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Analysis of Financial Performance of FMCG Sector in India Special Reference (Nestle Patanjali)”

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ABSTRACT: This study compares Nestlé and Patanjali, two well-known consumer product firms, to assess how brand equity impacts financial success. Consumer perceptions, market positioning, and overall company success are brand equity has a huge impact. This study examines the relationship between brand equity and financial success by comparing two organizations with different brand strategies and market presence. The study technique involves a detailed literature review, financial analysis, and customer surveys. This study can help firms understand the impact of brand equity on financial performance and take strategies to boost brand value.

KEYWORDS: NESTLE, PATANJALI AND FINANCIAL PERFORMANCE

I. INTRODUCTION

In the competitive consumer products sector, businesses strive to establish unique brand identities and attract loyal customers. Brand equity has grown more significant in this setting has the potential to influence an organization's success and profitability. Brand equity refers to a brand's intangible worth, including reputation, perceived quality, awareness, and loyalty. Understanding the relationship between brand equity and financial performance can help businesses strengthen their market position and drive sustainable growth. This research study analyzes Nestlé and Patanjali, two well-known consumer product companies, to analyze how brand equity affects their financial performance. There are two distinct techniques to brand building and market presence.

Nestlé is a multinational corporation, whereas Patanjali is an Indian FMCG firm. Examining these two organizations can provide insight into the impact of brand equity on financial performance in different contexts.

This study aims to assess Nestlé and Patanjali's brand equity, examine the link between brand equity and financial outcomes, and compare their financial performance. This study intends to add to the already existing body of information. Research is available on how brand equity affects the profitability of the consumer products industry.

This study provides valuable information for managers and decision-makers in the consumer products business, enabling them to establish effective brand strategies and achieve financial success. The findings of this study can also be applied to contribute to academic discussions and future research on the impact of brand equity on financial performance.

To achieve the objectives of the research, a thorough analysis of relevant literature on brand equity and financial performance will be conducted. Financial analysis will be used to evaluate Nestlé and Patanjali's financial performance, taking into consideration several elements. Comprising market capitalization, profitability, and revenue. In addition, consumer surveys and data collection will be utilized to assess brand equity from the perspective of the target audience.

This study paper's remaining sections are arranged as follows: The study's theoretical foundation will be provided by the literature review; the research's methodology and data collection techniques will be described in the methodology section; and the findings and discussion section will provide a financial performance and brand equity study of Nestlé and Patanjali. A synopsis of the key findings and contributions of the research will be given after a discussion of the study's implications and conclusions.

By examining the effect of brand equity on the financial performance of Nestlé and Patanjali, this study aims to shed light on the significance of branding strategies and their impact on firm success in the consumer products industry.

II. REVIEW OF LITERATURE

1. **Agarwal, R., & Kumari, S. (2022).** A comparison of Nestlé and Patanjali's financial performance and brand equity, *Journal of Commerce and Accounting Research*. This study compares the performance indicators of Nestlé and Patanjali and analyses the link between brand equity and financial results to determine the effect of brand equity on financial performance.
2. **Kumar, A., & Rastogi, A. (2022).** A comparison of Nestlé and Patanjali's financial performance and brand equity, *Journal of Marketing Management*. This study examines the impact of brand equity on Nestlé and Patanjali's financial success by assessing important financial measures and looking into the mediating role of brand loyalty in this relationship.
3. **Singh, R., & Srivastava, A. (2021).** Nestlé and Patanjali's brand equity and financial performance were compared, *International Journal of Business Management and Marketing*. This contrasting study looks at how brand equity affects Nestlé and Patanjali's financial success, looking at how brand loyalty, perceived quality, and brand recognition affect financial results.
4. **Kim, Y., & Kim, K. (2021):** - This study examines the relationship between brand equity and financial performance in the Korean market. The authors find a positive and significant effect of brand equity on financial performance, indicating that investing in brand equity can lead to increased financial returns.
5. **Pappu, Quester, and Cooksey (2020):** -The study found that brand equity positively influenced financial performance, and this relationship was stronger for luxury brands than for non-luxury brands. The study also found that brand loyalty was the strongest predictor of financial performance.
6. **Rana, M. A., & Sadiq, S. (2019):** -This study examines the impact of brand equity on financial performance in the Pakistani textile sector. The authors find a positive and significant relationship between brand equity and financial performance, suggesting that firms in this sector can benefit from investing in brand equity.
7. **Lin, Y. H., & Chen, C. H. (2019):** - This study investigates the impact of brand equity on financial performance in the Taiwanese market. The authors find a positive and significant effect of brand equity on financial performance, indicating that investing in brand equity can lead to increased financial returns.

