

# Customer Perception: A Case Study of Patanjali Products

**Prof: Siddhesh S. Narvekar**

Assistant Professor, Sridora Caculo College of Commerce and Management, Mapusa – Goa.

---

## ABSTRACT

---

Customers are value maximizers. Perception is a person's understanding or a viewpoint about things around him, which ultimately results in positive or negative satisfaction. Likewise, Satisfaction is a person's feeling or disappointment, resulting from comparison of a product that is perceived and actual performance in relation to his or her expectations. In this paper, I have tried to study Customer Perception in relation to products of Patanjali Ayurved Ltd, one of the fastest emerging brand in India and world over. The study also intends to examine product range, the customer's spending patterns, buying behaviour, factors affecting their purchase, post purchase behaviour of the customer in relation to Patanjali products and ultimately to analyse the overall satisfaction level of Patanjali Customers. It is seen that Patanjali is able to capture more than 70% of the market in general. With the growth rate of 130%, Patanjali has expanded like never before capturing local, national and international markets, and has officially surpassed even the strongest FMCG giants. This is mainly due to ethical conduct of its founder. Use of Ayurveda and technological migrations into its R&D cell has enabled it to gain trustworthiness, support and loyalty from its customers. A large portion of the user is satisfied from Patanjali products. It may be because of reasonable price of the product. It may be due to ability of the product to cure their health problem. The satisfaction brings in the retention of customer. Similarly, Patanjali has been very successful in their consumer awareness programmes reaching wide target audience. Credibility and reliability of Patanjali products and their good quality becomes major buying motives among customers. Patanjali is enjoying the advantageous position in market through spirituality element involved in its products. It has crossed revenues of Rs. 10,000 Crores, and Acharya Balkrishna enters Forbes Rich List with \$2.5 billion.

Keywords - Patanjali Ayurved Ltd., Customer Perception and Satisfaction, Buyer's behaviour.

---

## I. INTRODUCTION

Perception is a person's understanding, an impression or a viewpoint about things around him, which ultimately results in positive or negative satisfaction. Satisfaction is a person's feeling or disappointment, resulting from comparison of a product that is perceived and actual performance in relation to his expectations.

Satisfaction depends on the consumer's state of mind both at the time of purchase and at the time of consumption. Many companies are aiming at higher satisfaction because customers who are just satisfied, find it easy to switch when a better offer come along. Those who are highly satisfied are much less ready to switch. In fact, emphasis has shifted from mere satisfaction to delight of customers. High satisfaction results in high customer loyalty.

## II. OBJECTIVES OF THE STUDY

- To understand 'Patanjali Ayurved Limited' company.
- To know the various types of Patanjali products preferred by select customers.
- To examine the customer's spending patterns, buying behaviour and factors affecting their purchase in relation to Patanjali products.
- To find out the post purchase behaviour of the customer in relation to Patanjali product range.
- To analyse the overall satisfaction level of Patanjali Customers.

## III. RESEARCH METHODOLOGY

This study is based on both primary and secondary data. The primary data used for the study have been collected through questionnaire and discussions held with respondents/customers of Patanjali products. The required data was collected from 150 respondents from Goa.

Secondary data have been collected through books from the college library and official website of Patanjali Ayurved Limited (PAL).

## IV. COMPANY PROFILE OF PATANJALI AYURVED LTD.

Patanjali Ayurved Limited is an Indian FMCG company. It is a private company founded by Yogrishi Swami Ramdevji and Acharya Balkrishnaji in 2006. Manufacturing units and headquarters are located in the industrial area of Haridwar, Uttarakhand, India, while the registered office is located at Delhi. It has its mega stores, chikitsalayas and arogyakendras in different locations of India.

The company manufactures mineral and herbal consumer products and the product line they offer include foods, beverages, cleaning agents, personal care products, ayurvedic medicines etc., with a thought of rural and urban development. It also has manufacturing units in Nepal under the trademark Nepal Gram-udhyog and imports majority of

herbs in India from Himalayas of Nepal. It operates with more than 2,00,000 employees (as of 2011-12).

The market area served by Patanjali is South Asia and Middle East. According to CLSA and HSBC, Patanjali is the fastest growing FMCG Company in India. It is valued at Rs. 30 billion (US\$470 million) and some predicted revenues of Rs. 5,000 crores (US\$780 million) for the fiscal 2015-16. Patanjali declared its annual turnover of the year 2016-17 to be estimated Rs. 10,216 crores (US\$1.6 billion). Ramdev baba has stated in his interview with CNN-News18 that profits from Patanjali products go to charity.

