

A Study on the Perception of Gen Z towards Ayurvedic Products

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Abstract

Sustainability and healthy living is now more relevant than it has ever been in the past due to awareness surrounding healthier lifestyles and concerns around the environment and climate change. Consumers are looking for products that are 'Safe for you and for the earth'. Consequently, this has become an area of interest for multi-national companies, small businesses, government officials and policy makers, academicians and all stakeholders. This research paper aims to understand the perception of Gen Z between the ages 19 and 22 years towards Ayurvedic products. To begin with, the research paper explores the awareness level of these youngsters with respect to ayurvedic products. It also evaluates various propositions from brands such as products that are: 'eco-friendly, sustainable, natural, herbal, chemical free, without harmful side effects' and how they affect perception and consequently purchase decision of these young consumers. The data also reveals which advertising media is most common among this consumer demographic and names some brands that are perceived as trust worthy by our youth today.

Keywords: Sustainability, Ayurvedic Products, Gen Z, Perception, Purchase Decision

Introduction

A report by IMARC Group reveals that the ayurvedic products market size in India reached 626 Billion INR in 2022. It is also projected that the market size will reach 1,824 Billion INR by 2028 with a growth rate (CAGR) of 19.3% during 2023-2028. Ayurvedic products are traditional, herbal and natural products that are created using the traditional Indian system of medicine. They include herbal supplements, teas, oils and powders made from natural and largely plant based ingredients. Ayurvedic products address a number of health concerns such as digestive issues, stress, sleep related issues and more. The Indian ayurveda industry has several large players, with the micro, small and medium enterprises (MSMEs) capturing 80% market share (IBEF, 2021). The IMARC Group report also revealed a partial list of key players covering major brands like Dabur, Patanjali, Himalaya, Vicco,

Charak, Hamdard, Forest Essentials, Emami, Baidyanath and more. In India, there is a growing awareness about the benefits of natural and organic products among other concerns due to side effects of western drugs which is a major contributor to the growth of the ayurvedic market. Increasing affordability, availability through various online and offline distribution channels, accessibility across both urban and rural areas are factors that have led to adoption of ayurvedic products.

The launch of the Ayush Ministry in 2014 by the Government of India also gave a boost to the industry with the Government promoting traditional Indian systems of alternative medicine and 'Make-In-India' Products. Further, the Indian government is also looking at initiatives such as the AYUSH Mark to certify the standard and nature of ayurvedic products and AYUSH Visas to promote medical tourism in India. Besides, the Ministry of Ayush is also organizing exhibitions, trade fairs and road-shows to promote these systems of medicine. There are a number of incentives such as subsidies and grants available for companies and researchers to develop new formulations, improve manufacturing processes and incorporating modern technology into their operations.

Furthermore, the impact of the COVID-19 pandemic also led to the growing demand for various ayurvedic products to boost immunity levels. The pandemic saw a large number of consumers opt for herbal teas, immunity boosting medicines, chywanprash, kadhas, supplements and other herbal concoctions for good health.

Review of Literature:

The term 'Ayurveda' can be broken up into the terms Ayur and Veda meaning 'Science of Life'. It is an ancient Indian medical system that relies on a 'natural' and holistic approach to physical and mental health. Ayurvedic medicine is said to be one of the world's oldest medical systems. It is predominantly practiced in India as one of its traditional healthcare systems (Morgan, 2002) and originated about 5000 years ago with over 8000 plants possessing medicinal properties. (IIED and ETS, 2002). This system is one of the finest preventative strategies for many diseases and helps in maintaining good health. (Singh

et. al., 2018). An increasing awareness about global warming and preference towards products that have no adverse effects has contributed towards the growth of ayurvedic products not just in India but also globally. (Naresh & Reddy, 2016). A study on consumers based in Pune revealed that the reasons for choosing Patanjali products were Ayurvedic ingredients at the first rank, Baba Ramdev at the second rank, Quality and Health Concern ranked third and fourth respectively. (Priya & Priya, 2018). Another study revealed that female consumers consider referral marketing as an effective strategy to extract information about a product or brand that they have little knowledge about (Singh & Malik, 2022).

