

PURCHASE INTENTION TOWARDS PATANJALI PRODUCTS: A STUDY ON DEMOGRAPHICS

Richa Joshi¹
Shelly Jain²

ABSTRACT

FMCG sector is the fourth largest sector in India touching everybody life's every day. Household and personal care account for 50 percent of FMCG sales in India. Changing lifestyles, growing awareness and easier access to products have been the key growth drivers for the sector. The growth of distribution channels and usage of 'Omni-channel' strategy serve as a boon for the industry. The urban segment (with a revenue share of around 40 percent) is the largest contributor to the overall revenue generated by the FMCG sector in India and recorded a market size of around US\$ 29.4 billion in 2016-17. FMCG products are consumed frequently and have very less shelf life. Therefore, it is important for the marketers to understand the purchase intention of customers with respect to FMCG products. The purpose of the study was to understand the purchase intention of customer for FMCG product with respect to demographic variables such as gender, age and income. Study has taken Dant Kanti toothpaste offered by Patanjali Ayurveda to understand the purchase intention of customer for FMCG products. Research design employed was cross-sectional in nature with the sample size of 123 customers. ANOVA & t test were used to study the group differences. Patanjali has shown tremendous growth in the last few years therefore the study has vital significance. Findings of the study suggest that there is no difference in consumer purchase intention with respect to gender, age and income.

Keywords: Consumer, Demographics, FMCG, Patanjali, Purchase Intention.

INTRODUCTION

Fast-moving consumer goods (FMCG) sector is the 4th largest sector in the Indian economy with Household and Personal Care accounting for 50 percent of FMCG sales in India. Growing awareness, easier access, and changing lifestyles have been the key growth drivers for the sector. The urban segment accounts for a revenue share of around 40 percent is the largest contributor to the overall revenue generated by the FMCG sector in India and recorded a market size of around US\$ 29.4 billion in 2016-17. However, in the last few years, the FMCG market has grown at a faster pace in rural India compared with urban India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50 percent of total rural spending.

In 2016-17, revenue for FMCG sector have reached US\$ 49 billion and is expected to grow at 9-9.5 percent in FY18 supported by expectations of the total consumption expenditure reaching nearly US\$ 3,600 billion by 2020 from US\$ 1,469 billion in 2015. Direct selling sector in India is expected to reach Rs 159.3 billion (US\$ 2.5 billion) by 2021 if provided with a conducive environment through reforms and regulation. Patanjali Ayurveda is eating into the market share of the FMCG majors. It has shown a rapid growth pace and the company has caught the attention of almost all the big business houses. Patanjali is one such unlisted company that is now on the radar of almost all the FMCG giants; it is not burning cash and boasts of a loyal following, the trait that are uncommon in the e-

commerce space where profits are a distant dream. The company is Patanjali Ayurveda Ltd (PAL).

Patanjali is clearly targeting much older fast-moving consumer goods (FMCG) majors like Colgate-Palmolive, Nestle, Dabur and HUL; its wide array of products — including spices, pulses, chawanprash, toothpaste, shampoo, toothbrush, instant noodles, tea, jam, corn flakes and also beauty products. It competes directly with products from the heavyweights. Patanjali has expanded its operations in various destinations abroad through the export of its products to Canada, the USA, Mauritius, and UK, and few other countries.

According to leading domestic brokerage IIFL, Patanjali's main promoter is Acharya Balkrishnan, who owns 93 percent of the company; the remaining stake is owned by Sarwan and Sunita Poddar, an NRI couple. Yoga teacher and television personality 'Baba' Ramdev does not own any stake in the company, but he has played a huge part in the brand's gaining visibility, by marketing it in the numerous yoga camps that he holds across the country. IIFL said, "Patanjali Ayurveda Ltd has, in a short span of less than a decade, recorded a turnover higher than what several companies have managed to achieve over several decades. There is no doubt that Patanjali is a disruptive force in the FMCG space and is a credible threat to the incumbents." IIFL is of the view that the growing appeal of Ayurvedic and 'natural' products, along with factors like low price and allowing consumers to express Indian-ness in an increasingly nationalistic environment, will help Patanjali achieve sales of

¹ Assistant Professor, Gitarattan International Business School, Delhi, richardias86@gmail.com

² Student, Gitarattan International Business School, Delhi,shellyjain15@yahoo.com

Rs.20,000 crore by FY20.

