



Impact of Perception on Consumer Purchase Behavior of Herbal Product in India

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ABSTRACT

The thirst of knowledge and drive for natural or plant based medicine, cosmetics or herbal products are increasing throughout the world irrespective of developed and developing countries. This is due to various reasons since these products have less or no side effects with lowest affordable price. The market is always consumer oriented and businesses keep trying to understand the pattern of consumer behavior as it is pretty difficult. There are several factors that influence the customer perception like individual's perception, perception based on price, brand, benefits, etc. These are elements of behavioral study of consumer. People use herbal products on daily basis and believe in the usage of herbal product and the herbal medication. Other than perception some external factors like media, doctors' opinions etc.. Influence the purchase and use of herbal products.

KEYWORDS

Herbal Product, Consumer perception, Buying Behavior.

1. INTRODUCTION

The world health organization (WHO) study estimates that most of the people use herbal product and medicine than the modern one and also states that the herbal medicines has been existing from years and years back before the development of modern medicine (Brower 1998).

1.1 Herbal medicine:

Herbal medicines are used by about 70-80% of the world population since they are non-toxic, affordable and with fewer side effects (WHO Geneva, 2011). Herbal products are used to cure minor ailments, fitness or maintenance of health and also for chronic diseases (Samojlik, 2013). They are also bought as over the counter products (OTC) without a doctor's prescription like other drugs. The Indian traditional medicines have history of more than 5000 years and it's known as "Ayurveda". The Ayurveda consists of both diet and remedies for preventing and treating the illness associated with body and mind.

1.2 Overview of Herbal Products:

The word "herbs" has been derived from the Latin word "Herba" and being a derivation of "Herbe". The herb refers to all parts of the plant like leaves, stem, roots etc...that can be used for flavoring or that has medicinal/nutritional value (George, 2002). The herbs very long history over 4000 years by European and the Mediterranean cultures and also quoted in Bible, the Quran and in historical literature, etc...throughout the world and followed by people of every culture. The herb has been used for medication purpose over years and years together through various research and development. This study highlights the preference and perception towards the herbal products that ranges from raw to processed and packaged herb-based supplements.

1.3 History of Herbs

The history of herb is very oldest which runs back to 4000 years where Sumerians has explained the medicinal uses of plants as laurel care way and thyme. The earliest book on herbal remedies was written in 2700BC by Chinese which lists around 365 plants and their medicinal values and their application. Cultures like Chinese, Egyptians, Romans, Greeks, and Asians used garlic, opium, and mint as medicines. The Greeks and Romans were the inspiration for later western and mod-

ern medical learning and development. The Javanese and Malays used herb like janu and tonic for post naval recovery, purification of blood, to increase the body strength (Kelly 2003). It reached new heights in the 15th to 17th centuries of middle age. Several books on herbs were published during this period of time in many ancient other languages apart from Greek and Latin. The down fall of herbs started from 17th to 20th century due to the domination of chemical drugs over it (Kelly, 2003).

1.4 Definition of herbs and herb-based product

The herb is defined as the plant with soft stem and ends its life cycle after flowering. Literally it can be also defined as any part or all the parts that includes flavor food, or treat illness or nutritive. WHO (World Health Organization) have defined herb as the rudimentary plant material such as stems, barks, leaves, seeds, flower, fruits or any other parts of plant which may be crushed or fragmented (George, 2002).

1.5 Global Herbal Market:

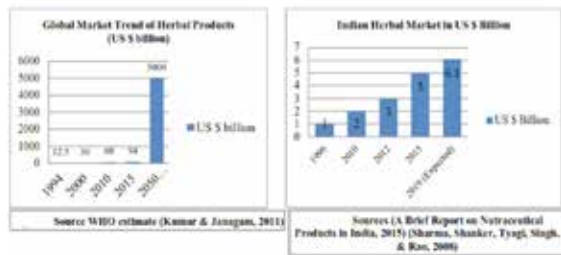
The market ranges from wide variety of product like OTC medicine, food supplement, beauty product, etc. In recent times, the global herbal market and industry is growing very rapidly. The estimated growth rate is 15-18% per annum. The herbal product has wide opening in the export market provided if they follow international norms. The expert growth of global herbal market by 2050 is about \$5trillion.

1.6 Indian Pharmaceutical Market

The Indian pharmaceutical sector is one of the most major emerging sectors in the export Business. The growth is tremendous which was negligible in 1990's and rose to \$7.24 billion by 2008. The compounded annual growth rate (CAGR) in five years is about 17.8% and was expected to grow at a high CAGR of 9.9% in 2010 and it is 9.5% at 2015.

The total Indian market which includes pharmaceuticals, health care, medical equipment etc. are estimated as worth of \$30billion. The revenue from the health care sector alone constitutes 5.2% GDP, it provides employment to more than 4 million people. The market is the combination of both over the counter and prescription.

