

A STUDY ON CONSUMER BEHAVIOR TOWARDS AYURVEDIC PRODUCTS IN AHMEDABAD CITY.

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ABSTRACT

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Indian is a country where Ayurveda born. And expend its goodwill across the globe. Earlier Ayurveda was been used in India to cure illness and disease. As time changed, the business environment became more competitive for companies because of heavy competition in the market. Every Ayurvedic company wants to maximize the market share and want to have a maximum number of customers. In such a scenario, customers select Ayurvedic companies' product very carefully and by analysis various aspect of marketing strategies. Current research work is an attempt to understand customers' behavior towards the OTC Ayurvedic products in Ahmedabad city. For this, researchers have collected data through questionnaire and interpret it. Data findings elaborate on the various aspect of consumer Behavior towards Ayurvedic Products.

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1. INTRODUCTION:

The researcher starts this work with the introduction of Ayurvedic Industry followed by Consumer behavior. Next Section deal with Research Methodology. After designing research methodology research studied the Literature review. After that researchers analyze data and on the basis of findings, research concludes the research.

1.1. About Ayurvedic Products and Market

The healthcare market in India is evolving at a rapid pace. As per estimates, it is one of the fastest growing industries with an estimated CAGR of 23% from 2015 to 2020 and is expected to be a \$280 billion market by 2020. Rising income levels, growing geriatric population, greater penetration of health care in rural settings,

increasing health awareness with an emphasis on 'preventative healthcare', is expected to enhance the demand for Healthcare services. India's National Health Policy aims at achieving Universal Health Coverage and delivering quality healthcare to all at an affordable cost. The policy aims at providing a comprehensive primary health package which includes major communicable, non-communicable and chronic diseases, geriatrics, palliative, and rehabilitative care. For a vast country like India, to achieve this goal with just the modern medical system in place is a herculean task. Modern therapies have their own drawbacks of burgeoning costs, quality of life issues, and inability to prevent and cure mainstream healthcare. As shown in Figure 1, promoting Ayurveda as a mainstream therapy approach can be used to

bridge the burgeoning gap between demand and supply by primarily focusing on secondary and tertiary prevention of diseases.

In addition, the substantial opportunity in primitive health and restoration of functional health is best addressed by Ayurveda.

Ayurveda can be the treatment of choice for non-emergency medical care		
DISEASE STAGE	AYURVEDA	ALLOPATHY
Pre-acute (Preventative & Curative)	✓	
Acute (Alleviative, Preventative & Curative)	✓	✓
Emergency (Management)		✓
Post-acute (Preventative, Curative & Promotive)	✓	

Source: AyurVAID Hospitals

Here it's important to understand the difference in Herbal, Ayurved, and Natural:

- **Ayurvedic Medicine**

Ayurvedic medicine is a system of healing that originated in ancient India. In Sanskrit, Ayur means life or living, and Veda means knowledge, so Ayurveda has been defined as the “knowledge of living” or the “science of longevity.”

- **Herbal Medicine**

Herbal medicine, hereinafter referred as products, are formulated, using various permissible ingredients to form the base in which one or more herbal ingredients are used to provide defined medical benefits called as “Herbal medicine”.

- **Natural Medicine**

A number of the big name drugstore and high-end cosmetic companies are cruelty-free, but their products usually comprise mostly of synthetic ingredients. An organic ingredient is by definition natural, and vegan cosmetic products are necessarily cruelty-free.

The size of the global Ayurvedic market is expected to almost treble from \$3.4 billion in 2015 to \$9.7 billion by 2022. Increasing awareness of the benefits of Ayurvedic products, government initiatives to encourage their usage, rising purchasing power to drive demand for Ayurvedic products in India

1.2. CONSUMER BEHAVIOUR

The behavior of the consumer is considered to be the study of why, when, where and how people prefer or prefer not to buy a particular product. It takes into

consideration and mixes together the basics of their economic status, their psychology, society, and social anthropology. It, in short, tries to recognize the decision of the buyer either individually or collectively. It examines the uniqueness of individual customers such as their behavioral variables and demographics in an effort to identify the state of people's requirements.

Consumer behavior is the study of how individual customers, groups or organizations select, buy, use, and dispose of ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

Meaning and Definition: Consumer behavior is the study of how individual customers, groups or organizations select, buy, use, and dispose of ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

Importance of Consumer Behaviour to Marketers. It is important for marketers to study consumer Behaviour. It is important for them to know consumers as individual or groups opt for, purchase, consumer or dispose of products and services and how they share their experience to satisfy their wants or needs (Solomon, 2009).

2. RESEARCH METHODOLOGY

2.1. The objective of Research:

- *First and the prime objective of this research work is to know the*

consumer behavior towards various OTC Ayurvedic products.

Other objectives of the research are:

- To know the various usages of Ayurvedic products.
- To know that impact of promotional tools on consumer behavior.

2.2. Research Type: Descriptive research

2.3. Data Collection:

Population: Ayurvedic products users.

Primary data: Primary data was collected from those people who are using Ayurvedic products.

Secondary Data: Secondary data has been collected from various secondary sources like Journals, magazine, articles, and other sources.

2.4. Sampling Method: Researcher used convenience sampling method to collect data.

2.5. Data Collection Tool: researcher collected data through structured questionnaire filled by the respondents from the population.

2.6. Statistical tools: Research has applied percentage analysis and Chi-Square test to know the relationship between a dependent variable and an independent variable.

2.7. Limitation of research:

Current research work is done from the perspective of customers', further research can be done from the point of view of Ayurvedic product manufacturing companies. Another limitation of this research work is that it has been conducted in Ahmedabad area. Expansion of this research work can be lead to another area of the country.

