

IMPACT OF MARKETING MIX ON PURCHASE PATTERN OF CUSTOMERS TOWARDS HERBAL PRODUCTS IN INDIA

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Abstract: In the present scenario, individuals are ending up more attentive of the threat from manufactured items including medicine, nourishment, and other products which are produced using human incorporated chemicals and pollutes the earth. This has caused mindfulness about the earth and individuals' own wellbeing, which prompts changes in the pattern of buyer's inclinations and purchase. Purchasers now think about the impact of the item on their wellbeing and condition. This has prompted the rise of green promoting. Rising green advertising has helped home grown items to augment its market and number of Consumers.

Right now, there is a substantial exhibit of Herbal items produced using herbs, for example cucumber, tamarind, and Aloe Vera. Their fame is expanding which makes the market grow. Because of this, companies are turning their thoughtfulness regarding delivering home grown items which incorporates natural cleanser and home grown face treatment items and so forth. Indian shoppers are more disposed towards regular and home grown items. The natural item industry is expected to develop at a rate of 12% in India.

In this manner, Herbal makers have created techniques to infiltrate more Indian markets. In any case, the assembling of home grown Products in India still does not have a strong buyer base. The present research focuses on determining the impact of marketing mix on the purchase pattern of the customers. The four 'P' s of marketing, product, price, place and promotion were considered for the study.

A survey was conducted using a structured questionnaire. The sample size of the study was identified as 384. After eliminating defective questionnaires, the final samples considered for analysis was 297. The results of the study showed that there is a significant impact of product and promotion on purchase pattern of customers, whereas the price and place variables are not having significant impact on purchase pattern of the customers who use herbal products.

Index Terms: Marketing mix, Herbal Products, Green Advertising, Purchase pattern

I. INTRODUCTION:

The natural segment in India's personal care market is estimated at Rs. 18,500 crores which is 41% of the total personal care market. The contribution of the naturals segment in the Indian personal care industry has increased by around one percentage point every year. If the same trend continues, then naturals' contribution by 2025 would be almost half of the total personal care sales. The Indian ayurvedic health products market is forecast to grow from \$500 million to \$ billion by 2021. Companies of all sizes are racing to keep pace. As consumers and life style evolve, so do the benefits that consumers seek. Ayurveda has gone from being treated with suspicion to gaining a wider acceptance, especially by young consumers. The success of yoga globally has given a fillip to all things natural and Indian. Companies have been able to build strong brands using ayurveda and natural ingredients. FMCG leaders like HUL and Patanjali have acquired their way into this market.

II. NEED FOR THE STUDY:

Marketing mix is the vehicle through which the marketers' ideas are delivered to the customers. It is more of pull marketing. Though the awareness and usage of herbal products are increasing to a greater extent, a considerable population of Indian consumers are still sceptical about the purchase and usage of herbal products. Marketing mix is a set of controllable variables which may be modified and adjusted as per customer requirements. This research intends to determine the impact of marketing mix on purchase pattern of the customers for the

purpose of identifying the components of marketing mix influencing purchase pattern and thereby devising better strategies to pull customers.

III. OBJECTIVES OF THE STUDY:

To understand consumer purchase pattern in purchasing herbal products

To determine the influence of marketing mix on consumer purchase pattern

To identify the impact of demographic variables on consumer purchase pattern

IV. REVIEW OF LITERATURE:

According to Pradhan (2006), the marketing tools that a retail organisation uses to pursue its marketing objectives are termed as the retail marketing mix. Components of marketing mix: product, price, place/location, promotion, presentation, customer service, people.

Duff (2007) investigated the niche market in women's herbal cosmetics and observed that herbal cosmetics buyers were becoming more fashion conscious and were demanding products with more attractive design; furthermore, consumers have a tendency to use different makeup designs for different occasions. It is further argued that design or visual appearance is the important part of the product, which includes line, shape and details affecting consumer perception towards a brand. According to Joel R. Evans and Barry Berman (2009), demographic, social and psychological factors affect the way final consumers make choices and can help a firm understand how people use the decision process. An affluent consumer would move through the process more quickly than a middle-income one due to less financial risk. An insecure consumer would spend more time consuming decisions than a secure one.

Li (2003) stated herbal cosmetics are regarded as luxury items in the past. Nowadays, herbal cosmetics have been playing an important role among consumer goods in Hong Kong. For consumers, herbal cosmetics have become one of our daily products. Herbal cosmetics are no longer the luxury items, but have become necessities for female consumers instead.

Many studies on the influence of age on green behavior have found mixed results (Gilg et al., 2005). For example, it has been found that younger individuals tend to know more and have a greater environmental awareness compared to older members of the population (Grunert & Kristensen, 1992). This relationship between age and attitudes has been consistent in many studies, illustrating the negative relationship between the two variables; younger populations tend to have more positive attitudes toward pro environmental behavior than older populations. A possible explanation for this outcome is the fact that younger generations are less focused on tradition and more open to adapt to changing lifestyles when finding solutions to environmental problems.