Since the research is undertaken in Mumbai, it is interesting to find how consumers perceive ayurvedic products. This is because consumers in rural areas trust nature based (Ayurvedic) products more as they relate to indigenous treatment (Sawant, 2013). There are a number of factors that influence public perception towards particular ayurvedic brands - some of which are awareness, availability, advertising, brand, packaging. (Kewlani & Singh, 2012). While we see the Indian market as price sensitive, a number of consumers are said to have significant and positive perception with regards to herbal cosmetics and they are also willing to purchase them at premium prices (Makkar et. al., 2007)

A major research gap identified was that Ayurvedic products in the Indian consumer market is still an under-researched area. Further, there is a need to understand such products from the perspective of consumers in the younger age group. For this purpose, the 'Gen Z' population was identified as the subject under study. They include individuals between the ages 19 and 22.

Research Objectives

The objectives of this study are:

1. To study the perception of Gen Z towards ayurvedic products.
2. To understand the awareness of ayurvedic products among Gen Z consumers

Research Methodology

This study is of exploratory nature. The population under study are consumers between the ages 19 to 22 years located in Mumbai. The respondents were selected using the Convenience Sampling Method. An online form was created and circulated, and accordingly 100 responses were collected. The data was cleaned for errors and inconsistent

responses. The data was then analysed using contingency tables, pie charts and the hypotheses were tested using one sample t test.

Hypotheses:

Accordingly, the null and alternate hypotheses are mentioned in Table 1 as below:

Table 1: Hypotheses

Null Hypotheses	Alternate Hypotheses
H_{0a} – Ayurvedic products are not considered more expensive than other non-ayurvedic alternatives.	H_a – Ayurvedic products are considered more expensive than other non-ayurvedic alternatives.
H_{0b} – Ayurvedic products are not considered cheaper than other products.	H_b - Ayurvedic products are considered cheaper than other products since they are made of herbs, medicinal plants and natural ingredients.
H_{0c} – Recommendations from friends does not influence purchase decision of ayurvedic products.	H_c – Recommendations from friends influences purchase decision of ayurvedic products.
H_{0d} – Price of ayurvedic products is not an important factor influencing purchase decision.	H_d – Price of ayurvedic products is an important factor influencing purchase decision.
H_{0e} – Environmental concern is not an important factor influencing purchase decision of ayurvedic products.	H_e – Environmental concern is an important factor influencing purchase decision of ayurvedic products.
H_{0f} – Safety and health consciousness is not an important factor influencing purchase decision of ayurvedic products.	H_f – Safety and health consciousness is an important factor influencing purchase decision of ayurvedic products.

Data Analysis and Findings:

Socio-Demographic Profile of Survey Respondents:

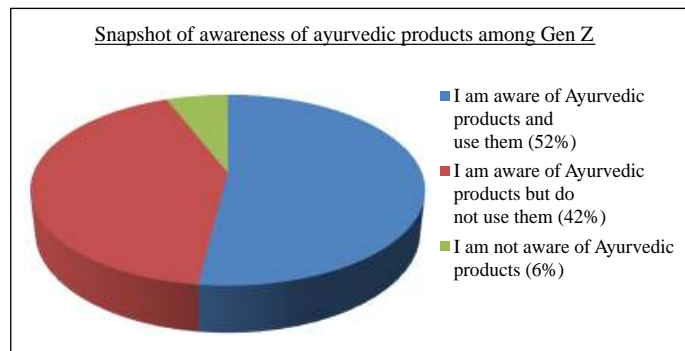
66 out of 100 respondents were female and 34 respondents were males, scattered across ages 19 to 22. A snapshot of the same is shown in Table 2 below:

Table 2: Age and Gender Profiles

Gender:	Age:				Total
	19 years	20 years	21 years	22 years	
Female	8	52	2	4	66
Male	6	25	3	0	34
Total	14	77	5	4	100

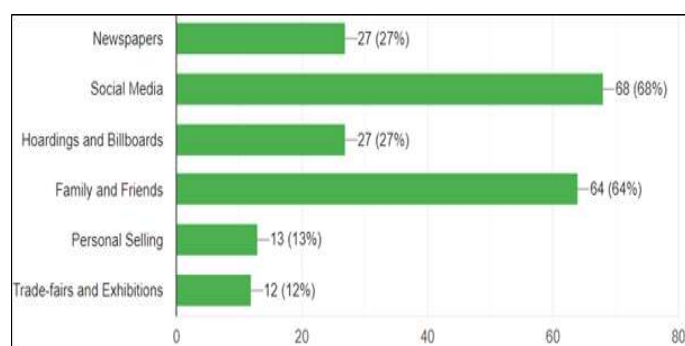
In order to check the awareness level of the respondents with respect to ayurvedic products, they were asked to select the option that best describes them. About 52% respondents said that they were aware of ayurvedic products and also use them while 42% respondents were aware of ayurvedic products but did not use them. Only a minor 6% said they weren't aware of ayurvedic products. A snapshot of responses with respect to awareness of ayurvedic products is shown in Diagram 1 below.