3. LITERATURE REVIEW:

Kotler and Keller (2012) mentioned that consumer buying behavior is studied as a part of the marketing and its main objective is to learn the way how the individuals, groups or organizations choose, buy use and dispose the goods and the factors such as their previous experience, taste, price, and branding on which the consumers base their purchasing decisions.

One of such studies of consumer buying behavior has been conducted by **Acebron et al (2000)**. The aim of the study was to analyze the impact of previous

experience on buying behavior of fresh foods, particularly mussels. In their studies, the authors used a structural equation model in order to identify the relationship between the habits and previous experience on the consumer buying decision. Their findings show that personal habits and previous experience of the consumers have a direct impact on the consumers' purchase decision in the example of purchasing fresh mussels. They also found that the image of the product has a crucial impact on the purchasing decision of the consumer and further recommended that the product image should continuously be improved in order to encourage the consumers towards purchasing.

Another study conducted by **Variawa (2010)** analyzed the influence of packaging on consumer decision-making the process for Fast Moving Consumer Goods. The aim of the research was to analyze the impact of packaging on the decision-making processes of low-income consumers in retail shopping. A survey method has been used in order to reach the research objectives. In a survey conducted in Star Hyper in the town of Centerville 250 respondents participated. The findings of the research indicate that low-income consumers have more preferences towards premium packaging as this can also be re-used after the product has been consumed. Although the findings indicate that there is a weak relationship between product packaging and brand experience. However, it has been proven by the findings of the research that low-income consumers have greater brand experience from the purchase of 'premium' products when compared to their experience from purchasing 'cheap' brand products.

Lee (2005) carried out a study to learn the five stages of consumer decision-making the process in the example of China. The researcher focuses on the facts that affect the consumer decision making process on purchasing imported health food products, in particular, demographic effects such as gender, education, income, and marital status. The author employed a questionnaire method in order to reach the objectives of the

research. Analysis of five stages of consumer decision-making process indicates that impact of family members on the consumer decision-making process of purchasing imported health food products was significant.

The author further explains this by the fact Chinese tradition of taking care of young and old family members have long been developed and marriage is considered to be extremely important in Chinese tradition. This reflects in the findings of the study that the purchase of imported health food products made by a person for the people outside the family is declined significantly by both male and female Chinese after they get married.

Five Stages Model of the consumer decision-making process has also been studied by a number of other researchers. Although different researchers offer various tendencies towards the definitions of five stages, all of them have common views as they describe the stages in similar ways.

One of the common models of the consumer decision-making process has been offered by **Blackwell et al (2006)**. According to him, the five stages of the consumer decision-making process are followings: *problem/need recognition, information search, evaluation of alternatives, purchase decision made and post-purchase evaluation*. Each stage is then defined by a number of researchers varying slightly but leading to a common view about what each stage involves. For example, according to **Bruner (1993)** first stage, need recognition occurs when an individual recognizes the difference between what they have and what they want/need to have. This view is also supported by Neal and **Questel (2006)** stating that need recognition occurs due to several factors and circumstances such as personal, professional and lifestyle which in turn lead to the formation of the idea of purchasing.

In the next stage, consumer searches information related to the desired product or service (**Schiffman and Kanuk, 2007**). The information search process can be internal and external. While internal search refers to the process where consumers rely on their

personal experiences and beliefs, external search involves a wide search of information which includes addressing the media and advertising or feedbacks from other people (**Rose and Samouel, 2009**).

Once the relevant information about the product or service is obtained the next stage involves analyzing the alternatives. **Kotler and Keller (2005)** consider this stage as one of the important stages as the consumer considers all the types and alternatives taking into account the factors such as size, quality and also price.

Backhaus et al (2007) suggested that purchase decision is one of the important stages as this stage refers to the occurrence of a transaction. In other words, once the consumer recognized the need, searched for relevant information and considered the alternatives he/she makes a decision whether or not to make the decision. Purchasing decision can further be divided into a planned purchase, partially purchase or impulse purchase as stated by **Kacen (2002)** which will be discussed further in detail in the next chapters.

Finally, the post-purchase decision involves the experience of the consumer about their purchase. Although the importance of this stage is not highlighted by many authors **Neal et al (2004)** argues that this is perhaps one of the most important stages in the consumer decision-making process as it directly affects the consumers' purchases of the same product or service from the same supplier in the future.

The most noteworthy writers that serve as academic advocates of The Five-Stage Model of consumer decision making include **Tyagi (2004)**, **Kahle and Close (2006)** **Blackwell et al. (2006)**, and others.

It is important to note that The Five-Stage Model is not the only model related to consumer decision-making, and there are also a range of competing models that include Stimulus-Organism-Response Model of Decision Making developed by Hebb in 1950s, Prescriptive Cognitive Models, The Theory of Trying (**Bagozzi and Warsaw, 1990**), Model of Goal-Directed Behaviour

(Perugini and Bagozzi, 2001) and others. All of these models are analyzed in great detail in

the Literature Review chapter of this work.

4. DATA ANALYSIS

Demographic Data of Respondents

Demographic	Variable	Frequency
Family Type	Joint	61
	Nuclear	39
Gender	Male	22
	Female	78
Age Group	18-25	7
	26-35	57
	36-55	35
	56-65	2
Profession	Job	13
	Business	26
	Profession	47
	Other	15
Income	< 20000	9
	21000-40000	12
	41000-60000	41
	>60000	38

61% of respondents belong to the nuclear family and 39% respondents belong to Joint family. 22% of respondents are male and 78% are female. The age group of respondents, 57% respondents belong to the age group of 26-35 Years, 35% belong to 36-55 yrs, 7% belong to 18-25 yrs, and only 2% belong to 56-65 yrs age group. 47% of respondents are having their own profession,

26% of respondents are having their business, and 13% are Job doer. Monthly income of respondents. 41% of respondents belong to 41000-60000 PM group, 38% of respondents have income above 60000 PM, 12% of respondents have 21000-40000 PM, whereas only 9% of respondents have monthly income of 20000.