III. RESEARCH METHODOLOGY

Research Objective:

- To evaluate and contrast Nestle and Patanjali's brand equity.
- To review Nestle and Patanjali's financial performance metrics.
- To investigate the connection between the financial performance and brand equity of Patanjali and Nestle.
- To determine the elements that influence Nestle and Patanjali's brand equity.
- To assess the impact of brand equity on financial performance in Nestle & Patanjali.

Data collection: The inquiry will only employ secondary data sources. These sources might include:

Company Reports: Nestlé and Patanjali's annual reports, financial statements, sustainability reports, and corporate publications.

Industry Reports: Documents from respectable consulting firms or industry research groups that offer details on Nestlé and Patanjali's financial performance and brand equity.

Academic journals and research paper: Publications that address the connection between brand equity and financial performance in the context of consumer goods corporations or the situation of Nestlé and Patanjali are classified as academic journals and research papers.

Sources of Data:

Primary source of data:

Considering that the survey was completed online using a Google questionnaire that was given to the participants and had many study-related questions. Consequently, a wide range of response types were noted, such as "Yes" or "No" answers as well as responses that as ratios and percentages. We also collected data through casual interviews and observation.

Secondary data:

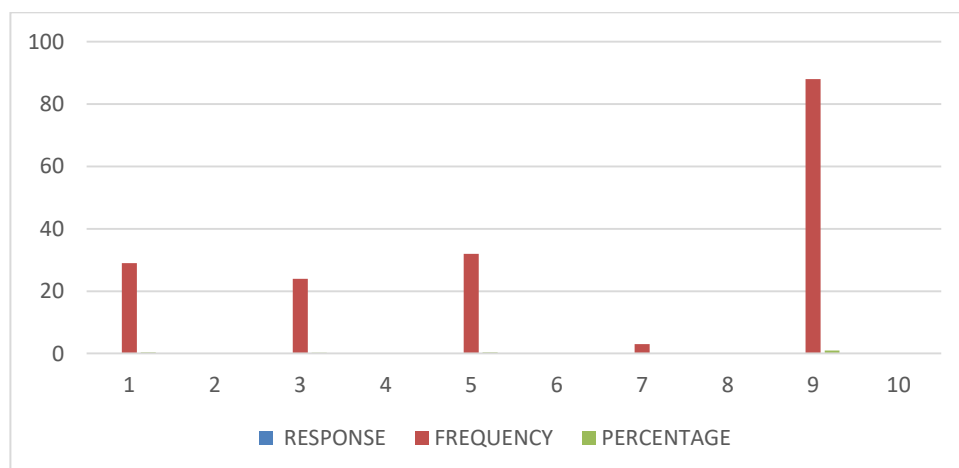
Secondary data is acquired from earlier research and published works to finish the project. The following methods were used to collect secondary data:

- Articles.
- Academic publications.
- Online database pertaining to additional websites.

DATA ANALYSIS AND INTERPRETATION

Nestle/Patanjali, which company has a brand image among consumers.

