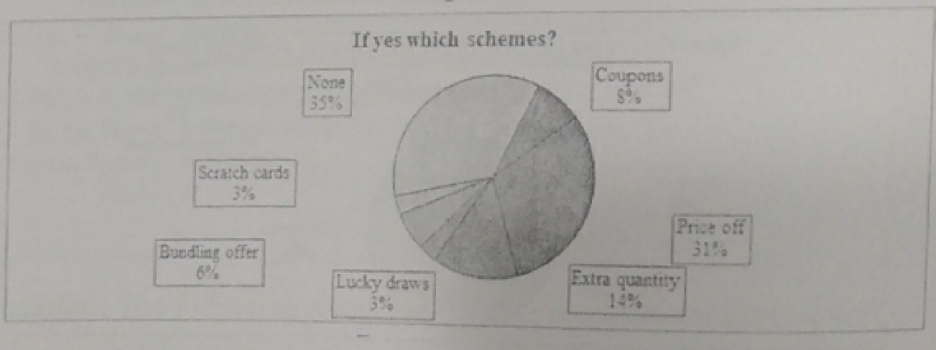
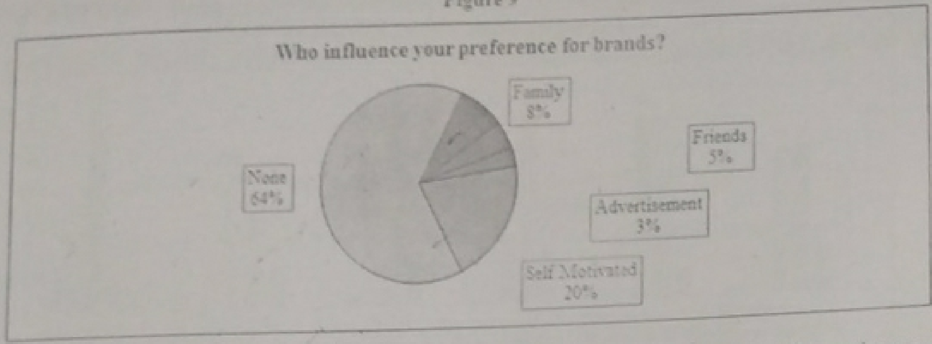


Figure 8



Interpretation: Most respondents have been using Ayurvedic products for more than 3 years. Respondents do look out for schemes while purchasing Ayurvedic FMCG Products. Mostly in terms of quantity.

Figure 9



Interpretation: There are no specific influencers while purchasing Ayurvedic FMCG Products.