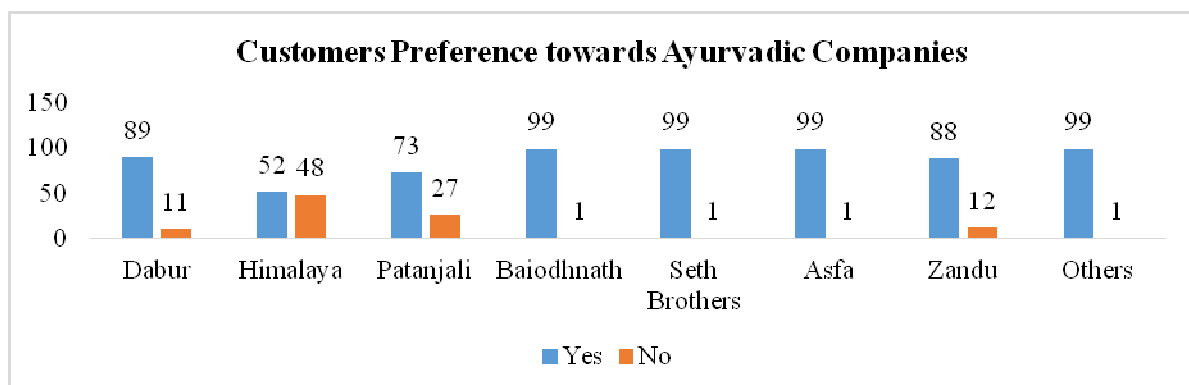


Chart: 1 Customer Preference for Ayurvedic Companies

Above chart shows the customers' preferences towards Ayurvedic Companies. Most preferred companies are Seth Brothers, Asifa, Baidyanaath and Other brands (all are

preferred by 99% of respondents), Whereas Himalaya is a least preferred brand by customers (52%) followed by Patanjali (73%) and Dabur 89%.

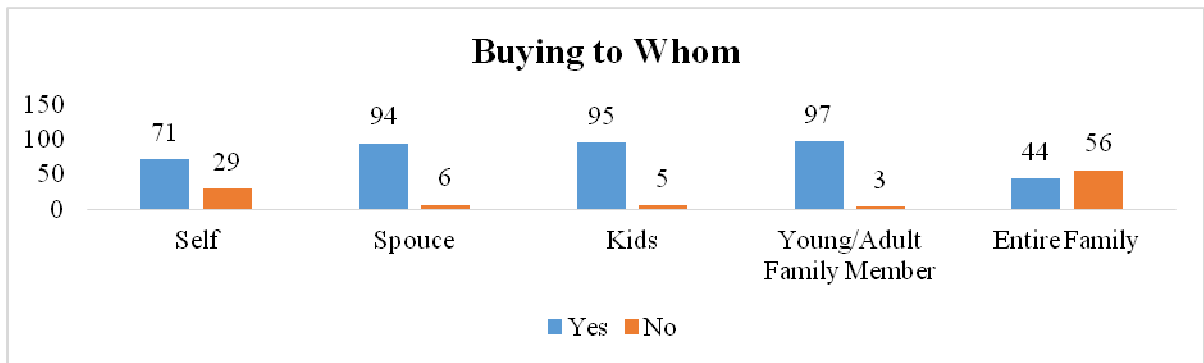


Chart: 2 buying to whom

According to the above chart, 71% of respondents buy Ayurvedic products for self and 44% buy for the entire family. Whereas only 71% of respondents buy Ayurvedic products for them self and 44% buy for the entire family. 94% for spouse (94%). Whereas only 71% of respondents buy Ayurvedic products for them self and 44% buy for the entire family. 97% for Young/Adult members (97%), Kids 95% and

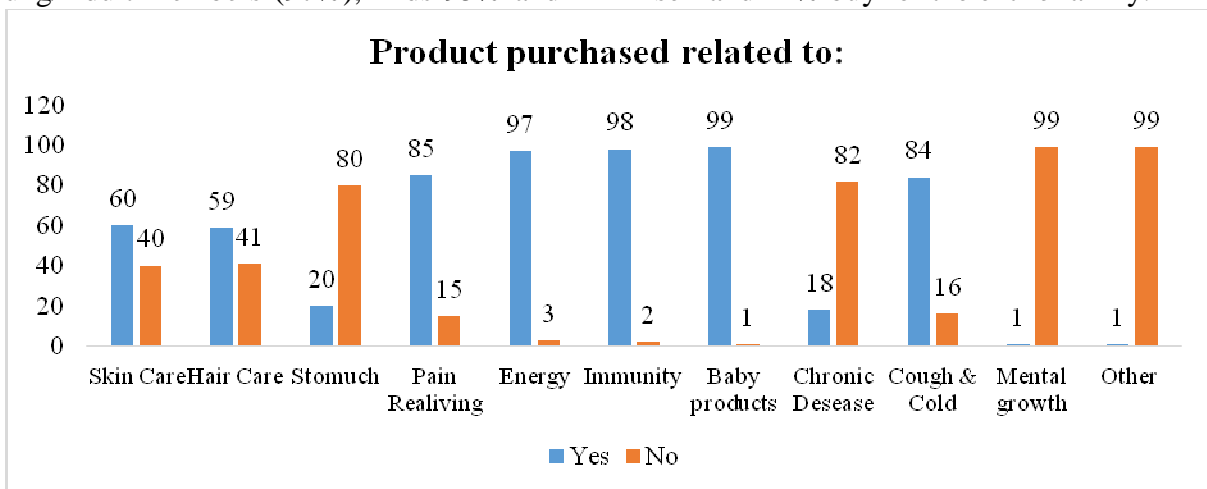


Chart: 3 Products related to

Chart 3 shows that respondents buy baby products, mental growth, and other (99%), for immunity (98%), Energy (97%). The least preferred category is Chronic Disease (18%), Hair Care (60%), and Skincare (60%). Other categories for which customers buy Ayurvedic products are Stomach (80%), Pain relieving (85%), and cough and cold (84%).