Purchase intention is the willingness of the customer to buy a product. Purchase intention is a variable that depends on several factors. Product quality, brand image, socioeconomic condition and social influence have been considered as the key factors affecting purchase intention of customers. It is a plan to purchase a particular good or service in future. Purchase intention is defined as a measure of the strength of one's intention to perform a specific behavior or makes a decision to buy a product or services. Customer purchase decision is a complex process. Purchase intention usually is related to the behavior, perception and attitude of the customer.

Patanjali is one of the fastest growing organizations in the FMCG sector. The Baba Ramdev-led company clocked revenue of Rs 10,561 crore in FY17. The study is based on Dant Kanti toothpaste which is one of the highest selling products of Patanjali, contributing (9%) to total revenue for the firm.

LITERATURE REVIEW

Researchers in the existing literature have explained purchase intention through various concepts and definitions. According to the study by Pedersen (2005), it is one of a very small set of variables that find routine application in consumer research investigations undertaken for a variety of different purpose and covering a broad range of products and services. Buying intention is a future projection of consumers' behaviour that will significantly contribute to the configuration of attitudes.

Purchase intentions are frequently used to forecast sales of existing products and services. Market research firms often use purchase intentions to forecast new products' sales potential. Purchase intention measures have been used frequently to identify products buying probability within defined time periods. Purchase intentions have been recognized as a part of consumer behaviours. Consumer purchase behaviour may change from time to time due to factors such as social lifestyles, country's industrialization and influence of globalization that might have affected their judgment towards the products.

Halim and Hameed (2005) explained purchase intention as the number of patrons that has a proposal to buy the products in future and make repetition purchases and contact again to the specific product. According to Jin and Kang (2011) purchase intention relates to four behaviors of consumers including the undoubted plan to buy the product, thinking unequivocally to purchase the product, when someone contemplate to buy the product in the future, and to buy the specific product among the clutter. Fandos and Flavian (2006) explained the phenomenon of purchase intention as the projected behavior of consumers on short basis about the repetition purchase of specific product i.e. when someone decided to buy the product whenever he/she comes again to market. Ling (2013) examined moderating variable and its

drivers that influence consumers purchase intention on personal care products. In total 137 questionnaires were completed by white collar employees. Data analysis was done through multiple regression techniques on testing the independent variable to dependent variable and hierarchical regression analysis for moderating the relationship between the drivers and the purchase intention. The results revealed that self-efficacy was found to be the important factor which drives purchase intention of consumers for the purchase of personal care products. The study provides valuable insight to the researchers to understand the drivers that are able to motivate the change of behaviour of the consumer in making their purchases of personal care products.

Mercer (2006) stated that the bigger challenge before Patanjali product was marketing through the demand for Patanjali product was increasing – there are major obstacles to the development of the Patanjali market which needed to be removed. It was also stated that the problem encountered in the marketing of Patanjali product has also hindered its growth in the country. There is an international demand for Patanjali products, but so far, the output in India has been insufficient to meet this demand.

OBJECTIVES OF THE STUDY

- (a) To analyse the role of demographics on purchase intention.
- (b) To identify reasons for the preference of Dant Kanti toothpaste by the customer.

SCOPE OF THE STUDY

This study was conducted in Delhi and NCR. This study has helped to identify the role of demographics in shaping purchase intention. The sample size for the study was 123. The age group of the respondents varied from 18 to 50 years of age. Various demographic factors such as occupation, income, etc. were considered under this study. The scope of the study was limited to only those users who are using Dant Kanti toothpaste of Patanjali.

RESEARCH METHODOLOGY

The research design was cross-sectional in nature which involves the collection of data from the customer only once (Malhotra & Dash, 2016). The primary data was gathered through the questionnaire. The questionnaire consisted of five point likert scale statements ranging from strongly disagree denoted by (1) to strongly agree denoted by (5). The questions were framed in such a manner to gather the purchase intention of respondents towards Dant Kanti offered by Patanjali Ayurveda. The convenience sampling technique with the ease of access to respondents was used for data collection. The techniques involved for the data analysis were ANOVA and T-test. Both of these techniques helped to interpret the purchase intention of the consumers towards Patanjali products.