Customer Value

Figure 10

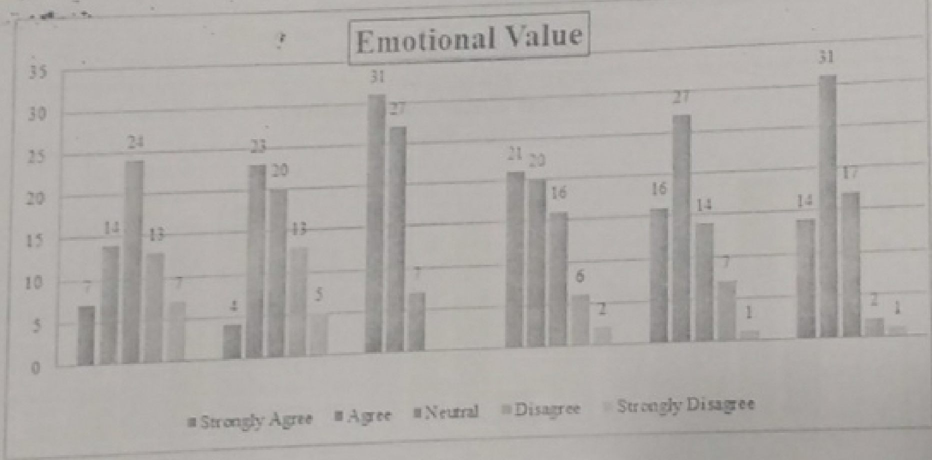
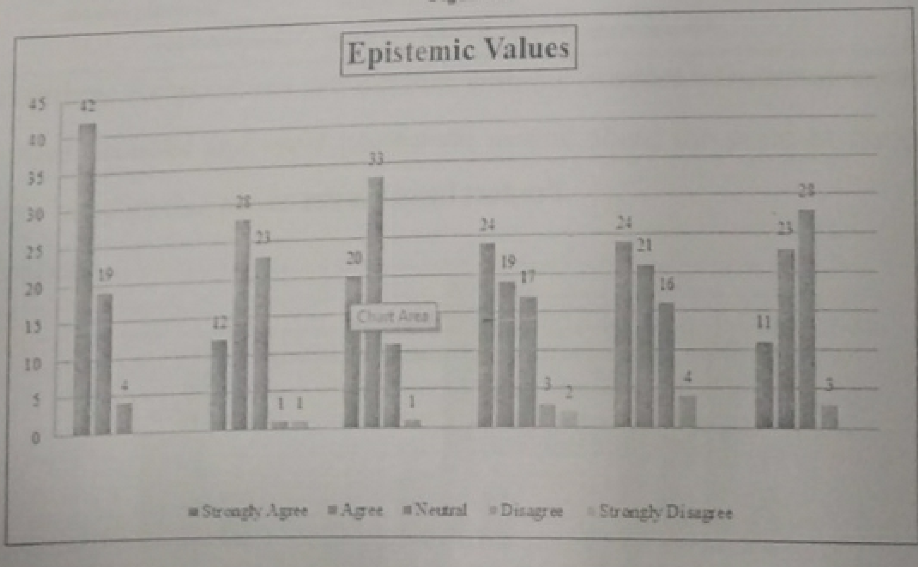
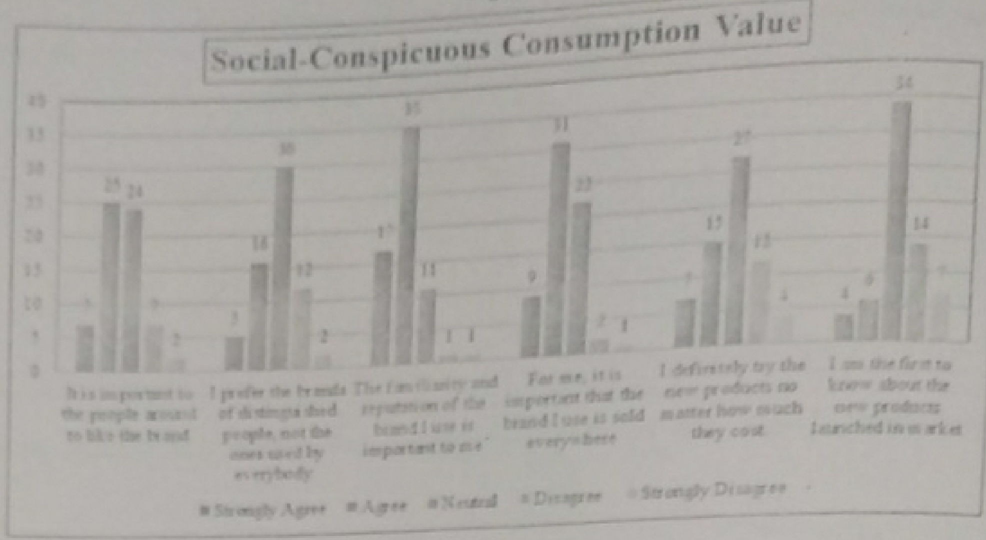