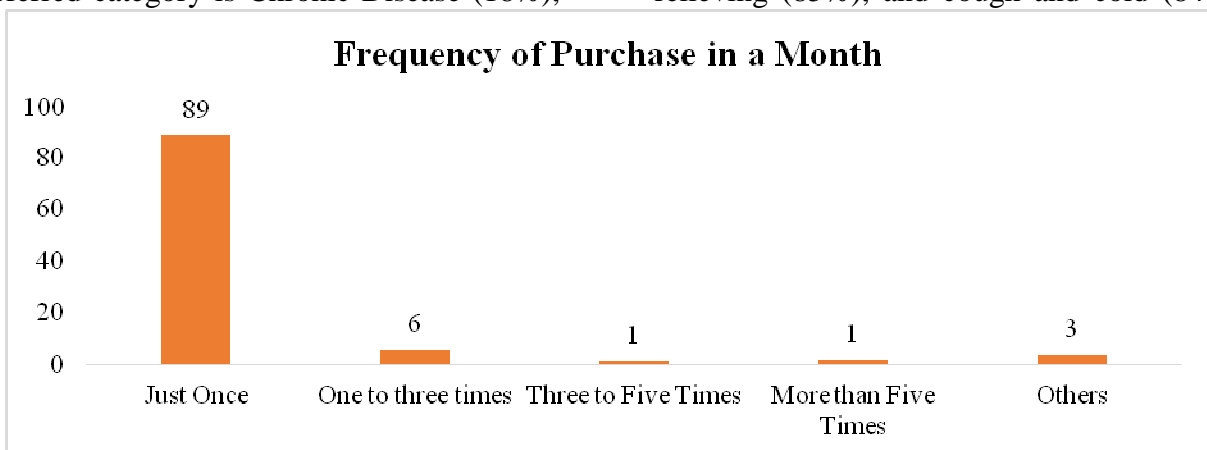


Chart: 4 Frequency of Purchase

Above data reflect the frequency of purchase of Ayurvedic products by Buyers, and as per data, 89% of respondents buy Ayurvedic products just once in a month. Only 6% of buyers buy once to three times a month.

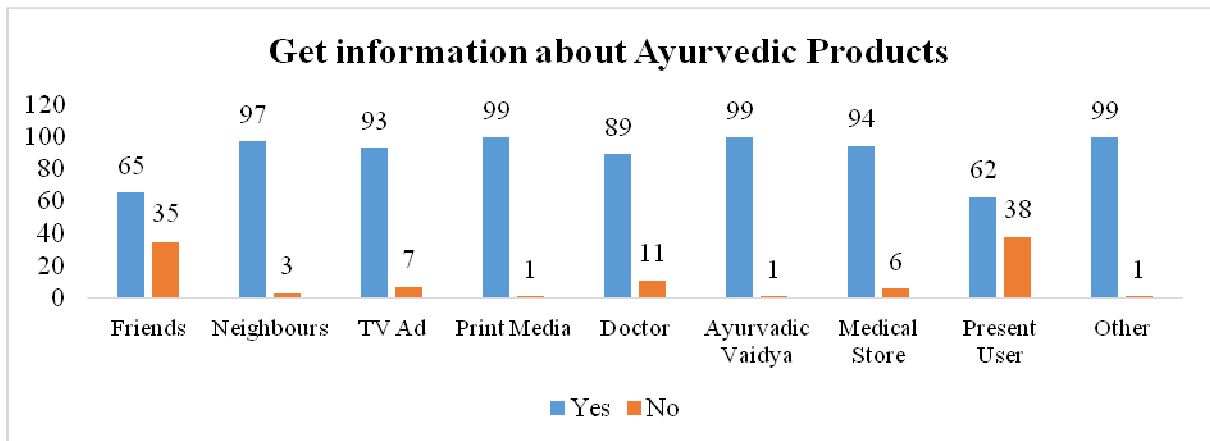


Chart: 5 Information about Ayurvedic Products

Above data shows the sources of information about the Ayurvedic products. Maximum (99%) of respondents get information from Print Media, Ayurvedic Vidyalaya, and Other sources. 97% of respondents get information

from their neighbors', 94% got information from Medical Store. Whereas about 65% of respondents get information from friends. Only 62% of respondents get information from current uses of products.

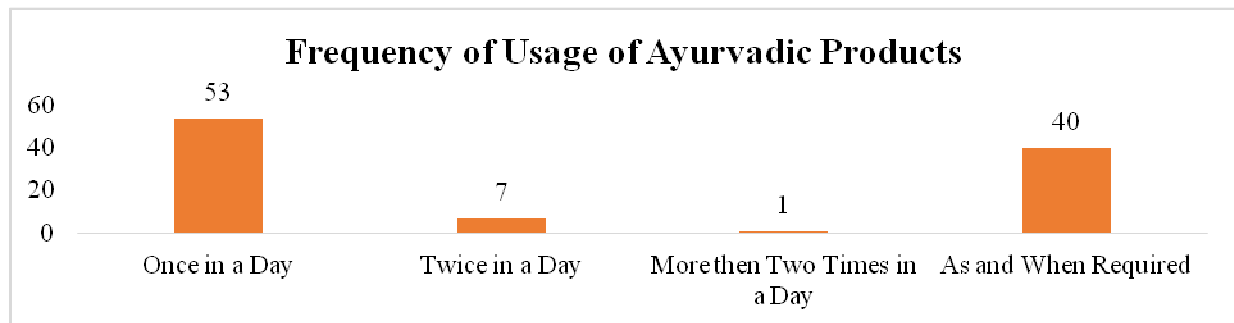


Chart: 6 Frequency of Use

Chart 6 explain that 53% of respondents use Ayurvedic products once in a day time, whereas 40% of respondents use these products when they required. Only 7% of respondents use Ayurvedic products twice a day.

