

Chapter 45

An Analysis on Consumer Preference of Ayurvedic Products in Indian Market

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ABSTRACT

With the growing awareness of lifestyle diseases and risk related to chemical-based products, there has been an increasing interest in green/natural products. The purpose of this study is to analyze the recent surge in the growth rate of Ayurved Market and to explore factors that are driving or inhibiting the said pattern. The study will use descriptive statistics and exploratory factor analysis to understand the factor influencing the consumer perception of Ayurvedic products. The study will also investigate the relation between the demographic factors and preference for Ayurvedic products. The study identifies the factors which influence the brand preferences and to know how these factors are further influenced by demographics. The result of the study indicates that the factors of trust and satisfaction have positive and significant impact on the brand preferences, whereas price has negative but insignificant influence on brand preferences. This study is an attempt to understand the role of Ayurved in food science as well as medical science.

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1. INTRODUCTION

Over last two decades, a significant change has been seen in the buying behavior of Indian consumers. Indian consumers are now more conscious about the environment impact of products and this has led to a major change in their buying behavior. Consumers have started preferring eco-friendly products. The consumption rate of such eco-friendly products in Indian semi-urban and rural market is growing appreciably. FMCG (fast moving consumer goods) industry also banks on them as a significant source of revenue. The ratio of rural-urban population in India is 68.84% is to 31.16%. This implies that there are immense growth prospects in rural India (indiafacts.in/india-census-2011/urban-rural-population-of-india). The buying propensity in rural areas is accelerating at a balanced rate. As a result, rural market is reflecting escalation, particularly in product categories like toilet soaps, vanaspati ghee (edible oil), tea, hair oil, talcum powder, etc.

Ayurveda is a system based on the notion of balance, predominantly practiced in India and has been in existence for almost five thousand years. It comprises of diet and herbal remedies, while emphasizing the body, mind and spirit in disease prevention and treatment (Morgan, 2002). The ancient Vedic traditions are deeply embedded in the Indian culture. According to the study by Sawant (2013), the consumers of the rural areas have more trust in nature-based (Ayurvedic) products, as they relate such products to indigenous treatment. In rural areas people of all ages, gender, with different academic qualification and income levels share similar perception about such products. According to Sinha and Singh (2015), in India, FMCG competition is continuously rising between the international brands (chemical-based) and the indigenous herbal brands (nature-based) in cosmetic category. In a recent research done by Anute et. al., 2015, it has been found that the younger female population is more attracted towards the natural products and this needs a recalibration amongst the established cosmetic brands to adjust accordingly. The survey, conducted by the Associated Chambers of Commerce and Industry of India (ASSOCHAM), has brought out that seventy-two per cent of the corporate employees are switching to traditional healing therapies like massage and acupressure.

According to Sawant (2013), the general population and specifically the rural population do relate Ayurvedic products with native treatment. This segment is quite promising for any marketer in India, but it also offers its own set of challenges. As per the findings of Kewlani and Singh (2012), brand, advertising, awareness, packaging and availability were important factors that influence the perception of the masses towards specific Ayurved branded products and therapies. According to Thaisorn et. al., (2012), inflation along with the 4 Ps of marketing mix (i.e. product, price, place and promotion), were the crucial factors that influenced the perception of the Thai consumers about herbal cosmetics.

A WHO (World Health Organization) study estimates that about eighty percent of the global population relies on natural products for their health care as compared to modern medicines (Sharma et.al., 2008). The primary reasons for the preference of Ayurvedic products were found as the consequences of using harmful chemical based products and the cost of modern medicines (Sharma et.al., 2008).

Snapdeal, one of the major e-commerce giant in India, has witnessed ninety per cent surge in the sales of Ayurvedic products from the year 2014 to 2015. This significant growth in the preference of herbal products has been observed in all the segments inclusive of health, food, grocery products, fitness and fitness equipment. The mantra of a healthy lifestyle is very popular among customers, specifically those in metros. Patanjali Ayurved is one of the leading and fastest growing Ayurveda giant, led by the well-known yoga guru Baba Ramdev. Patanjali Ayurveda has almost doubled its revenue to 3,266.97 crores as compared to 1,587 crores in the year 2015. Patanjali's growth has defined Ayurveda philosophy as

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