However, when measuring actual behavior, many studies have shown that older people tend to engage more in green behavior (Van Liere & Dunlap, 1980; Schahn & Holzer, 1990; Vining & Ebreo, 1990; Scott & Willits, 1994). This contradiction could be a result of younger generations not being able to financially support pro-environmental initiatives, although, they believe in the cause (Diamantopoulos et al., 2003). A study by Grunert (1995) illustrated that people who are married often show positive attitudes toward the environment, as well as contribute more to green behavior practices. These results could be due to the positive influence of the other spouse inducing environmental awareness (Diamantopoulos et al., 2003) or the impact of spousal support in carrying out pro-environmental initiatives. Further, Grunert (1995) found that families with more children both know and care more about the environment than families with less children. This is because a greater number of individuals at home create a larger opportunity for the family to be educated about various current environmental issues.

V. RESEARCH METHODOLOGY:

A descriptive research was conducted using a 21 item structured questionnaire. Convenience sampling was used to conduct the survey. The sample size of the study was identified as 384. After eliminating defective questionnaires, the final samples considered for analysis was 297. Tools like simple percentage analysis, chi-square test were used to analyse the data.

Hypotheses:

H1: There is a significant relationship between marketing mix and purchase pattern of customers

H1a: Product has a significant impact on purchase pattern of customers

H1b: Price has a significant impact on purchase pattern of customers

H1c: Place has a significant impact on purchase pattern of customers

H1d: Promotion has a significant impact on purchase pattern of customers

H2: There is a significant relationship between demographic variables and purchase pattern of customers

H2a: There is a significant impact of age of the customers and their purchase pattern

H2b: There is a significant impact of gender of customers and their purchase pattern

H2c: There is a significant impact of income of customers and their purchase pattern

VI.DATA ANALYSIS AND INTERPRETATION:

Table 6.1: Description of the demographic profile of the sample group

| Demographic Profile | Frequency | Percentage |
|-----------------------|-----------|------------|
| Age Group | | |
| 20-25 | 196 | 65.99 |
| 26-30 | 65 | 21.89 |
| 31-40 | 28 | 9.43 |
| 41-50 | 7 | 2.36 |
| >50 | 1 | 0.34 |
| Gender | | |
| Female | 156 | 41.48 |
| Male | 141 | 37.5 |
| Monthly Income | | |
| Upto 25000 | 187 | 62.96 |
| 25001-50000 | 11 | 3.7 |
| 50001-75000 | 11 | 3.7 |
| 75001-100000 | 29 | 9.76 |
| >100000 | 59 | 19.87 |

From the above table it can be understood that majority of the respondents (65.99%) are in the age group of 20 to 25 years. Majority of the customers (41.48%) are females. Maximum number (62.96%) of the customers' family income ranges up to Rs. 25,000 per month.

Table 6.2: Frequency distribution and Percentage for Classification of Consumer Purchase pattern

| List | Frequency (N=297) | Percentage |
|---|-------------------|------------|
| Type of Herbal Product most used | | |
| Skin Care Products | 115 | 38.72 |
| Skin Cleansing Products | 57 | 19.19 |
| Hair Care Products | 84 | 28.28 |
| Beauty Products | 32 | 10.77 |
| Others | 9 | 3.03 |

| | | |
|---|-----|-------|
| Most Important reason for use of Herbal products | | |
| Satisfied About the Quality of Product | 120 | 40.40 |
| Persuaded by existing users | 45 | 15.15 |
| Cheaper price of products | 14 | 4.71 |
| Want to Change from Chemical to herbal products | 115 | 38.72 |
| Others | 3 | 1.01 |
| Place of purchase | | |
| Shopping Malls | 78 | 26.26 |
| Hospitals | 6 | 2.02 |
| Herbal Shops | 146 | 49.16 |
| Salesperson/Direct Sales | 22 | 7.41 |
| Online Shopping | 39 | 13.13 |
| Others | 6 | 2.02 |
| Frequency of Purchase of Herbal products | | |
| Once in a week | 9 | 3.03 |
| Once in every 15 days | 12 | 4.04 |
| Once in a month | 144 | 48.48 |
| Once in a quarter | 99 | 33.33 |
| Once in a year | 33 | 11.11 |
| Average cost of purchase (Rs.) | | |
| 300 or less | 108 | 36.36 |
| 301-500 | 84 | 28.28 |
| 501-700 | 70 | 23.57 |
| 701-1000 | 22 | 7.41 |
| More than 1000 | 13 | 4.38 |
| Situations favouring purchase | | |
| Run out of existing products | 62 | 20.88 |
| Want to try new products | 100 | 33.67 |
| Irritation caused by chemical products | 97 | 32.66 |
| Deduction in price of herbal products | 28 | 9.43 |
| Convinced by Sales person | 7 | 2.36 |
| Others | 3 | 1.01 |
| People most contributed to customer purchase decisions | | |
| Self | 149 | 50.17 |
| Friends | 84 | 28.28 |
| Relatives | 50 | 16.84 |
| Salesperson | 7 | 2.36 |
| Celebrities | 7 | 2.36 |
| Source of Information on Herbal Products | | |

| | | |
|------------------------|-----|-------|
| WOM | 109 | 36.70 |
| Internet | 93 | 31.31 |
| Print Advertisements | 19 | 6.40 |
| Television Commercials | 70 | 23.57 |
| Other Media | 6 | 2.02 |

The above table shows the different aspect of purchase pattern of the customers. Majority of the customers use skin care products. Many customers have opined that satisfaction on product quality was the important reason for purchasing herbal products. Majority of the customers purchase from herbal shops. Majority of the customers purchase herbal products once in a month. Many of the customers spend up to Rs.300 for herbal products in each visit of the store. Majority of the customers' source of information about herbal products is Word of Mouth.