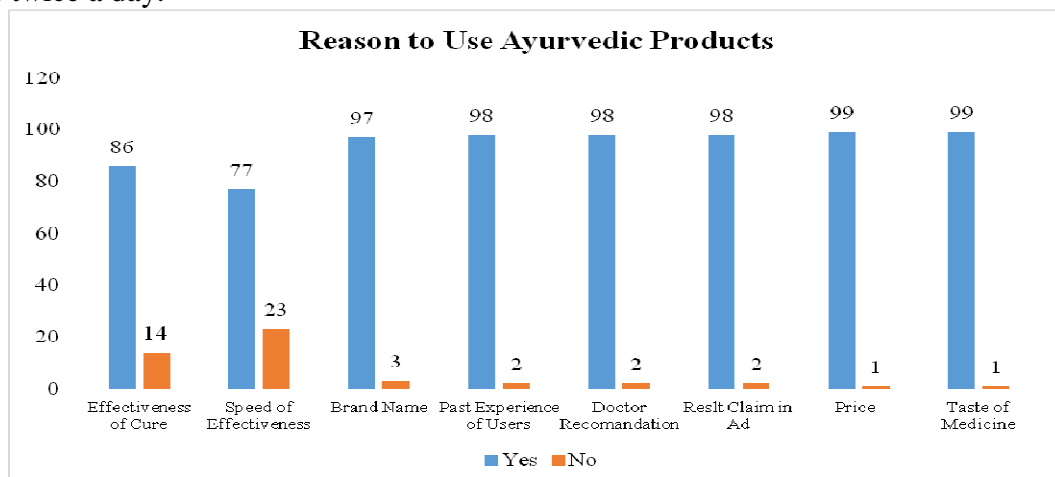


Chart: 7 Reasons to Use Ayurvedic Products

Chart 7 explain various reasons to use Ayurvedic products and data reveals that around 99% of respondents use Ayurvedic products because of Price, Test of Medicine,

Result claim in Ad., Doctor's recommendation, Past experience, and Brand name. Only 14% of respondents do not use them by seeing effectiveness to cure.

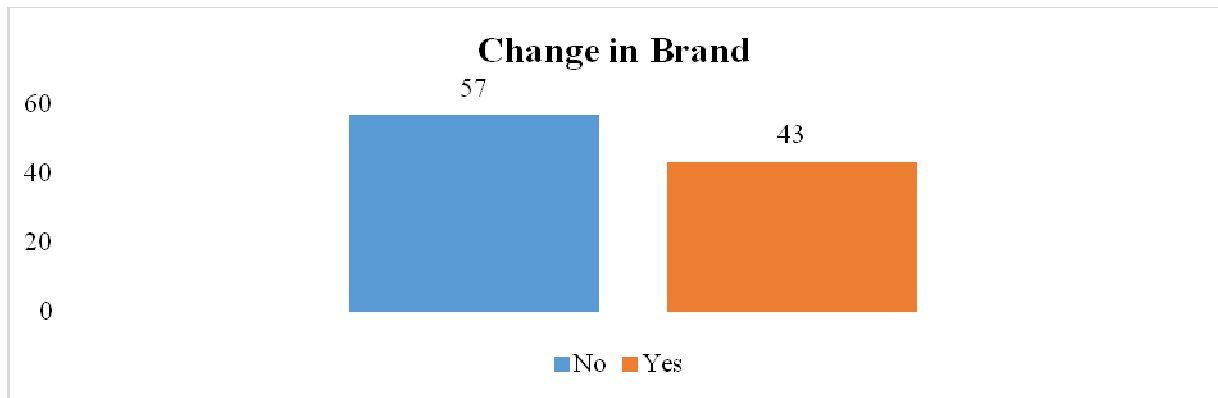


Chart: 8 Change in Brand of Ayurvedic Products

Chart 8 reveals that only 43% of respondents' change their brand of Ayurvedic products, whereas 57% of respondents' remain loyal toward their brands.



Chart: 9 Reasons to Change Brand

Above data shows the various reasons because of poor performance. Whereas 3% change because of other good quality brands because of their customers change their brand. 39% of respondents' change current brand are available in the market.