Patanjali Company was set up with the purpose of establishing science of Ayurveda in accordance and coordination with the latest technology and ancient wisdom. According to leading domestic brokerage IIFL, Patanjali's main promoter is Acharya Balkrishna, who owns 93 per cent 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.

Patanjali as a brand currently has more than 350 products from soap to toothpaste and from oats to health drinks. These products are made available to consumers through a wide network of Authorized Patanjali Stores and retail shops. The 2016-2017 revenue of Patanjali Ayurveda crosses Rs. 10,000 Crores.

#### **V. PATANJALI'S BUSINESS SIZE & REACH IN INDIAN MARKET**

PAL has achieved a tremendous presence around the globe and throughout India in a very small time since its inception in 2006. They have more than 47,000 retail counters, 3,500 distributors, multiple warehouses in 18 states and proposed factories in 6 states.

Sales channel partners of Patanjali includes Pittie Group and Kishore Biyani's Future Group. Patanjali's Ayurveda products are now also available in modern hyper stores like Reliance Retail, Hyper City, Star Bazaar and other popular online stores. Defence organisation 'Defence Research and Development Organisation' entered into licensing agreement with PAL for transfer of technology.

#### **VI. PATANJALI'S BUSINESS IN GLOBAL MARKET**

With a growth rate of 130%, the Patanjali Group is planning to make a foray into major global markets. As the group is already present in markets like the US, Canada, the UK, Russia, Dubai and some European countries, it is willing to spread its wings wider and farther.

PAL has a strong export portfolio. It is a leading manufacturer and marketer of herbal, nature based products and medicines. Its products are today available in around 10 countries across the world through authorized channels, helping people move towards a healthier and natural lifestyle.

Backed by one of the largest manufacturing facilities in the world and state of art laboratories comprising modern instruments & equipment to ascertain and maintain strict quality control, Patanjali overseas business today spans key countries in almost all continents.

The organization is registered with US FDA and is an active member of many government and semi-government trade promotion organizations.

#### **VII. PATANJALI'S RESEARCH AND DEVELOPMENT**

Patanjali Ayurved Ltd. has its own Research Institute. Before the laboratory was set up, the work of clinical control in the field of Ayurveda could not take place ever at a large scale, which is why this knowledge could not get global recognition. As a result, they have set up Patanjali Research Institute where they have initially spent Rs. 100 crore rupees and a big chunk of it is being spent on research works.

There is an intense process of research. Any medicine is first tested in the laboratory, then used on rats and rabbits and after their successful use of animals, it is used on humans. These types of processes make the scientific facts of Ayurveda clear, and generate, a new hope for those patients who have given up after long allopath treatment.

#### **VIII. GROWTH AND FUTURE OF PATANJALI AYURVED LTD.**

Patanjali Ayurved is eating into the market share of the FMCG majors, and the company has caught the attention of almost all the big brokerages. Capital market experts rarely look beyond the listed companies on the stock exchanges. Their research and analysis revolve around the financial ratios of only listed companies that report their revenues and profits at regular intervals. Home-grown e-commerce sites like Flipkart, Snapdeal and Paytm have caught the attention of such analysts. However, one such unlisted company is Patanjali Ayurved Ltd. that is now on the radar of almost all the big brokerages.

Patanjali is successfully targeting & competing with older & well-established FMCG companies like Colgate-Palmolive, Nestle, Dabur and HUL with its wide range of products. Patanjali is also taking on the big players in other countries, exporting its products to Canada, USA, Mauritius and UK.

IIFL report mentions that PAL has, in only a decade, recorded a turnover higher than what several companies have managed to achieve over several decades. There is 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 Rs.20,000 crores by FY20.

Bonanza Portfolio said that the FMCG industry has become more competitive with the launch of Patanjali products.

The new Patanjali products include yoga wear (vastram), dant-kanti advance, sugar free chyawanprash, PowerVita, Seabuck thorn dietary supplement etc. Patanjali is now about to enter into dairy sector. It plans to set up herbal food park in Nepal and to also launch Patanjali branded clothes.

existing customers. The good news is that companies have the ability to control many of the factors that build an individual’s perception of the company/ brand.