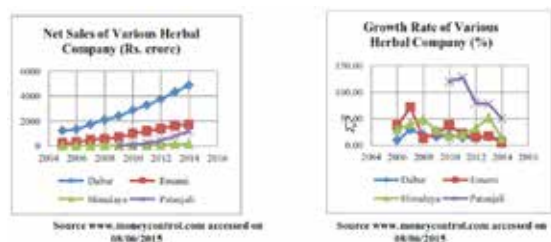
Figure: 1



1.7 Trends in Indian pharmaceutical industry

The Indian retail pharma market size is about rs 29,139.5 cores in 2008. The growth rate is expected to 9.9% end of 2010 and it's about 9.5% till 2015.

Figure: 2



1.8 Scope of Herbal products in Indian market

Herbal product are perceived as safe, economical and better than modern medicines to cure certain diseases but in recent times they have encountered the adverse effect and saw reduction in sales. This is due to consumer or customer requires more reliable and authentic information regarding the usage of herbal product (Arun, 2014).

India is the one of the country which is rich in herbs. It contains more than 45,000 plant species with 16 agro climate zone, 10 vegative zone and 15 biotic provinces. India has around 18,000 flowering plants, 16000 lichens, 2500 algae, 1800 bryophytes, 23000 fungi and 30 million micro organism (industry highlights, 1998). India is the major player in the global market and one of country in 12 mega biodiversity center. The investment in the herbal products jumped from 450crore in 2000 to new height of Rs. 3000cr in 2005 which shoots to Rs 10,000cr by 2010 with the help of 'grand strategic plan. (Pujari et al, 2015).

The value of Indian herbal product or herbal market is about \$1million and about \$80million is being exported. The sales of herbal product are about '50%of the herbal market (Braver, 1998). In recent years the herbal market has grown rapidly which ranges from OTC medicines to beauty and toiletry products. The growth rate is about 15-18% per annum (vani and Nikhil 2015).

The demand has been increased throughout the world including developed countries due to higher safety margin with fewer side effects. Herbal products play a major role in food supplement and also in personal care. It has become a promising industry or sector with huge growth (Alok, 2008).

2. REVIEW OF LITERATURE

2.1 Consumer perception

The perception of the consumer is the key point to marketing and advertising. Marketing teams or the companies use the consumer perception to asses them and to know how their customer perceive the products. It is used as the tool to frame strategies to attract new customer and to retain the old or exiting customers.

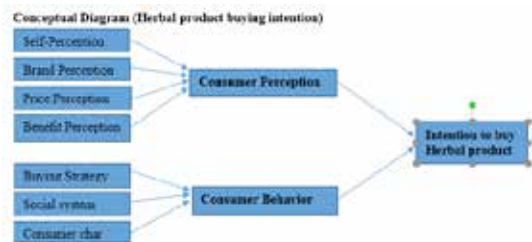
The perception regarding herbal products is diverse, few believe them as effective and few argue that herbal products are

scientifically unapproved. They require authentic and reliable information regarding the safety, quality of the herbal product. The demand for herbal product has been increasing to a greater extent along with this there is growth in the market and sales of herbal product across the globe (Antignc, 2011).

The perception of the consumer on the herbal products influence the behavior of consumption of drugs as well as in treatment outcome (Batar, 2012), the senior citizens are the major consumers of the herbal products (cherniack, 2011).

2.2 Self-Perception:

The consumer self-perception is the key factor to analyses or assess about priority, purchase and consumption pattern. It explains how the individual or consumer develops the understanding of the stimulus behind their own behavior. Self-perception is the key aspect of consumer buying behavior Patten. People who are very conscious about the society play more concern on environmental impact when they make the buying decision.



2.3 Brand Perception

The brand perception is related with the emotional response of the consumer with higher levels of trust, loyalty, preference and usage and improved product differentiation (Guthrie & Kim, 2009). The characteristics of the market, company's expertise are the few factors that help in the selection of a strategy for creating and building the customer perception towards the particular brand.

2.4 Price Perception

Organization uses penetration pricing strategy as the tool to reach their customer few enterprises uses quality and value for money to please their customer. The perception based on price is one of the most influencing factors to the customer who were satisfied with their purchase and make them to continue their future purchase. The factor that determine prices are the quality and service offered by one enterprise when compared with other who is offering the similar service.