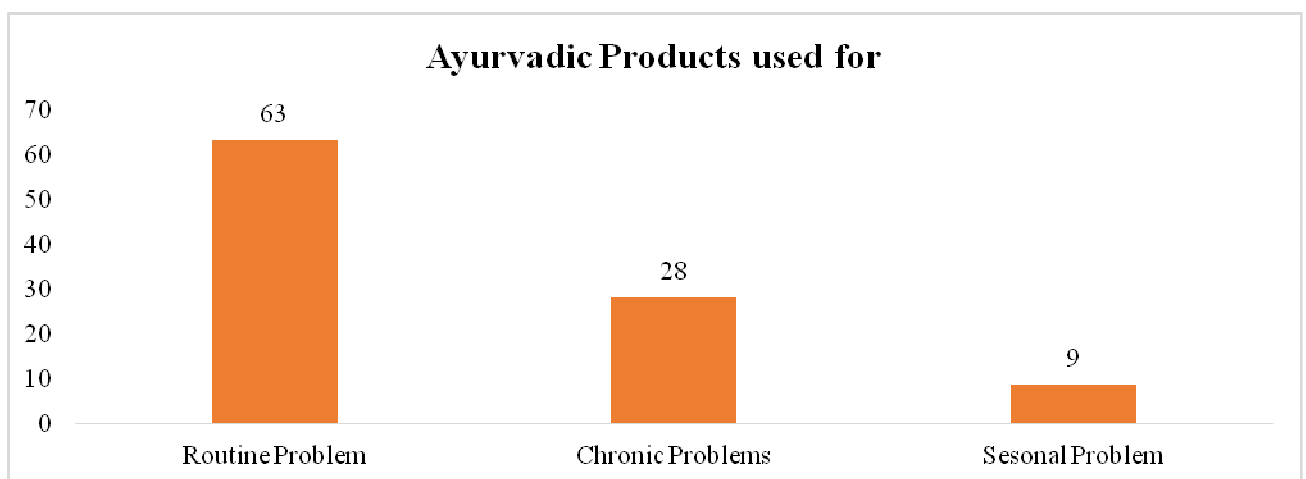


Chart: 10 Ayurvedic Products Used For

Chart 10 reveals data about uses of Ayurvedic products. 63% of respondents use these products for routine problems, whereas 28% used these products for Chronic Problem. And only 9% of respondents use these products for seasonal problems.

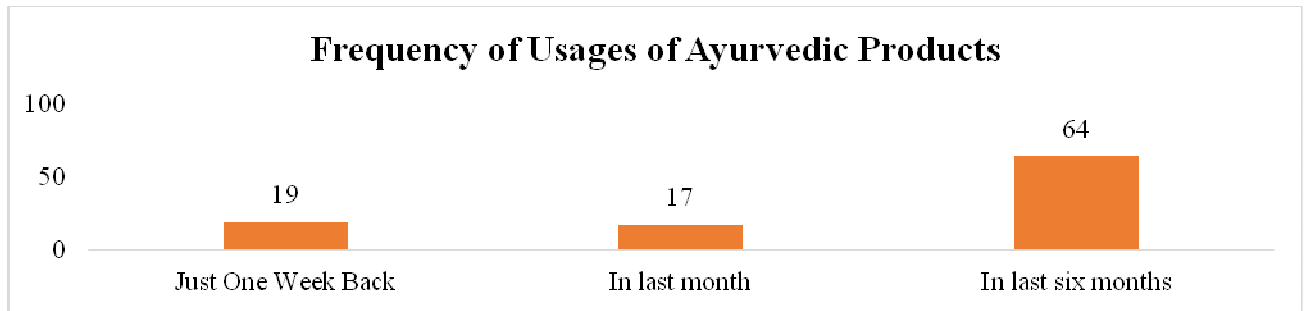


Chart: 11 Frequency of Use

Above data explain the frequency of use of Ayurvedic products. 64% of respondents use Ayurvedic products within 6 months, 19% use just once in a week, and 17% use in a month.

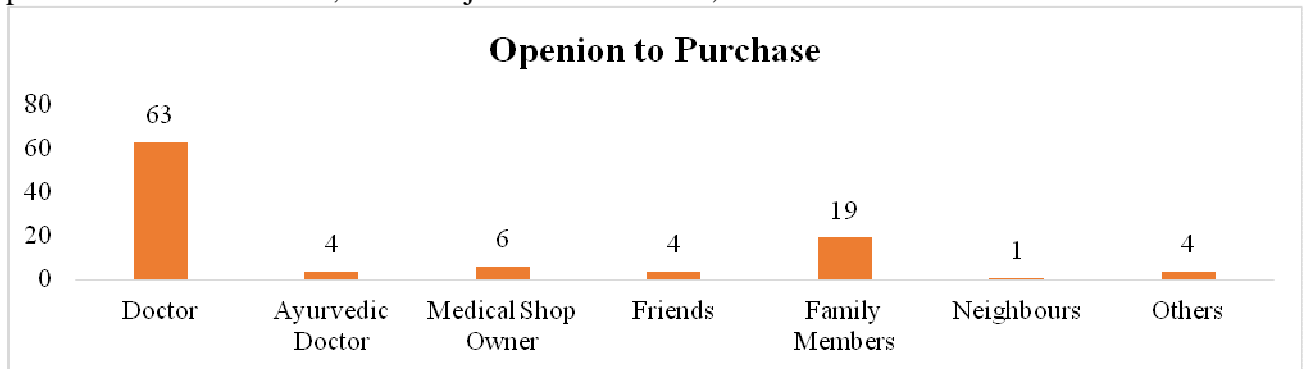


Chart: 12 Opinion to Purchase

63% of respondents get opinion to buy Ayurvedic products from Doctors, 19% got opinion to buy Ayurvedic products from Family Members. 6% of respondents get an opinion from medical shop vendors.

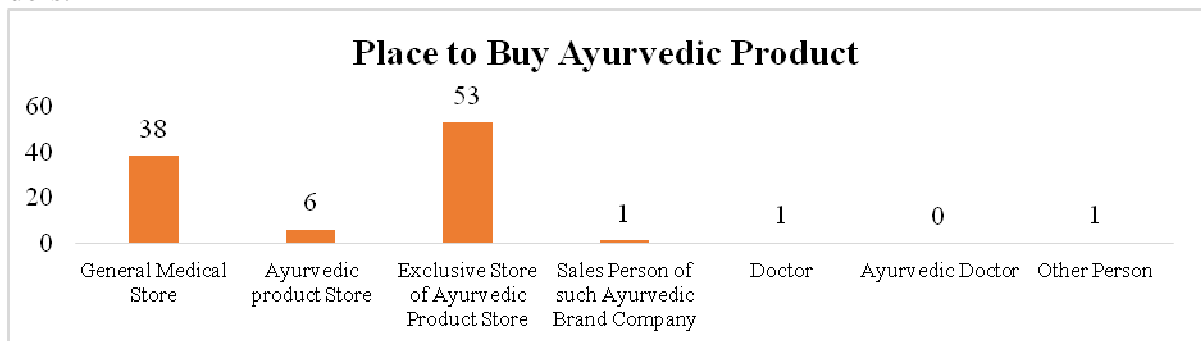


Chart: 13 Place to buy Ayurvedic Products

53% of respondents buy Ayurvedic products form an exclusive store of Ayurvedic store, 38% of respondents buy these products from general medical products.