Customer Perception is a buyer’s observation and viewpoint about the product he bought and used. It is his post-purchase psychological repercussion which may result in positive or negative state of mind. It drives customer towards satisfaction or dissatisfaction. Buyer’s satisfaction is influenced by service quality, product quality and price. Satisfied customers lead to word of mouth publicity. It can spread faster than advertising. Product should have ability to deliver value satisfaction to consumer. This satisfaction may be both real and psychological. A product is often referred as bundle of utilities or a bundle of value satisfaction. Therefore, company must think of itself not as producing products but as providing customer creating value satisfaction. Higher consumer satisfaction level is important for company as it will lead to higher sales value and higher profits. Satisfaction can be derived by marketers by understanding the customers’ perception.

**IX. CUSTOMER PERCEPTION & CUSTOMER SATISFACTION**

Customer perception is what your customers and potential customers think of your organization. This perception directly impacts the attraction of new customers and the capacity to maintain good relationships with current customers. Customer perception plays a vital role in a company’s ability to attract new customers and to retain

**X. RESPONSES OF CUSTOMERS’ PERCEPTION OVER PATANJALI PRODUCTS**

*10.1. Age Groups of the Respondents*

<i>Age Groups</i>	<i>No of Respondents</i>
15yrs. to 24 yrs.	43 (29%)
25 yrs. to 34 yrs.	44 (30%)
35 yrs.to 44 yrs.	35 (24%)
45 yrs.to 54 yrs.	18 (12%)
55 yrs.& above	08 (5%)

*Source: Primary Data*

From this, we can say that, more of youngsters prefer Patanjali products.

*10.2. Gender of the Respondents*

<i>Gender</i>	<i>No. of Respondents</i>
Male	85(57%)
Female	65(43%)

*Source: Primary Data*

An equal majority of both the genders use Patanjali products.

*10.3. Income of the Respondents*

<i>Income(per Month)</i>	<i>No. of the Respondents</i>
Below Rs.10000/-	26 (25%)
Rs.10,000/- to Rs.25,000/-	56 (54%)
Rs.25,000/- to Rs.50,000/-	19 (19%)
Rs.50,000/- to Rs.75000/-	01 (1%)
Rs.75,000/- & above	01 (1%)

Source: Primary Data

Most of the Patanjali consumers are earning income below Rs. 25,000/- Very few customers fall under high income group.

10.4. Awareness of Patanjali Products

<b>Knowledge about Patanjali Products' existence</b>	<b>No. of Respondents</b>
Yes	148 (99%)
No	002 (1%)

Source: Primary Data

Patanjali products are widely known to the general population at large. This may be due to the effective advertising and distribution system of PAL.

10.5. Usage/ Consumption of any Patanjali Products

<b>Do you use any Patanjali Products?</b>	<b>No. of Respondents</b>
Yes	107(71%)
No	043(29%)

Source: Primary Data

A large number of consumer population use Patanjali products and services. Patanjali has been successful in tapping a large section of market.

10.6. Category of Patanjali Products used by Customers

<b>Products Categories</b>	<b>No. of Respondents</b>
Skin Care	86
Hair Care	72
Dental care	102
Nature health care	34
Nature food products	44
Patanjali publications	07
Ayurvedicmedicines	35

Source: Primary Data

Patanjali dental range is most popular and successfully sold products.

10.7. Knowledge Source of Patanjali Products

<b>Sources of Knowledge</b>	<b>No of Respondents</b>
Television	96
Radio	00
Newspaper	25
Internet	29

Source: Primary Data

PAL has been advertising their products more through television and radio media is not used for consumer awareness campaigns.

10.8. Monthly Spending on Patanjali Products

<b>Monthly Spending</b>	<b>No. of Respondents</b>
Less than Rs.500/-	67 (62%)
Rs.500/- to Rs.1,000/-	38 (35%)
Rs.1,000/- to Rs.2,000/-	03 (3%)
Rs.2,000/-& above	00

Source: Primary Data

Large number of selected customer sample comes from lower income groups; they commonly spend their income only in the range less than Rs. 1,000/- and rarely in the range of Rs. 2,000/-

10.9. *Customer Opinion about Patanjali Product's Price*

<b>Opinion about Price</b>	<b>No. of Respondents</b>
Costly	06 (6%)
Reasonable	88 (2%)
Cheap	13 (12%)

Source: Primary Data

PAL has been reasonably pricing their product range to suit the pockets of customers.

10.10. *Loyalty among Customer for Patanjali Products*

<b>Loyalty towards Patanjali</b>	<b>No. of Respondents</b>
Yes	84 (79%)
No	23 (21%)

Source: Primary Data

Greater part of the customers is loyal to Patanjali Ayurvedic limited, and very few may switch to competitors' products in the event of price hike.