HYPOTHESES OF THE STUDY

H1: There is a significant difference between purchase intention of male and female towards Dant Kanti toothpaste.

H2: There is a significant difference between purchase intentions of different age groups towards Dant Kanti toothpaste.

H3: There is a significant difference between purchase intentions of different income levels towards Dant Kanti toothpaste.

DATA ANALYSIS

Pilot Study

Existing literature was revisited for gathering scales/items for the study. Table 1 shows that maximum statements were taken from the study of Coyle & Thorson, (2001) & Yang et al. (2014) and rest statements were adopted from different sources such as Goyal Rimpay, (2014); Maxham, (2001); Zeng, (2008); Cyr,

(2013) and Erdil, (2015). As the statements were adopted from different sources, the reliability check was necessary to ensure whether the questionnaire was appropriate to conduct the further study.

Cronbach alpha was estimated for assessing the internal consistency of the questionnaire. The reliability test was conducted on 30 respondents and 12 questions on the scale of purchase intention towards Patanjali's Dant Kanti toothpaste. Cronbach alpha was 0.834 (greater than 0.70) which indicated that the questionnaire was reliable for the study (Malhotra & Dash, 2016; Nunnally, 1978).

Data Cleaning and Data Screening

Data cleaning is the process of removing incorrect or inaccurate data from the database. Such entries were identified and deleted. The total sample size was 130 but after screening and cleaning of data, 123 responses were left. Therefore, data analysis was done on 123 usable responses of the customers.

Table 1: Scales/ Items and their Sources

Items/Scale	Source
It is very likely that I will buy Dant Kanti.	(Coyle & Thorson, 2001)
I will purchase Dant Kanti next time I need toothpaste.	(Coyle & Thorson, 2001)
I often purchase Dant Kanti.	(Goyal Rimpay, 2014)
I prefer choosing Dant Kanti over other toothpaste.	(Erdil, 2015)
I am willing to pay extra for Dant Kanti.	(Yang et al. 2014)
Ram Dev assurance made me feel more comfortable for Dant Kanti.	(Ponte et al. 2015)
I used to buy Dant Kanti because of Price.	(Zeng, 2008)
I will continue using Patanjali Dant Kanti.	(Maxham, 2001)
I would recommend Dant Kanti to my friends.	(Coyle & Thorson, 2001)
It is wise to buy Ayurvedic toothpaste consists of all healthy ingredients.	(Coyle & Thorson, 2001)
Relatives and friends influenced me to purchase Dant Kanti.	(Yang et al. 2014)

Table 2: Study of Group Differences With Respect To Gender

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
PI Equal variances assumed	0.033	0.857	0.107	121	0.915	0.17311	1.61303	- 3.02032	3.36653
Equal variances not assumed			0.107	113.373	0.915	0.17311	1.61534	- 3.02707	3.37328

Independent sample T-test was performed to examine whether there was any significant difference in purchase intention of male and female towards Dantkanti toothpaste. Table 2 shows that Levene statistic was non-significant ($F = 0.33$, sig value = 0.857) therefore it can be concluded that there are equal variances among the samples. The difference in purchase intention among the genders was also insignificant ($t = 0.107$, sig value = 0.915 which is > 0.05). Result indicated that the purchase intention of male and female does not significantly differ therefore it leads to non acceptance of H1 and we can conclude that there is no significant difference between purchase intention of male and female with respect to Dantkanti Toothpaste.

One-way analysis of variance was used to examine the effects of the Age and Income on the purchase intention of customers towards Dantkanti toothpaste. Table 3 shows that the Levene test for homogeneity of variances between age and purchase

intention was non-significant (Levene = 1.511, sig value = 0.204), hence researcher can proceed with ANOVA. Table 4 shows that one-way ANOVA model generated an insignificant estimate ($F = 0.870$, sig value = 0.484 which is > 0.05) for purchase intention with respect to Age of the respondent. Therefore this leads to rejection of H2 and we can conclude that there is no significant difference between purchase intentions of the different age groups with respect to Dantkanti Toothpaste. Table 5 shows that the Levene test for homogeneity of variances between income and purchase intention was non-significant (Levene = 0.897, sig value = 0.468), hence researcher can proceed with ANOVA. Table 6 shows that one-way ANOVA model generated an insignificant estimate ($F = 1.921$, sig value = 0.111 which is > 0.05) for purchase intention with respect to income of the respondent. Therefore this leads to rejection of H3 and we can conclude that there is no significant difference between purchase intentions of the different income groups with respect to Dantkanti Toothpaste.