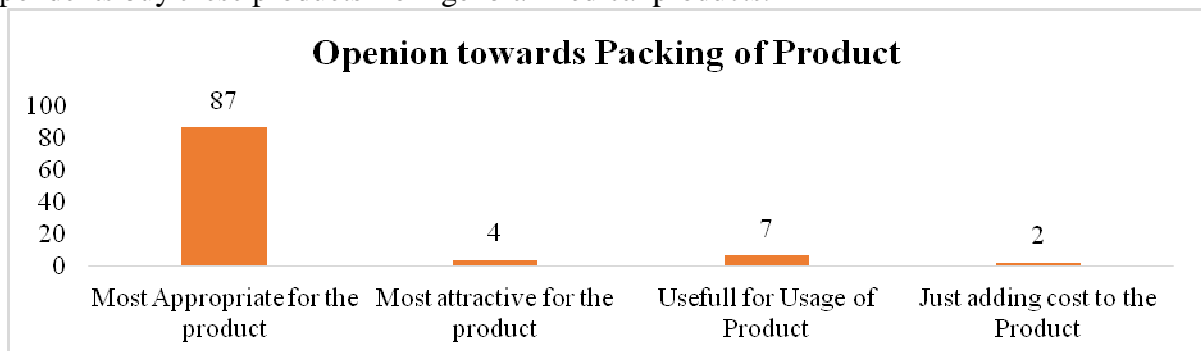


Chart: 14 Opinions towards Packing of Ayurvedic Products

Chart 14 explains the opinion of respondents about the packing of Ayurvedic products.

87% of respondents reply that packing of Ayurvedic products is as per the product need

and feature. 7% of respondents' reply that packing of products is useful for the usages of products, while only 2% of respondents reveal

that packing is adding cost in the product price.

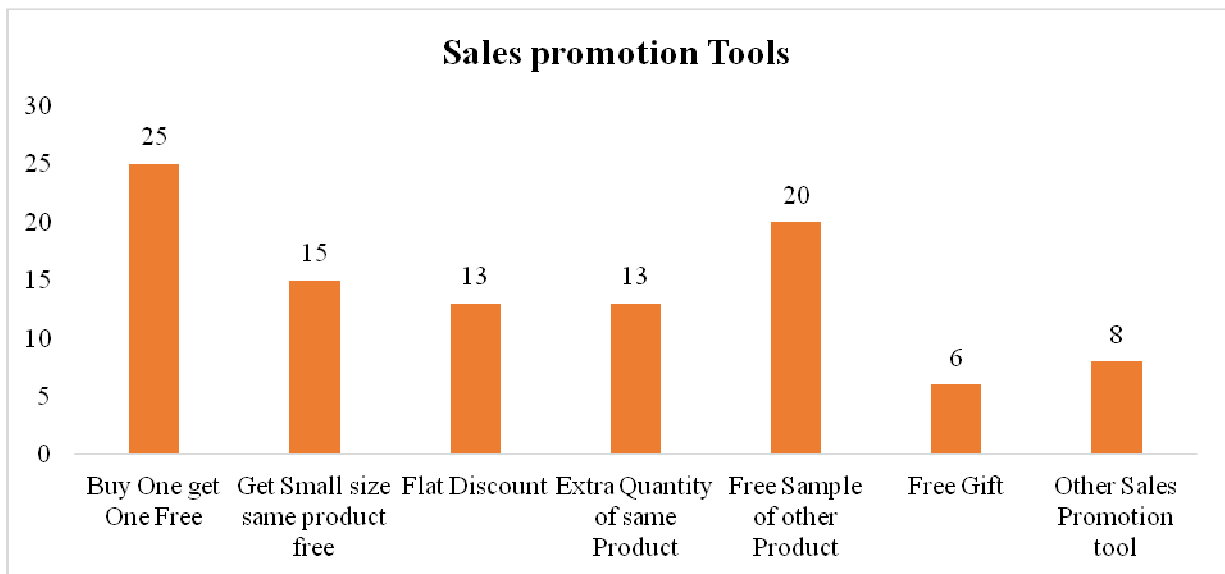


Chart: 15 Sales Promotion Tools

This chart reveals the choice of sales promotion tools makes by customers. 25% of respondents like Buy One Get One free, 15% like small size same product free, 13% like a

flat discount, 13% like the extra quantity of same products, 20% like a free sample of other products, 6% like free gifts, and 8% like other sales promotion tools.