RESPONSE	FREQUENCY	PERCENTAGE
NESTLE	29	33%
PATANJALI	24	27.3%
BOTH	32	36.4%
NEITHER	3	3.4%
TOTAL	88	100%



NESTLE AND PATANJALI WHICH COMPANY HAS A BAD IMAGE AMONG CONSUMERS

88 RESPONSES

Analysis:

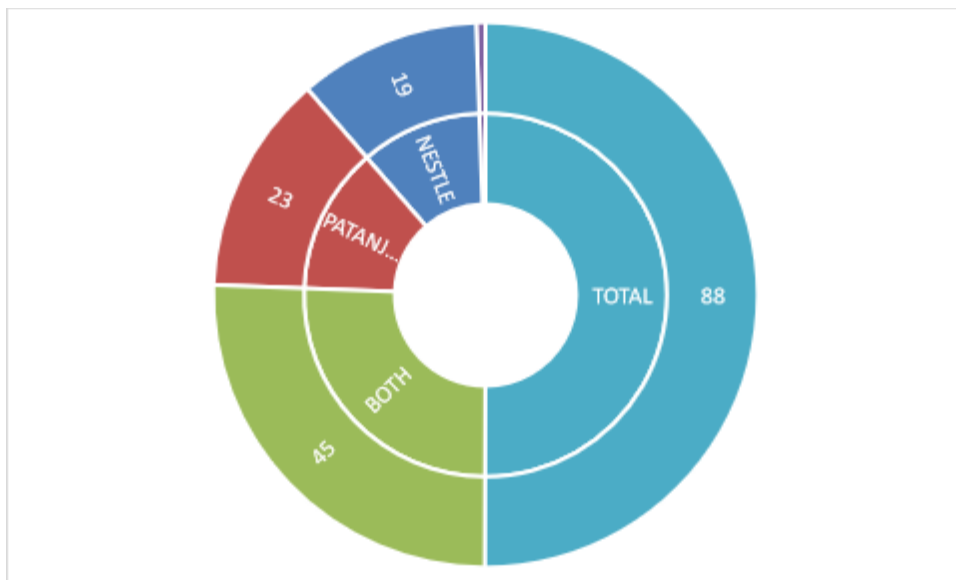
From the above table, it is observed that out of total response i.e. 88, 29 responders chose Nestle, 24 responders chose Patanjali ,32 responders chose both and rest remaining 3 responders chose neither as their option. Interpretation: It is observed that more people selected Both as their option and other people have chosen different option for company has a brand image among consumers.

Interpretation:

It is observed that more people selected Both as their option and other people have chosen different option for company has a brand image among consumers.

Which brand do you think to be financially successful?

RESPONSE	FREQUENCY	PERCENTAGE
NESTLE	19	21.6%
PATANJALI	23	26.1%
BOTH	45	51.1%
NEITHER	1	1.1%
TOTAL	88	100%



WHICH BRAND DO YOU THINK TO BE FINANCIALLY SUCESSFUL?

88%

Analysis:

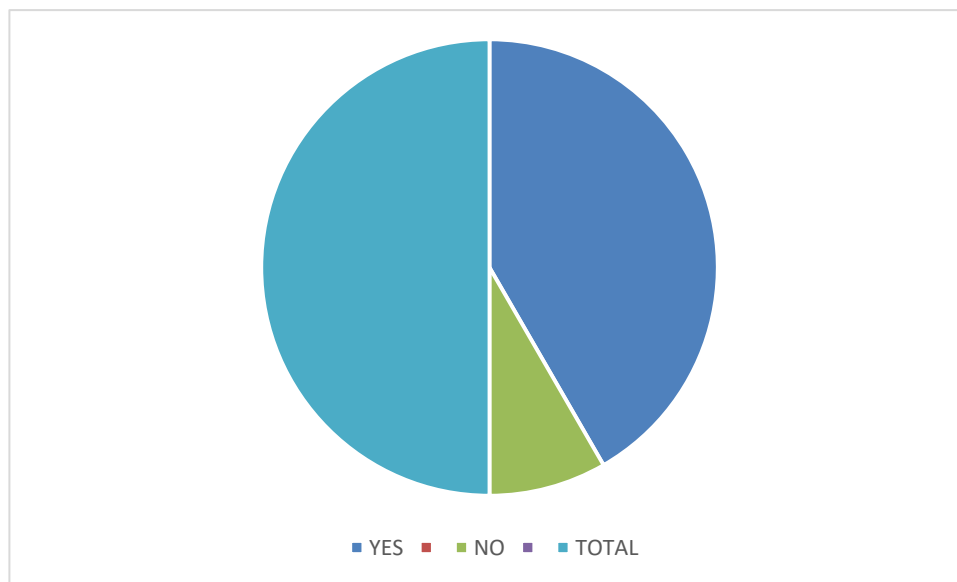
From the above diagram and table, it is observed that out of total response i.e. 88, 19 responders choose Nestle, 23 responders chose Patanjali ,45 responders chose both and the rest Remaining 1 responder chose neither as their option.

