

IMPACT OF BABA RAMDEV AS ENDORSER OF PATANJALI PRODUCTS ON CONSUMER'S BUYING BEHAVIOR

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ABSTRACT

The recent development in Indian FMCG has provided a good opportunity for the marketers to understand the new consumer perspective. The established players of the market are struggling to retain their market share while competing with Baba Ramdev who has transformed from Baba to Bania. The purpose of this article was to investigate the impact of advertisements and brands of Patanjali which uses Baba Ramdev to promote the products for purchase intentions amongst buyers. The study surveyed 180 respondents in Belagavi city, Karnataka. The study found that consumers feel the creditworthiness of the product is enhanced when endorsed by Baba Ramdev. Baba Ramdev as an endorser of the brand Patanjali highly influences the attitude of the consumers towards the brand. In addition, the results reflect that with Baba Ramdev, consumers feel more engaged with the brand and it helps in creating long term relationship and commitment towards the brand.

Keywords: Attitude, Brand loyalty, Baba Ramdev, Ethnocentric orientation, , Patanjali

INTRODUCTION

The FMCG industry of India is one of the fastest growing sectors. According to a report by India Brand Equity Foundation (IBEF 2017) FMCG industry is expected to reach US \$ 1.3 trillion by 2020. Food and grocery is accounting for 66.3% which is the leading segment and offers huge opportunity for the players. The industry has domestic and also international players catering to the huge market of India. The specialty of FMCG segment is that, the market is driven by high volume sales with low margin revenue. This sector is volume driven. The sector has a wide variety of range of products and constitutes a huge market with huge potential. The last decade has seen a huge disruption in the sector with changes in consumer preferences and new entrants in the market. The consumer has become more aware and thus demanding healthy and non chemical based products for consumption. The consumer is more inclined to naturals and

ayurvedic preferences than chemical based products with side effects. This change in the consumer attitude has proved fortunate for several companies in this segment of ayurveda and naturals and also provided new entrants an opportunity to establish themselves.

The main companies in this segment are Dabur, Zandu, Himalaya, zandu and Patanjali as a recent entrant has performed tremendously well and entered every household of India.

Patanjali Ayurved Limited

Patanjali Ayurved Limited (PAL) which is led by Baba Ramdev and Acharya Balakrishna entered the FMCG segment after its success in ayurveda pharmacy and medicines. Today PAL deals in all the categories of FMCG products and also present in education and healthcare segments. The financial year 2017 saw Patanjali crossing 10,000 crore annual revenue, positioning next to HUL in the rank. Riding on this high gear the yoga guru says in 2010 – 21 the company will overtake Unilever and aims at becoming world's largest FMCG brand. The group is planning to expand its production capacities to cater the huge demand and also increase the distributorships. Baba ramdev is also planning to push the brand online and is negotiating talks with Amazon, Flipkart and other players (Business India Report 2018). According to the spokesperson, S K Tijarawala, Patanjali would like to enter the online market in a systematic way, to reach the consumers to the end point. After seeing the success of Patanjali, all the old players are responding to the competition by launching their products in ayurvedic segment. HUL has revamped its brand Ayush and recently acquired Indulekha and Vayodha. Similar strategies are been adopted by other players to counter the competition of Patanjali.

REVIEW OF LITERATURE

As per Kiran Kabtta Somvanshi (2017) report proves that, when Baba Ramdev a yoga guru himself when promotes herbal and ayurvedic products gives a lot of conviction to the brand and thus has proved that, celebrity endorsements works extremely good when there is a high connect between endorser and features of the brand.

Nirwa Mehta (2015) According to CLSA Report (2016) an average expenditure of a FMCG company on advertising in India is 10 -15% of its revenue. While Patanjali has negligible expenses and mainly relies on Baba Ramdev endorsements. Much of their promotions happen during the yoga sessions with a huge fan following.

Bhupesh Bhandari (2016) Baba Ramdev is very wise in endorsing the brand Patanjali. He understands that Indian masses see merit in our traditional food and culture. Majority of the people prefer natural stuff over synthetic and baba ramdev has managed to catch this sweet spot.

Karanveer Singh (2016) According to the 2015 Annual Brand Trust Report by Trust Research Advisory, Patanjali is in top seven most trusted Ayurveda brands. The most amazing fact is, if you don't know Baba Ramdev, you are not a stake holder of patanjali. Baba Ramdev is central to the identity of Patanjali.

Consumer ethnocentrism is another factor which has to be considered in studying the purchase intentions of the consumers Moon Moon Haque (2015). Consumers of X (born between 1965 and 1985) generation have a great influence of ethnocentrism in purchase intension. Thus this segment who are currently in a influential position at home in making purchase decisions are highly influenced by the ethnocentric orientation and have high regard for herbal and ayurvedic products of India. Thus propagating Patanjali products and Baba Ramdev.