Chi-square test highlights the following results

- a) The following table highlights the relationship between age and purchase pattern of the customers. The 'P' value 0.083 is higher than 0.05, hence the hypothesis (H2a) is accepted. This emphasises that age is significantly influencing the purchase pattern of customers.

Table 6.3 : Chi-Square Test to check the relationship between age group of the customers and their purchase pattern

| Chi-Square Tests | | | |
|--------------------|---------------------|----|-----------------------|
| | Value | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 24.315 ^a | 16 | .083 |
| Likelihood Ratio | 23.165 | 16 | .109 |
| N of Valid Cases | 297 | | |

a. 16 cells (64.0%) have expected count less than 5. The minimum expected count is .01.

- b) The following table highlights the relationship between gender and purchase pattern of the customers. The 'P' value 0.003 is lesser than 0.05, hence the hypothesis (H2b) is rejected. This emphasises that gender is not having any significant influence on the purchase pattern of customers.

Table 6.4 : Chi-Square Test to check the relationship between age group of the customers and their purchase pattern

| Chi-Square Tests | | | |
|--------------------|---------------------|----|-----------------------|
| | Value | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 15.804 ^a | 4 | .003 |
| Likelihood Ratio | 16.759 | 4 | .002 |
| N of Valid Cases | 297 | | |

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 4.27.

- c) The following table highlights the relationship between income and purchase pattern of the customers. The 'P' value 0.093 is higher than 0.05, hence the hypothesis (H2c) is accepted. This emphasises that income is significantly influencing purchase pattern of the customers.

Table 6.5 : Chi-Square Test to check the relationship between income of the customers and their purchase pattern

| Chi-Square Tests | | | |
|--------------------|---------------------|----|-----------------------|
| | Value | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 23.636 ^a | 16 | .098 |
| Likelihood Ratio | 22.345 | 16 | .132 |
| N of Valid Cases | 297 | | |

a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is .26.

Table 6.6: ANOVA to check the association of Marketing Mix and Purchase Pattern

| Marketing Mix | | Sum of Squares | df | Mean Square | F | Sig. |
|---------------|----------------|----------------|-----|-------------|-------|------|
| Product | Between Groups | 21.897 | 5 | 4.379 | 2.601 | .000 |
| | Within Groups | 472.181 | 291 | .494 | | |
| | Total | 502.010 | 296 | | | |
| Price | Between Groups | 5.835 | 5 | .486 | .741 | .712 |
| | Within Groups | 627.432 | 291 | .656 | | |
| | Total | 633.267 | 296 | | | |
| Place | Between Groups | 19.419 | 5 | 1.618 | 2.442 | .004 |
| | Within Groups | 633.408 | 291 | .663 | | |
| | Total | 652.827 | 296 | | | |
| Promotion | Between Groups | 27.291 | 5 | 2.274 | 2.951 | .000 |
| | Within Groups | 736.877 | 291 | .771 | | |
| | Total | 764.168 | 296 | | | |

The above table signifies that marketing mix elements like product, place and promotion has a significant impact on purchase pattern of herbal products by customers. Price is not having a significant impact on purchase pattern. Hence the hypotheses H1a, H1c, H1d are accepted. Hypothesis H1b is rejected.

VII.FINDINGS AND SUGGESTIONS:

- i) It is understood from the results that majority of the respondents purchase skin care and skin cleansing products. This particular product category can be the key category and other categories may be bundled with the above for making the customers try the same.
- ii) Results also highlights that majority of the customers have an intention to change from chemical products to herbal products. Promotional strategies can be devised to throw light on the significance of herbal products over chemical products.
- iii) Majority of the customers buy herbal products from exclusive stores and online. Channels other than herbal products can also be motivated to sell herbal products in order to increase the reach.
- iv) Promotional activities can be done to increase the basket size of the customers purchasing herbal products as majority of the customers spend Rs.300 and less and many are monthly visitors.
- v) New product categories of herbal products can be focused as majority of the customers are expecting new product categories.
- vi) Marketers to work on digital marketing and increasing positive word of mouth as majority of the customers rely on word of mouth for purchase.
- vii) Marketing mix variables like product, place and promotion has a significant impact on purchase intention. Price is not significantly impacting purchase pattern. This indicates that the customers are not highly price sensitive and other areas of marketing mix can be concentrated to attract customers.

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