Table 3: Homogeneity of variances (Age)

Purchase Intention			
Levene Statistic	df1	df2	Sig.
1.511	4	118	0.204

Table 4: Study of Group Differences with respect to Age

ANOVA for Purchase Intention & Age					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	273.202	4	68.300	0.870	0.484
Within Groups	9264.668	118	78.514		
Total	9537.870	122			

Table 5: Homogeneity of Variances (Income)

Purchase Intention			
Levene Statistic	df1	df2	Sig.
0.897	4	118	0.468

Table 6: Study of Group Differences with respect to Income

ANOVA for Purchase Intention & Income					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	583.022	4	145.756	1.921	0.111
Within Groups	8954.848	118	75.889		
Total	9537.870	122			

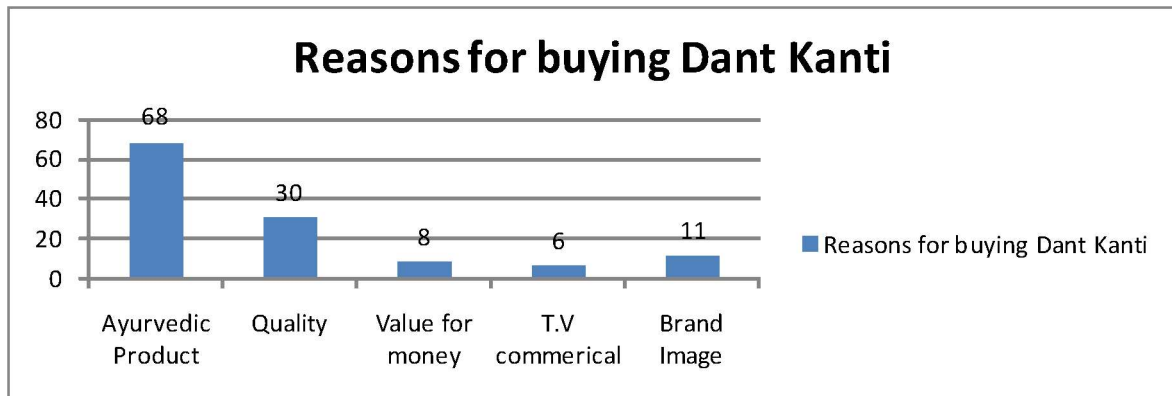


Figure 1: Reasons for Buying Dant Kanti

Figure 1 shows the reasons of respondents to buy Dant Kanti. There are 68 respondents who buy Dant Kanti because it is an Ayurvedic product, 30 respondents buy Dant Kanti because it is a Quality product, 8 respondents buy because it provides value for money, 6 respondents buy because of T.V. commercial and 11 respondents buy Dantkanti because of its brand image. Maximum numbers of respondents buy Dantkanti toothpaste because of the Ayurvedic properties of the Product.

CONCLUSION

Results of the study suggests that there is no significant difference between the purchase intention and age, income and gender and the same is reported by Gebreyohannes (2010) where the researcher explained in the case of toothpaste purchase preference income, education, and occupation has no relevance. Therefore the results of the study are coherent with the existing literature. Under Hypothesis 1, researcher found that the sig value value is greater than 0.05 which means that there is no significant difference between purchase intention of male and female towards Dant Kanti toothpaste. Under Hypothesis 2, the sig value of ANOVA was more than 0.05 this indicates that there is no significant difference between purchase intention of different age groups towards Dant Kanti toothpaste.