OBJECTIVES OF THE STUDY

1. To study the factors influencing the consumers in the purchase of Patanjali products.
2. To analyze the influence of Baba Ramdev over consumer's attitude towards purchase of the brand
3. To study the relationship strength between Baba Ramdev and Brand Patanjali.

RESEARCH METHOD

To fulfil the objectives of the study, a structured questionnaire was designed and a survey was conducted over 180 respondents who were residents of Belagavi city in Karnataka. The target population for the study was selected from the age cohorts of 18 to 55. The study was conducted in the month of March to August 2018. Physical visits to Patanjali shops, Departmental stores were conducted to reach the target population.

Data collection for the study was done by constructing a questionnaire. The instrument comprised of Likert 5- point scale with classifications from 1 (strongly disagree) to 5 (strongly agree). This scale was useful in gathering the information from respondents to state their level of agreement or disagreement to the statements.

DATA ANALYSIS AND RESULTS

The representation of the data from different age groups was carefully administered. Among 180 respondents, the main age group was 41 - 50 years (43.88%) followed by 31- 40 years (26.12%), 18-30 years (17.77%) and 51- 55 years (12.23%) . The female representation in the study was 67.23% compared to 32.77% of male. The married respondents were 77.63% and 22.37% was unmarried or single status. The working class population contributed to 46.11%, housewives were 32.47%, self employed were 12.36%, and retired consisted of 4.44% and students 4.96%.

Initially an attempt was made to know consumer's preference towards Ayurveda and Herbals. Table 2 states that majority of the respondents (84.54%) believed in Ayurveda and Herbals in their preference for FMCG products.

The Table 3 shows that respondents ranked the product quality and price as the most influencing factors or attributes in their purchase behaviour. Brand image and Baba Ramdev as endorser of the brand is also on the top considerations while making the purchase decision. There were 98 respondents who stated that Baba Ramdev was one of the main influencing factors in their purchase decision. Somehow it was found that promotion and swadeshi had least influence on their buying behavior.

Table 1: Demographic profile of Respondents

Category	Responses	Percentage
Age		
18 - 30	32	17.77
31 - 40	47	26.12
41- 50	79	43.88
51 - 60	22	12.23
Gender		
Male	59	32.77
Female	121	67.23
Marital status		
Married	139	77.63
Single	41	22.37
Work Profile		
College Student	9	4.96
Housewives	58	32.47
Self Employed	22	12.36
Retired	8	4.44
Service	83	46.11

Table 2: Consumers Preference for Ayurveda and Herbals in FMCG product choices

Response	No of Responses	%
Yes, I use it regularly	152	84.54
Some times	28	15.56
No, Never	00	00
Total	180	100

Table 3: Factors influencing for purchase of Patanjali Products

Attributes	Ranking					
	1	2	3	4	5	6
Quality	71	59	30	20	0	0
Swadeshi	0	0	8	45	74	53
Baba Ramdev	33	29	36	59	23	0
Price	48	68	49	15	0	0
Brand Image	28	24	38	2	20	68
Promotion	0	0	19	39	63	59
Total	180	180	180	180	180	180

Table 4: Consumers Attitude towards Baba Ramdev as Patanjali Brand Ambassador

Sl.No	Statements	Mean
1	Baba Ramdev is the right ambassador for the brand	3.67
2	Baba Ramdev is synonym to brand Patanjali	4.52
3	I think Baba Ramdev has conviction in his statements	4.02
4	I prefer Patanjali products because I trust Baba Ramdev	4.25
5	Baba Ramdev thrives to up hold Indian made products	3.35
6	I trust Baba Ramdev’s statements on products quality & purity	4.60
7	I continue to purchase patanjali products even if Baba Ramdev doesn’t endorse it in future	3.76
8	Overall, I feel Baba Ramdev is very effective to promote Brand Patanjali	4.79

The mean scores of all the statements recording the respondents perception towards Baba Ramdev as brand ambassador of Patanjali is presented in Table 4. The mean score for the statement that, overall I feel Baba Ramdev is very effective to promote Brand Patanjali is highest and respondents believed that , Baba Ramdev is the best endorser Patanjali could ever have. Respondents with a mean score of 4.60 highly agreed with the statement that they trust Baba Ramdev's statements on products quality and purity. The mean score of 4.52 state that, Baba Ramdev has become synonym with brand Patanjali, the respondents feel, the brand association between Baba Ramdev and Patanjali is very high. The mean scores of 4.5 and 4.02 respectively show that, consumers have high level of trust and conviction with Baba Ramdev. As far as the right brand ambassador for Patanjali was considered, respondents stated, Baba Ramdev is the best fit for the role. Consumers in the survey gave a mean score of 3.76 and 3.35 for their brand loyalty towards Patanjali even after Baba Ramdev and believe that Baba Ramdev is upholding the Indian products by his brand Patanjali.