Figure 11



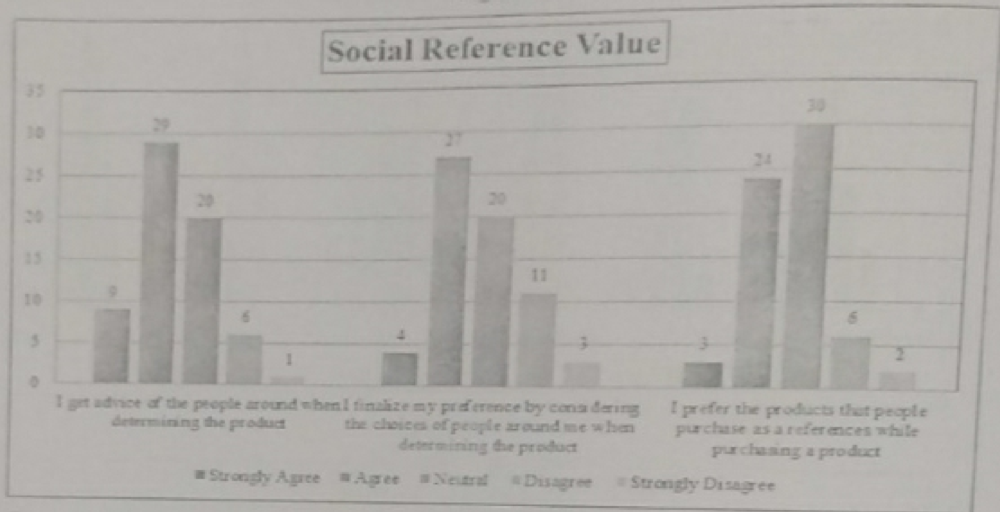
Interpretation: Most respondents feel that emotional value plays an important role while purchasing Ayur-vedic FMCG products as compared to Epistemic Value.

Figure 12



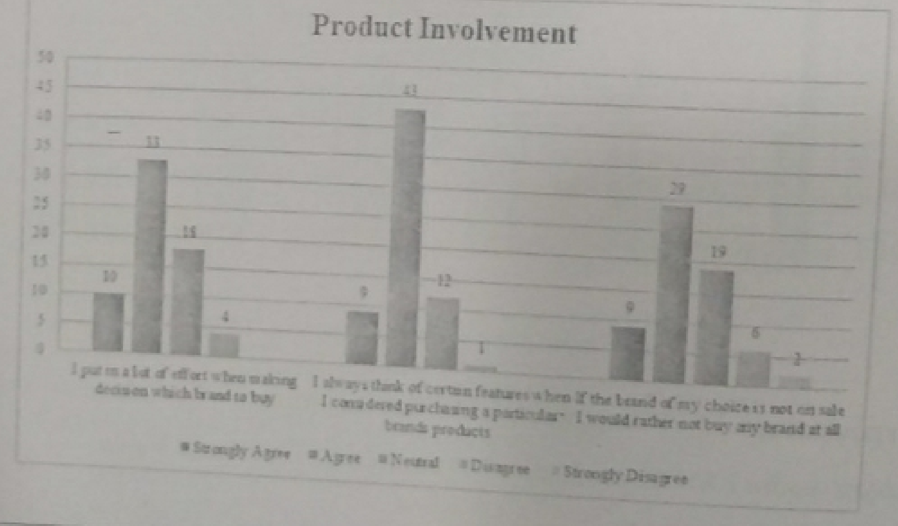
Interpretation: Most respondents feel that the product they buy should be socially accepted and a brand as compared to if referred by a friend.

Figure 13



Customer Product Involvement

Figure 14



Interpretation: Respondents always think of certain features when they considered purchasing particular brands products. Purchase decision is influenced by social groups, price and brand.

Figure 15

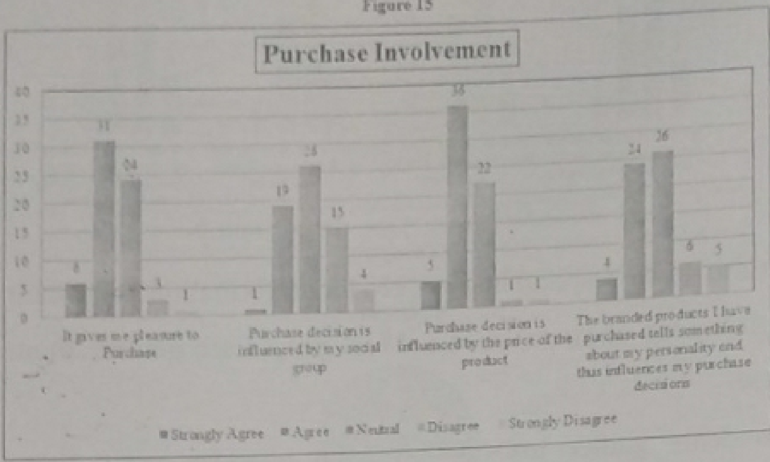
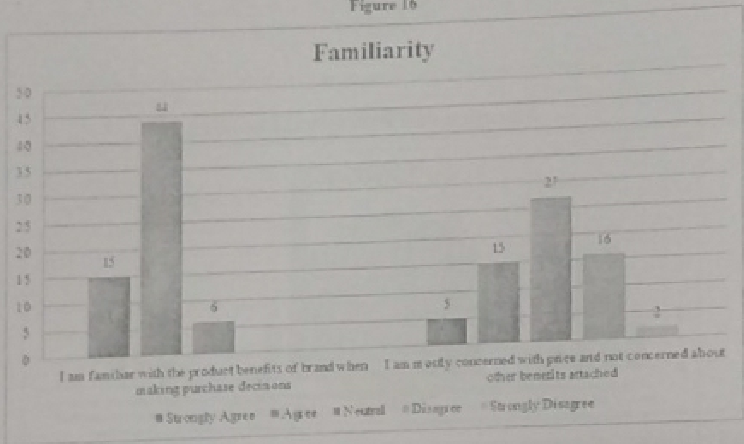