2.5 Benefit perception

The nutritive value of the food influences the perception of the customer. People reject foods that are sold with high nutritive value that are added artificially, since it is considered as unhealthy traditionally. People demand more information and accurate information regarding the food they buy. Not only the offers or the discount provided by the markets influence the buying decision. The economic condition also influences the buying decision (Rojanadilok, 2012). The socio economic status of the country has changed as the result of higher paying job and increasing awareness and exposure to the western life styles and beauty trends. The increase in market size is also resulted as change in socio economic status especially from the middle class population. The middle class population makes high disposable income leading to change in purchase behavior and consumption of cosmetic products (Bhattacharya, 2006)

3. CONSUMER BEHAVIOR

The consumer behavior is study of behavior nature like how they use to select the product and service and their perception of the product and service by individual or groups or organization. This study contains the blend of elements like psycholo-

gy, sociology, economic etc. it helps to understand the buying pattern and the decision making of buyers both individually and in groups. It also assesses the factors that influence the buyer like friend, family and society etc.

The factors like personality, past experience, age, gender and specifically the person's intension to perform the behavior are the tools to identify the behavior of the customer (Engel, Kolat, & Blackwell, 1973). There are many consumer behavior theories that are derived from past researches. Theories are derived from the factors like psychology, sociology/social science, economics, effects of marketing variables, packaging, promotion, effects of external stimuli, point of sale, availability, etc. (Ehrenberg, & Goodhart, 1979). Theories given by Engel (1995), Howard and Sheth (1969) and Nicosia (1966), considers both environmental and personal variables.

Those theories explain only about the customer's understanding of towards the brands but fail to explain how the preference or understanding towards brand turns to buying. (Ajzen & Fishbein, 1980). Then the link between evaluation criteria and the attitude has been provided by theory called Expectancy-value model by Rosenberg (1956) and Fishbein (1963). These theories explain the consumer satisfaction is determined by their trust on the product satisfies their need and wants.

The Expectancy-value mode given by Fishbein (1963) has been developed to Theory of Reasoned Action (TRA) by (Ajzen & Fishbein, 1980), then to Theory of Planned Behavior (TPB) (Ajzen 1985; 1991) (Stavros, Michael, Robert, & Markos, 1999) in the span of 40 years. The TPB model helps to investigate the factors that influence the attitude, social determinant and the belief of customer's intension to purchase and consume.

3.1 Market value and consumer behavior/attitude:

The potential of the product or service that fulfills or satisfy the customer needs and wants is known as market value. Sheth (1999). If and only if the products satisfy what the customer needs, the value is created. Values are nothing but the criteria for guiding the process and maintaining the attitudes towards the relevant situation. Rokeach (1973).

This can be defined as the overall criteria and their end results that makes the customer to respond in either favorable or unfavorable manner toward the given products. Engel, Blackwell, and Miniard (1995). Few others like Kotler, Ang, Leong, and Tan (1999) extended the definition to include the action tendencies towards the product or idea.

3.2 Buying Strategy

The factors like need, status, media, promotions etc. design the selection and buying pattern of the consumer. Not all consumers go by promotions but few follow selective exposure i.e., they buy only what they are interested in. Similarly there is something called selective retention which means the consumer remembers only what he need is and forgets which is not relevant to his need.

3.3 Social system

The set of interconnected entities that are involved to attain the common goal in society or organization is defined as social system. The use of herbal product is influenced by size of the household and marital status too. The use of herbal product is more in family when compared to the individuals. The social system not only consists of family but also the organizations which is source of herbal product or where people buy the herbal products which include health food. The health food stores have well trained staffs to promote and serve different kinds of herbs relevant to their customers.

3.4 Consumer characteristics

The consumer characteristics are the combination of health care attribute and the demographic factors. The demographic factors include age, gender, medication use, level of education etc. From these factor and previous research, it was

found that women use more herbal product when compared to men. The usage of herbal product and nutritive supplement by women is more than men may be due to difference in attitude or perception about the health and diet.

When considering the age factor the results are ambiguous. Few result states elder people use more herbal product when compared to younger people and from few research show that it's vice versa.

The level of education also influences the usage of herbal products. The usage of herbal product found to be more in higher the level of education. Since they are very confident and informative about the quality and safety of herbal products and also got influenced by media etc.

4. Discussion

The herbal product are being used by more than 80% of the world population especially in developing and low income countries to meet their health care needs. The herbal products are trust by people due to safety, quality, no side effect, cost and cultural acceptability. The factors like product, price, place and promotion etc. plays major role in influencing the customer perception along with the positive impact of advertisement, packages, availability, and awareness about the herbal product. The customer satisfaction also plays an important role in the herbal treatment.

5. Conclusion

This paper mainly focuses on factors influencing customer perception on herbal product. Several independent sources were used to guesstimate the accuracy and completeness of the survey. People use modern medicine to get instant relief, but still most of the people purchase herbal pharmaceutical product as an alternative. The herbal products available in the market are costly but have no side effects. The self-interest of the people along with doctor suggestion and with the help of media influences the customer to consume herbal product as well.

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