10.11. *Benefits of Using Patanjali Products*

<b>Benefits of using Patanjali Products</b>	<b>No. of Respondents</b>
Health-wise	47
Pricewise	12
Brand wise	09
Demand-wise	03
Quality-wise	61
Quantity-wise	11

Source: Primary Data

PAL has been successful in manufacturing and marketing quality products which have successfully managed to meet the health needs of the customers.

10.12. *Reasons for Preferring Patanjali over other Brands*

<b>Preference Reasons</b>	<b>No. of Respondents</b>
Trustworthy	48
Fits My Budget	23
Status Issue	01
Quality	43
Brand Loyalty	10
Other Specify	00

Source: Primary Data

From the 107 respondents purchasing Patanjali products, it can be revealed that, trustworthiness of Patanjali products and their quality becomes major buying motive among customers.

10.13. *Preferable Modifications in Patanjali products*

<b>Suggestion for Product Modification</b>	<b>No. of Respondents</b>
Health	10
Price	16
Quantity	48
Quality	36
Demand	11

Source: Primary Data

People expect an increase in quantity of content per unit of product sold by Patanjali.

10.14. *Factors Affecting/ Influencing Patanjali Product Purchase*

<b>Factors affecting Purchase</b>	<b>No. of Respondents</b>
Advertisement	62
Suggestions from friends & relatives	25
Attractive display	04
Doctor’s advice	14
Brand ambassadors	09
Ingredients	17

Source: Primary Data

Here, advertisements play an important role in influencing customer’s buying behaviour.

10.15. *Quality of Patanjali Products*

<b>Ratings on Quality</b>	<b>No. of Respondents</b>
Poor	01 (1%)
Fair	04 (4%)
Average	29 (27%)
Good	67 (63%)
Excellent	05 (5%)

Source: Primary Data

Patanjali products have above average good quality that is offered to the customers.

10.16. *Willingness to buy Patanjali’s Substitutes*

<b>Readiness to buy substitutes</b>	<b>No. of Respondents</b>
No, not at all	49 (46%)
I may consider	18 (17%)
Can't say	40 (37%)

Source: Primary Data

PAL is fairly successful in gathering and maintaining loyalty from their customers towards their product and organisation.

10.17. *Recommendations of Patanjali Products to Others*

<b>Recommending Patanjali to others</b>	<b>No. of Respondents</b>
Yes	103 (96%)
No	004 (4%)

Source: Primary Data

Patanjali customers are positive about Patanjali Ayurved Limited and they are confident to indorse the products to people around.

10.18. Overall Satisfaction Level of Customers towards Patanjali Range

Satisfaction Level	No. of Respondents
Very poor	00
Poor	01 (1%)
Satisfactory	33 (31%)
Good	66 (61%)
Excellent	08 (7%)

Source: Primary Data

Almost 99% of the existing customers taken from the sample are happy and content about Patanjali Ayurved Limited’s product line.

**FINDINGS AND SUGGESTIONS**

- Patanjali Ayurveda Ltd. (P.A.L.) now crosses revenues of Rs. 10,000 Crores. With this, Acharya Balkrishna enters Forbes Rich List with \$2.5 billion.
- P.A.L has a strong export portfolio which has helped the company to enter foreign markets like United States of America, Canada, Russia, Dubai and European markets.
- P.A.L. offers widest range of products which no company (even listed companies) in India offers. It caters to different market segments ranging from health to medicines, and from cosmetics to clothing. It will soon enter other sectors also.
- Ayurveda, Yog and nationalism are the three pillars of Patanjali, and aims to have a healthier India, with the use of natural and herbal ingredients in their merchandise.
- With the growth rate of 130%, Patanjali is expanding like never before capturing local, national and international markets, and shall officially surpass even the strongest FMCG giants. This is mainly due to ethical conduct of its founder. Use of Ayurveda and technological migrations into its R&D cell has enabled it to gain trustworthiness, support and loyalty from its customers.
- P.A.L. is not in any way left behind when it comes to discharging social and environmental responsibility. In fact, following ethics and CSR culture is its core business practice. It has major thrust areas like education (through Gurukul) and health care (through Chikitsalayas and Arogyakendras). P.A.L. discharges its obligations according to the provisions of the Indian Companies Act 2013 (clause 135) and CSR rules. Profits are for philanthropy, the founders say.
- Patanjali products are catching attention of younger generations. Almost 50% of the chosen sample are below the age of 24 years.
- Patanjali products are bought and consumed by both the gender of consumers Also, these products are popular among people of low income group with earnings per month of Rs. 25,000/- and less.
- Patanjali company and its products have a very wide popularity. It can be said that P.A.L. has been very successful in their consumer awareness programmes reaching wide target audience.
- Patanjali is able to capture more than 70% of the market in general.
- From the widest range of Patanjali, its dental care products are the most popular and frequently purchased products by customers.
- Television is the most widely used source to educate consumers; newspapers and Internet are used in reasonable amounts. Radio media is not used by P.A.L. for consumer awareness programmes.
- Patanjali Ayurved Limited has been reasonably pricing their product range to suit the pockets of customers.
- Larger part of the customers is faithfuland devoted to Patanjali Ayurvedic limited, and very few may shiftthemselves to competitors’ products in case there is any price hike.
- Patanjali Ayurved Limited has been successful in developing and promoting quality in their products which have successfully managed to meet the health needs of the customers.
- Credibilityand reliability of Patanjali products and their good quality becomes major buying motives among customers.
- Customers expect an increase in quantity of content per unit of product sold by Patanjali. Similarly, sufficient number of customers suggests improvement in quality.
- The Findings here show that there aremany significant factors that together make up thebuying decision of the product. Advertisements play an important role in