Under Hypothesis 3, researcher found that the significance value was also greater than 0.05 which indicates that there is no significant difference between purchase intentions of different income level towards Dant Kanti toothpaste. Different respondents have different reasons to buy Dant Kanti toothpaste. There are 68 respondents who buy Dant Kanti because it is an Ayurvedic product, 30 respondents buy Dant Kanti because it is a Quality product, 8 respondent buy Dant kanti because it provides value for money, 6 respondent buy because of T.V. commercial, and 11 respondents buys it because of its brand image. Hence it can be inferred that majority of respondents are buying Dant Kanti because of the Ayurvedic properties associated with the product.

MANAGERIAL IMPLICATIONS

Study has several managerial implications. It has emphasized on the aspect that demographic variables such as age, income and gender do not play any significant role in shaping the purchase intention of the customer. Such finding is an input for the marketers/ manufacturers of FMCG products. Such products have a less shelf life and are low in price toothpaste is one such product. Therefore marketers can use mass marketing or generalized promotion strategies for the promotion of such products. Also, it has identified that majority of consumers buy Dant Kanti toothpaste because of its Ayurvedic properties. Hence the core strength of Patanjali is Ayurveda and the company should extend their brands maintaining such core competency in them.

REFERENCES

1. Coyle, J. R., & Thorson, E. (2001), The effects of progressive levels of interactivity and vividness in web marketing sites, *Journal of advertising*, 30(3), 65-77.
2. Erdil, T. S. (2015), Effects of customer brand perceptions on store image and purchase intention: An application in apparel clothing, *Procedia-Social and Behavioral Sciences*, 207, 196-205.
3. Goyal, R. (2014), A Study on Purchase Intentions of Consumers towards Selected Luxury Fashion Products with special reference to Pune Region, Master's Thesis, D.Y Patil University, Gujarat, India.
4. Gebreyohannes, A. G. (2010), A study of consumer behaviour with a particular focus on the factors and attributes that influence the choice of toothpaste in the Pietermaritzburg market (Doctoral dissertation).
5. Fandos, C. & Flavian, C. (2006), Intrinsic and extrinsic quality attributes loyalty and buying intention: an analysis for a PDO product, *British Food Journal*, 108(8), 646-662.

6. Halim, W. Z. W., & Hamed, A. B. (2005), Consumer purchase Intention at traditional restaurant and fast food restaurant, *Consumer Behavior*. In Proc. the Australian and New Zealand Marketing Academy (ANZMAC) Conference (pp. 107-112).
7. Jin, B., Kang, J. H., (2011), Purchase intention of Chinese consumers toward a US apparel brand: a test of a composite behavior intention model, *Journal of consumer marketing*, 28(3), 187-199.
8. Ling, C. Y. (2013), Consumers' purchase intention of green products: An investigation of the drivers and moderating variable, *Elixir Marketing Management*, 1, 14503-14509.
9. Malhotra, N. K., & Dash, S. (2016), *Marketing research: An applied orientation* (7th ed.), Pearson Education, Inc.
10. Maxham III, J. G. (2001), Service recovery's influence on consumer satisfaction, positive word-of-mouth, and purchase intentions, *Journal of business research*, 54(1), 11-24.
11. Mercer, J.A. (2006), Capitalizing on children's spirituality: parental anxiety, children as consumers, and the marketing through spirituality, *International Journal of Children's Spirituality*, 11(1), 23-33.
12. Nunnally, J.C. (1978), *Psychometric Theory*, McGraw-Hill, New York, NY.
13. Pedersen, P. and Nysveen, H., (2005), Search mode and purchase intention in online shopping behaviour, *International Journal of Internet Marketing and Advertising*, 2 (4), 288–306.
14. Ponte, E. B., Carvajal-Trujillo, E., & Escobar-Rodríguez, T. (2015), Influence of trust and perceived value on the intention to purchase travel online: Integrating the effects of assurance on trust antecedents, *Tourism Management*, 47, 286-302.
15. Yang, M., Al-Shaabani, S., & Nguyen, T. B. (2014), Consumer attitude and purchase intention towards organic food: A quantitative study of China, Master's Thesis Linnus University School of Business and Economics.
16. Zeng, Yuanwen (2008), Young consumers' perceptions and purchase intentions towards mass-designer lines, Graduate Theses and Dissertations. 11243.