Figure 16



Interpretation: Respondents are familiar with the product benefits of a particular brand before the purchase decision and most people are neutral about the price of the product when compared to other benefits that are attached to it.

Information Process

Figure 17

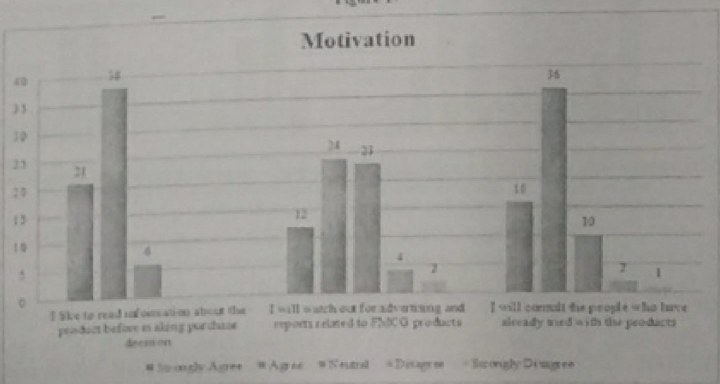
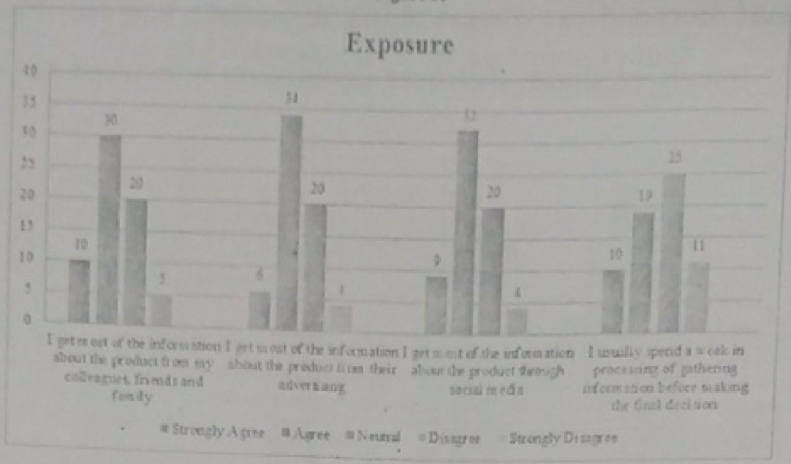


Figure 18



Interpretation: Most respondents get product information from their friends, colleagues and family, adver-tisements or social media. Most people are neutral about gather information before their purchase.

Most respondents gather information from previous users than get influenced by Advertisements.