Diagram 1: Awareness level



Now that the research has explored the awareness level, the respondents were asked about how they got to know about these ayurvedic products. As shown in the figure below, the majority (68%) said it was through social media while family and friends occupied a close second place at 64%. Print media such as newspapers, hoardings & billboards were at 27% each. The least common medium for Gen Z consumers to get to know about ayurvedic products was personal selling and trade fairs & exhibitions. This could be because they are used to target an older demographic.

Diagram 2: Medium to get to know about ayurvedic products



The respondents were then asked about the purpose of using ayurvedic products. The most commonly used products were for body and beauty such as facewash, soaps, oils, shampoos, make up, hair colour, etc which is common among youth. The second most commonly used products were herbal medicines, kadhas, etc. for treatment of sickness. This was followed by herbal teas and supplements

like chywanprash for general health and wellness. The respondents were also asked to name some brands they trust. Here, Patanjali occupied the first spot, followed by Dabur and Himalaya respectively. Some of the other brands named were Vicco, Khadi Naturals, Kama Ayurveda, Medimix, Just Herbs, Mama Earth, Biotique.

The researcher also attempted to establish a categorical relationship between recommendations from friends and gender which was proved to exist as the chi squared test revealed a p value of 0.034 which is statistically significant as it is less than 0.05. The results are shown in the table below.

Table 3: Chi squared test for relationship between gender and recommendations

I have used / will use an Ayurvedic product if my friends recommend it to me	Female	Male	Total
Strongly Disagree	0	2	2
Disagree	9	10	19
Agree	45	19	64
Strongly Agree	12	3	15
Total	66	34	100
Chi-Squared Tests			
	Value	df	p
χ^2	8.662	3	0.034
N	100		

Testing the Hypotheses & Findings:

The purpose of the research was also to understand whether Gen Z consumers perceive ayurvedic products as expensive or inexpensive and also the reason behind the same. Hence, between Ha (Ayurvedic products are considered more expensive than other non-ayurvedic alternatives) and Hb (Ayurvedic products are considered cheaper than other products since they are made of herbs, medicinal plants and natural ingredients.), only one hypothesis could be accepted. On applying one sample t test for both Ha and Hb, the data revealed a p value of <0.001 for Ha (Table 4)

showing that ayurvedic products are perceived as expensive by Gen Z. They say this because they believe that ayurvedic products are good for health and also free of chemicals. Consequently, Hb(Ayurvedic products are considered cheaper than other products since they are made of herbs, medicinal plants and natural ingredients.) was rejected as the p value was 0.739 as shown in Table 5. The

reason why ayurvedic products could be perceived as expensive is that such products often use high-quality, natural ingredients that are sourced sustainably. These ingredients might be more expensive compared to synthetic or mass-produced alternatives. At times, Ayurvedic products are packaged and marketed as premium or luxury items, which can increase their price to reflect the perceived value and target a specific market segment.

Table 4: One sample t test, accepting Ha- Ayurvedic products are considered more expensive than other non-ayurvedic alternatives

One Sample T-Test	t	df	p
Ayurvedic products are expensive since they are good for health and free of chemicals.	9.43	99	< .001

Table 5: One sample t test, rejecting Hb - Ayurvedic products are considered cheaper than other products since they are made of herbs, medicinal plants and natural ingredients.

One Sample T-Test	t	df	p
Ayurvedic products are cheaper than other products since they are made of herbs, medicinal plants and natural ingredients.	0.334	99	0.739

Table 6 below shows the one sample t test applied to test Hc – Recommendations from friends influences purchase decision of ayurvedic products. This alternate hypothesis is accepted with p value <0.001. It's common for people to try products based on recommendations from friends, as

personal experiences and word-of-mouth can be influential. If family and friends have had positive experiences with ayurvedic products and recommend them, it can certainly be a helpful factor to consider when deciding whether to try them yourself.