Interpretation:

It is observed that more people selected Both as their option and other people has choose the rest option as their choice. But according to brand equity Nestle has its financial performance strong.

Have you purchased any Patanjali products in the last 12 months?

RESPONSE	FREQUENCY	PERCENTAGE
YES	80	84.2%
NO	16	15.8%
TOTAL	96	100%



Analysis:

From the above diagram and table, it is observed that out of the total responses ie.95, 71respondents have purchased the Patanjali product in the last 12 month, while 24 has not purchased.

Interpretation:

It is observed that mostly respondents 74.7% have purchased any Patanjali product in the last 12-month only25.3% have not purchased the Patanjali product

IV. CONCLUSION

- Brand equity is a crucial aspect in evaluating the financial performance of consumer products companies. This study compared Nestlé and Patanjali, two well-known companies with diverse brand strategies and market penetration. To determine the impact of brand equity on financial success.
- Many respondents believe Nestle and Patanjali are financially successful brands. However, more respondents said Nestle and Patanjali had strong financial success and chose both. brands are financially successful. The data analysis is limited to a small sample size and may not fully reflect brand perception or financial performance among the general audience. Further inquiry and analysis are needed to draw strong conclusions about Nestle and Patanjali's business success.
- Nestlé and Patanjali both had great customer brand equity. While Nestlé has a somewhat greater brand recognition rate, Patanjali is also a significant competitor in the market.
- This study contributes to the existing evidence linking brand equity and financial performance. Prior research has shown that investing in brand equity can increase financial returns across multiple markets. This investigation validates that assumption.

- The study's findings can help managers and decision-makers in the consumer products sector. Understanding the importance of branding can help individuals develop effective brand strategies and make good financial decisions. Equity and its effects on financial performance.
- This study's findings can inform future research on the relationship between brand equity and financial success in the consumer products sector.
- The study analyzed brand equity and financial success using financial analytics, literature reviews, and consumer surveys. This comprehensive methodology strengthens the credibility and validity of the study's conclusions.
- Brand equity can be examined further, including its long-term impact on financial performance. Examining different consumer product businesses might provide a more comprehensive perspective on the problem. Comparing them to Nestlé and Patanjali.
- This study demonstrates the impact of branding methods on business success in the consumer products market. It emphasizes the importance of brand ownership in evaluating financial performance and provides insights. Advice for companies seeking to increase the value of their brands.

REFERENCES

1. **Agarwal, R., & Kumari, S. (2022).** A comparison of Nestlé and Patanjali's financial performance and brand equity. *Journal of Commerce and Accounting Research*.
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5. **Pappu, Quester, and Cooksey (2020).** The study found that brand equity positively influenced financial performance, with a stronger relationship observed for luxury brands.
6. **Rana, M. A., & Sadiq, S. (2019).** This study examines the impact of brand equity on financial performance in the Pakistani textile sector.
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