Figure 19

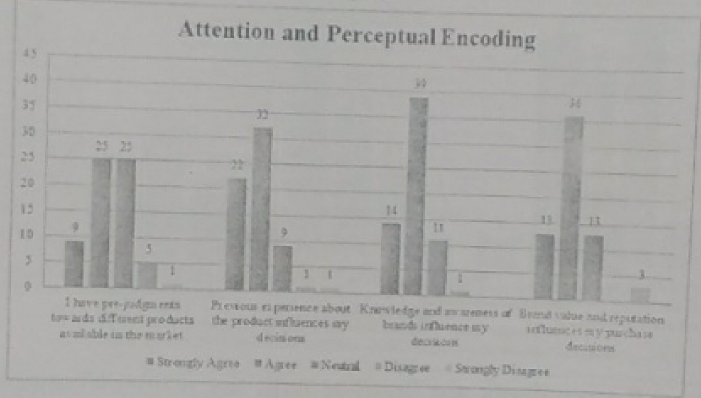
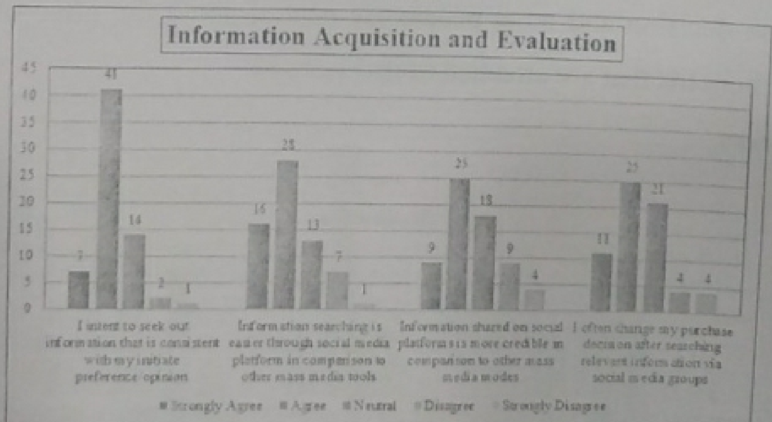


Figure 20



Interpretation: Knowledge and awareness of a product influences purchase decisions. Maximum of re-spondents seek out information that is consistence with their initial opinion.

Demographics

Figure 21

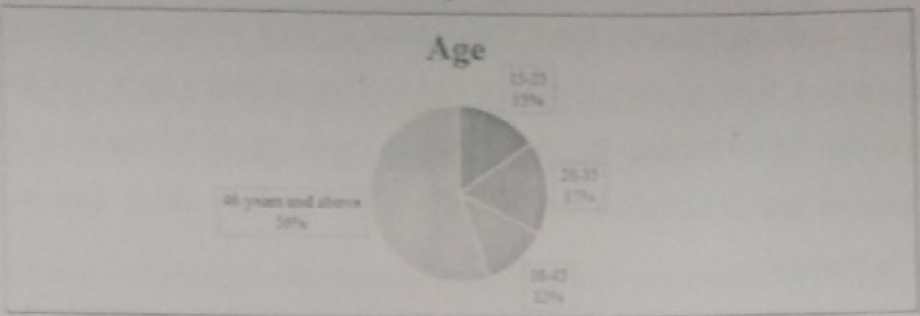


Figure 22

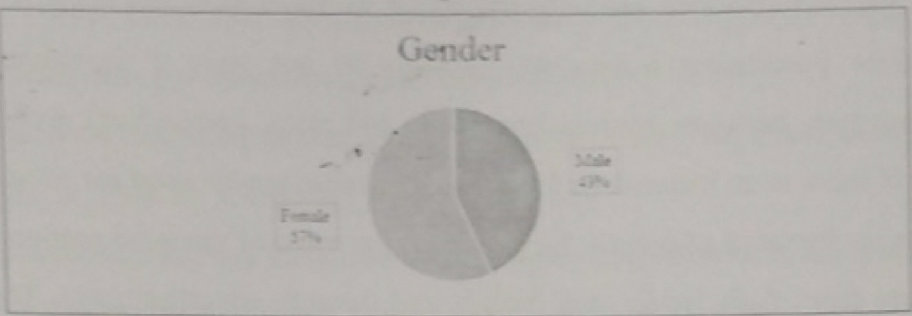
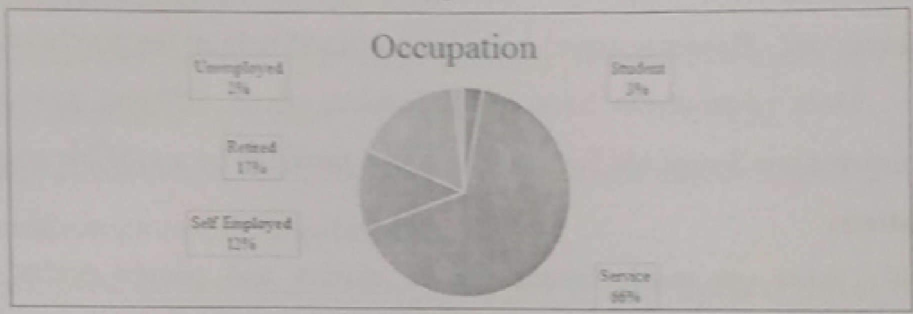


Figure 23



Interpretation: Maximum of the respondents is above the age of 46 most of the respondents work in the service sector.