Table 6: One sample t test, accepting Hc - Recommendations from friends influences purchase decision of ayurvedic products

One Sample T-Test	t	df	p
I have used / will use an Ayurvedic product if my friends recommend it to me	7.044	99	< .001

As India is known to be a price sensitive market, price becomes an important factor to influence the purchase decision and ayurvedic products are no exception to the same. This is proved (Table 7) as we accept the alternate hypothesis Hd– Price of ayurvedic products is an important

factor influencing purchase decision with a p value that is statistically significant. From the customer's perspective it is only practical to consider the affordability and value of a product before making a purchase.

Table 7: One sample t test, accepting Hd– Price of ayurvedic products is an important factor influencing purchase decision.

One Sample T-Test	t	df	p
I have used / will use an Ayurvedic product if its price is lower than other non-ayurvedic products	5.794	99	< .001

With rising concerns around the environment and climate change, this research also questions the impact of environmental concern as a factor influencing purchase decision. On testing the hypothesis, He (Environmental concern is an important factor influencing purchase decision of ayurvedic products) is accepted. (Shown in Table 8). Many individuals today prioritize products that are environmentally friendly, sustainable, and have minimal

impact on the planet. Ayurvedic products often align with these values due to their focus on natural ingredients and traditional manufacturing processes. Ayurvedic products are typically formulated without harmful chemicals, such as parabens, phthalates, or artificial fragrances, which can be detrimental to the environment when they enter waterways or contribute to pollution.

Table 8: One sample t test, accepting He - Environmental concern is an important factor influencing purchase decision of ayurvedic products.

One Sample T-Test	t	df	p
I have used / will use an Ayurvedic product because it is good for the environment even though it is expensive	7.132	99	< .001

It is also seen that consumers today are becoming increasingly conscious about the potential side effects that products have on their health. The respondents were also asked whether they would use an ayurvedic product because it is good for health, made without chemicals and has no side effects. The p value was statistically significant (<0.001) accepting the alternate hypothesis Hf - Safety and health consciousness is an important factor influencing purchase decision of ayurvedic products. Ayurvedic products predominantly use natural ingredients such as herbs, plants, minerals, and oils. These ingredients are often

selected for their potential therapeutic properties and are believed to provide health benefits. These products are largely marketed as natural, herbal and chemical free which make it an attractive choice for consumers. Ayurveda takes a holistic approach to health, considering various factors such as diet, lifestyle, mental well-being, and the individual's unique constitution (dosha). Ayurvedic products are often formulated with this holistic perspective in mind, aiming to address imbalances and support overall health and vitality.

Table 9: One sample t test, accepting Hf - Safety and health consciousness is an important factor influencing purchase decision of ayurvedic products.

One Sample T-Test	t	df	p
I have used / will use an Ayurvedic product because it is good for health, made without chemicals and has no side effects	16.868	99	< .001

Recommendations and Conclusion:

The research revealed that ayurvedic products are largely perceived as expensive by Gen Z. The alternate hypothesis mentioning that ayurvedic products are considered cheaper than other products since they are made of herbs, medicinal plants and natural ingredients is also rejected. While the respondents would consider the opinion of their friends before making a purchase and would even be open to trying out new products based on recommendations from friends,

they do believe that price of ayurvedic products are an important factor that influences the decision to buy a product. Further, concerns about their own health and safety, are factors that a Gen Z consumer would take into consideration and would opt for products that are chemical free and have no side effects. The data also revealed that the respondents would consider aspects of sustainability and the effects of their purchases on the environment before making a purchase.

The insights from this paper are beneficial to brands when designing their advertising campaigns, branding and positioning. As the data revealed that this population segment gets to know more about such products from social media, brands that have youth as their target audience can look at reaching out to them via social media. Patanjali, Dabur and Himalaya emerged as the most trusted brands according to the data and hence other smaller manufacturers can use their marketing strategy as a guideline to define their own. Manufacturers can also look at branding their products as those which are 'safe for you and the earth' to attract this consumer segment. The price of these products is an important part of the mix. One of the key challenges that manufacturers can take up is giving a quality product to the customer with natural, herbal and organic ingredients along with other aspects like sustainable packaging and eco-friendly processes – all while keeping the price competitive.

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