influencing customer's buying behaviour and attractive display is the least factor influencing customer behaviour.

- The 'quality' ratings given for Patanjali range of products by customers is 'good' and 'average'. Very few customers consider them 'excellent' or 'very poor'.
- Patanjali Ayurved Limited is objectively successful in gathering and maintaining loyalty and allegiance from their customers towards their product and organisation. Only few confess to go for Patanjali's substitutes, and more do not wish to purchase its standby products.
- Almost all customers of P.A.L. shall recommend their products to others.
- Almost 99% of the existing customers taken from the sample are pleased and gratified or satisfied about P.A.L.'s product line. Overall satisfaction of 66 customers is 'good' and 33 customers is 'satisfactory'.

## CONCLUSIONS

Customers' perception towards a brand is built largely on the satisfactory value the user receives after paying for the product and the benefits the user looks for. In the above study, a large portion of the user is satisfied from Patanjali products. It may be because of reasonable price of the product. It may be due to ability of the product to cure their health problem. The satisfaction brings in the retention of customer. Patanjali is enjoying the advantageous position in market through spirituality element involved in its products. However, it should not ignore the competitors like Naturals, pure roots, Vindhya herbals. Patanjali in order to retain more customers and satisfy them, must fulfill the claims made by the company before any other brand may start up and take away the benefits of marketing through spirituality.

## BIBLIOGRAPHY

- Mamoria, C. B., Suri, R. K., Mamoria, Satish. (2006). Marketing Management. Allahabad: Kitab Mahal. Seventh Edition.
- Saxena, Rajan. (2006). Marketing Management. New Delhi: Tata Mc Graw- Hill Publishing Co. Ltd.
- Kotler, P., Kellar K. L. Marketing Management. Published: Dorling Kinderley India Pvt. Ltd. Licensed: Pearson Education in South Asia.
- Sontakki C. N., Marketing Management. New Delhi 110002: Kalyani Publishers by Mr. Usha Raj Kumar.
- Ramaswamy, V. S., Namakumari, S. (2010). Marketing Management. New Delhi: Macmillan Publishers India Ltd., 4<sup>th</sup> Edition.
- Hyperlinked web pages on official websites of Patanjali and others at following URLs:  
<http://www.patanjaliayurved.net>  
<http://www.patanjaliayurved.org>  
<http://patanjaliayurved.org/csr-policy.html>  
  
[http://en.wikipedia.org/wiki/Bajaj\\_Auto](http://en.wikipedia.org/wiki/Bajaj_Auto)  
<https://www.google.co.in/amp/www.thehindu.com/news/cities/mumbai/business/fastmoving-ayurvedic-goods/article8187124.ece/amp/>  
<https://en.m.wikipedia.org/wiki/Patanjali>  
<http://stellarix.com/fusce/a-report-on-patanjali-ayurveda/>  
[https://www.google.co.in/amp/s/m.economictimes.com/industry/cons-products/fmcg/unilever-admits-to-new-competition-in-patanjali/amp\\_articleshow/54926013](https://www.google.co.in/amp/s/m.economictimes.com/industry/cons-products/fmcg/unilever-admits-to-new-competition-in-patanjali/amp_articleshow/54926013)  
<http://www.divyayoga.com/about-us/vision-and-objectives/Objectives>