Limitations

The number of respondents was only 65.

Most of the respondents were in the age group of 45 years and above

Summary of Findings

The survey indicated that maximum respondents prefer shopping from department stores and Super markets. Respondents look for Discounts, Variety of products and Service while purchasing these products.

Dabur, Patanjali, Himalaya Wellness and Baidyanath are the most popular brand amongst respondents how-ever few people are aware of Ayush by HUL's and Sri Sri products. Amongst introduction of Patanjali products many people realized that they did have more options. Currently there are many players offering Ayurvedic FMCG prod-ucts in Mumbai. There are Ayurvedic FMCG products which are not only available in malls and big chain stores but also at kinara stores. Respondents still think emotionally and since Ayurvedic products has a his-tory in our country they are happy to use Ayurvedic FMCG products.

References

1. https://www.thehindu.com/news/cities/mumbai/business/fastmoving-ayurvedic-goods/article8187124.ece
2. https://www.forbes.com/sites/timworstall/2016/12/29/why-nobody-knows-anything-ayurvedic-fmcg-products-in-india/#2e1606db4a19
3. https://www.researchgate.net/publication/305995560_The_Phenomenal_Success_of_Patanjali_in_FMCG_Sector-An_Analytical_Study
4. https://economictimes.indiatimes.com/industry/cons-products/fmcg/why-companies-like-hul-patanjali-dabur-are-taking-a-crack-at-the-market-for-ayurvedic-and-herbal-products/articleshow/61084207.cms
6. https://qz.com/india/621789/indian-consumer-goods-firms-see-a-new-money-spinner-in-an-old-product-ayurveda/
7. https://qz.com/india/1087250/dabur-a-133-year-old-indian-ayurveda-brand-is-teaming-up-with-amazon-to-fight-patanjali/
8. https://www.techsciresearch.com/admin/gall_content/2016/11/2016_11$thumbimg102_Nov_2016_004628313.pdf
9. https://www.india-briefing.com/news/ayurveda-india-fmcg-market-consumer-preferences-natural-organic-products-17395.html/
10. https://www.marketing360.in/is-the-ayurveda-ad-war-intensifying-in-india/

all products toothpaste are the most popular. About 50% of respondents buy Ayurvedic FMCG products regularly. Most respondents have been using Ayurvedic FMCG products for more than 3 years Most Individuals do not give more importance to their emotional tastes and values while purchasing the product. Respondents purchase the product to make them feel healthy. One need to know the benefits while buying the product and know more information while buying the product Respondents use established brands which are in the market also availability of the product is very important.

People do consult their friends, family and peers while purchasing Ayurvedic FMCG products. The product specifics are very important to the respondent Price is one of the main influencers while purchasing a product. Brands do not have a significant impact while purchasing. However, between product familiarity and price, respondents prefer to buy familiar products even if there is an increase in the price. The main mo-tivation for purchasing Ayurvedic FMCG products is by word of mouth. Respondents get most of the infor-mation about Ayurvedic FMCG products from their family and friends and through advertisements. They do not spend much time researching about the product before purchasing the product. Brand value and reputa-tion are very important. Previous experience about a brand help in the purchase decision making of a prod-uct. Most respondents have pre judgments about different products. For in depth searches respondents use Social Media and find social media to be a credible source.

Recommendations

Currently there are many brands in the market and people prefer brands that are established so if any compa-ny wants to enter the market it is better to contract manufacture under a trusted brand.

After a few primary interviews it is also known that people are opting for more nature friendly products and are open to pay any price for the same.

This study can be further used to study the market for Ayurvedic FMCG product with a higher number of respondents. Availability and Visibility of Ayurvedic products are very important hence it should be market-ed more.

Conclusion

There has been a shift in consumer preference in the past few years and it is evident that with the variety and options available people are looking for healthier options. Older people are familiar with Ayurvedic products and are open to the idea of using these products. After the