Table 5: Relationship between Baba Ramdev and Brand Patanjali

Dimension	Trustworthiness of Baba Ramdev		Credibility in the words of Baba Ramdev		Expertise of Baba Ramdev		Overall Personality Of Baba Ramdev	
	χ^2	Sig.	χ^2	Sig.	χ^2	Sig.	χ^2	Sig.
Brand Patanjali	9.644	0.047	7.935	0.035	8.890	0.043	8.657	0.051

In order to see whether the entire respondents feel there is a strong relationship between Baba Ramdev and Brand Patanjali, the Kruskal-Wallis test was performed. The test was used to measure the attributes of Baba Ramdev as an endorser and the relationship of these attributes with brand Patanjali. With a chi-square value of 9.644 and significant value of 0.047 (Table 5), it can be inferred that the trust worthiness of Baba Ramdev to brand Patanjali is significant. The overall personality of Baba Ramdev is have significant relationship towards the brand (χ^2 8.657 & p=0.051). The chi-square values of 8.890 and 7.935 also indicate that there lies a strong relationship between credibility and expertise of Baba Ramdev with brand Patanjali respectively.

DISCUSSION AND CONCLUSION

Patanjali Ayurveda Ltd started out with its ayurvedic medicines being sold at their pharmacies. Today they have expanded into FMCG and have ventured into markets through their exclusive stores across the country. January 2018, they decided to enter online platform with associations

with Amazon, Flipkart etc with a tagline of Haridwar se Hardwar. Patanjali has created a lot of awareness about herbals and ayurveda amongst the consumers and Baba Ramdev takes the credit of this endorsement. The study shows that he has been very effective through the journey of Patanjali from inception till today. Consumers feel Patanjali is synonyms to Baba Ramdev in all aspects and have vested a lot of trust and credibility in him and thus this is being transferred to the brand patanjali. Consumers in the survey revealed that, they feel he is promoting Indian products through his swadeshi campaign. Consumers also see a high level of strong relationship between Brand ambassador baba Ramdev towards Patanjali. He is seen as a best fit for the brand. Respondents have a strong opinion that, they continue to be loyal towards the brand for a long time in future provided the brand maintains its core objectives and its purpose of establishment. During the survey, it was noticed that respondents were oriented towards ethnocentrism and Patanjali & Baba Ramdev provided a way for this approach. Baba Ramdev is seen as core Indian personality representing Indian culture, values and principles. Its seen as if Patanjali as a brand has borrowed these attributes from Baba Ramdev and both are seen as a very strong Indian brands.

Managerial Implications

The research indicated that quality followed by price and brand image are the main influencing factors influencing consumers while purchasing Patanjali products. Baba Ramdev as brand endorser is very effective and shares a strong relationship with the brand. Nut, it has to be noted that consumers are not getting much influenced by the promotional activities of Patanjali. When other established players are also entering the ayurvedic segment and authenticating about their quality, Patanjali has to emerge with a new strategy with regard to promotions. It has been proved in the past research that, promotion of the product has a due positive impact on the sales and revenue of the brand. Patanjali's source integrity has made its way into the hearts and minds of people through Baba Ramdev. He is highly influencing the brand Patanjali, but will he be able to continue for all age groups in future, is a big challenge. The research had 44% of the respondents from 41 – 50 age group and most of these have ethnocentric orientation. The millenials have a different approach and Patanjali has a work out on this segment to continue its momentum of being on the top in future.

The ayurvedic and herbals though is India's traditional and deep rooted practice, it is still in its nascent stage in the modern marketing environment. Patanjali has completely disrupted the FMCG segment with its unique offering with the best price. The established players are struggling for their in share in the pie and are venturing in this segment with their new products. Patanjali has no doubt completely revamped the FMCG sector of India with its unique product and marketing strategies.

Limitations of the Study and Scope for further Research

The research was conducted in a single geographic region (Belagavi) , so the outcomes cannot be generalized across all regions. To generalize samples must have taken across India and also few foreign countries as these products are consumed by a large segment in and outside India. Time and resource constraints pushed for convenient sampling, thus reached out only those respondents who could be accessed easily at a particular location. The research does not include much of the perception of millenials towards ethnocentric view, this can be further explored. A separate study on Patanjali's medicinal products and FMCG products can be conducted to see whether does any difference occurs in the factors influencing while buying Patanjali products.

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