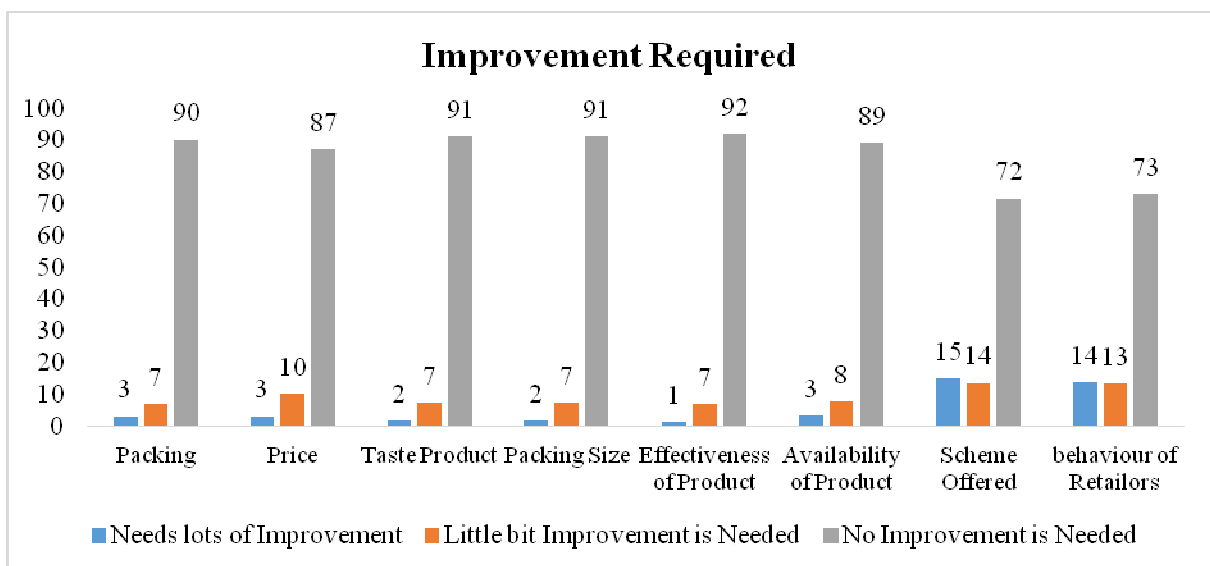


Chart: 16 Improvement required in Ayurvedic products

Above chart is explaining about the various improvement required in Ayurvedic products according to customers. Around 90% of respondents replied that there is no improvement required in packing, Price, taste, Packing Size, the effectiveness of products, and the availability of products. But around ¾ of respondents are not looking for

improvement in the scheme offered and behavior of retailers.

5. FINDINGS:

From the data analysis, the researcher found that:

- From the customers' preference of Ayurvedic brands, the research found that most preferred brands are Baijnaath, Seth,

Asfa, followed by Zandu and Dabur. Least preferred brands are Himalaya and Patanjali.

- The researcher found that respondents buy Ayurvedic products for Young/Adults, Kids, and Spouse. Followed by self and the entire family.
- Regarding the disease for which customer buy Ayurvedic products, researcher found that Mental growth, baby products, Immunity, Energy are the most preferred diseases for which customers buy Ayurvedic products. Followed by a stomach problem, chronic & cold. Least preferred diseases are skin care and hair care for which buyer buy Ayurvedic products.
- Regarding the frequency to purchase Ayurvedic products in a month, the researcher found that most of the respondents' buy Ayurvedic products just once in a month, which may be because of the quantity required. Only a few (6%) of respondents make a repeat purchase of Ayurvedic products in a month.
- The researcher found that Ayurvedic Vidyalaya, Print media, Medical Store, TV Ad. And doctors are the best information providers to customers about the Ayurvedic products. Friends and current users of Ayurvedic products are the least information provider about Ayurvedic products.
- On the usage of Ayurvedic products in a day, the researcher found that more than ½ of the respondents use these products once in a day, whereas 40% of respondents use these products when required. Only 7% of respondents use these products twice in a day.
- The researcher found that price, taste, result claim in ad., Doctor recommendation, past experience, and brand name are the prime reasons to use Ayurvedic products, Effectiveness of cure and Speed of Effectiveness stand last in the reasons to use these products.
- The researcher found that more than ½ of the respondents did not change their brand, whereas 43% of respondents change their brand of Ayurvedic products.
- The researcher found out the poor performance of Ayurvedic brand is a prime reason to change the current brand. Followed by Superior quality brands available in the market. Another factor is Price because of which researcher change their brand.
- About the usages of Ayurvedic products, the researcher found that 63% of researchers use Ayurvedic products for a routine problem like hair fall, skin problem and others. 28% of respondents use these products for chronic problems, where 9% of respondents use it for seasonal problems.
- On the frequency of usages of Ayurvedic products, the researcher found that more than respondents use last Ayurvedic products in the last six months. 17% of respondents used in last month, whereas 19% of respondents use it just one week back.
- Regarding the opinion to purchase, the researcher found that most of the respondents (63%) get opinion to use Ayurvedic products from a doctor, 19% get an opinion from family members, followed by 6% from friends, 4% from Ayurvedic doctor and friends. Respondents get the least opinion from neighbors.
- The researcher found that more than ½ of the respondents buy Ayurvedic products from exclusive Ayurvedic store, 38% of respondents buy it from a general medical store, 6% of respondents buy it from Ayurvedic product store.
- On packing of product, the researcher found that near about 90% of respondents found packing inappropriate manner as per product need. 7% found that packing increase usefulness of usages of products, 4% believe that packing of Ayurvedic products is more attractive. Whereas only 2% think that packing increase the cost of products.

- Regarding the sales promotion, the researcher found that ¼ of respondents found Buy one get free as most appropriate promotion tool for Ayurvedic products, 20% of respondents found free sample with other products as the most appropriate promotional tool, 15% of respondents found get sample of same products in small size as a good promotional tool for Ayurvedic products. Other preferred promotional tools are a flat discount, Extra quantity. Whereas respondents prefer free gift as the least attractive promotional tool.
- On the improvement required in Ayurvedic products, the researcher found that most customers don't suggest any major improvement in price, Packing, Taste, Packing Size, Effectiveness of Products, and Availability. However, about 15% of customers are looking for lots of improvement in Scheme and behavior of retailers. Whereas around 14% of respondents are looking for little improvement in the same category.

CONCLUSION

Researchers started this paper with an objective to understand the consumer behavior towards the OTC Ayurvedic products, also to know the impact of promotional strategies on consumer behavior. Researchers found that consumer behavior towards OTC product of Ayurvedic, keep changing also promotional tools affect consumer behavior. Researcher suggests to the industry that while offering OTC products, companies need to understand the consumer need and usage pattern. It will help companies to target the right customers in a better way.

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