



## MARKETING STRATEGY: A CASE OF PATANJALI AYURVEDA PVT. LTD

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### ABSTRACT

Marketing Strategy is a process of choosing target market, create a strong positioning with differentiated product features and functions which ultimately enable to create a robust and sustainable value proposition to customers. Simply it is the marketing logic through which business organizations achieve its merely objective, increase revenue and market share. Sales and achieve sustainable competitive advantage. A well-articulated marketing strategy enables to focus on marketing activities which create strategic advantage for the company. With the above backdrop the present research aims at describing the winning marketing strategy of emerging FMCG giant Patanjali Ltd. in terms of product strategy product, pricing, Place & Promotions. To be successful in Indian FMCG Market the firm must concentrate on product customization in the matured product categories like skin care, processed and packaged food, mouth wash etc.

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## INTRODUCTION

### FMCG Sector in India

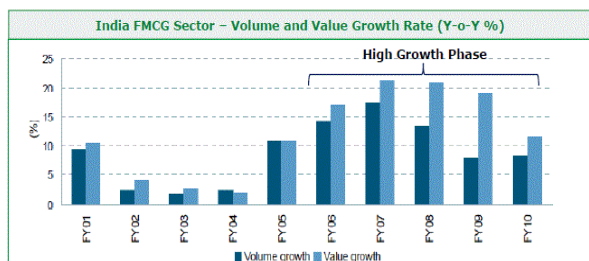
Indian FMCG Sector is fourth largest sector of Indian economy. It accounts for roughly 5% of the overall employment in the India by employing around 3 million people. FMCG sector has become every lucrative nowadays due to various factor such as low operating cost, well connected distribution network, truncated penetration levels, large population to cater, increase in standard of living, upsurge in capital inflow from multinational corporations, etc. Due to such factors, the industry has become very competitive as the number of players have increased tremendously. Moreover, the industry being highly competitive because existence of multinational players, domestic giants as well as unorganized players. Majority of Indian FMCG sector has been apprehended by organized players leading to selling of unbranded and unpacked product.

The Indian FMCG sector growth between 2006 to 2010 has been phenomenal (approximately 16%). The industry has tripled in size over the last 10 years, growing much faster than in past decades. The FMCG market is also having a bright future in India as per studies and is expected to jump from US\$ 11.6 billion in 2003 to US\$ 33.4 billion in 2015. As per a study conducted by Booz & Company, FMCG sector is expected to grow in the range of 12% to 17% up to 2020 and could touch a market size between Rs. 4,000 to Rs. 6,200 billion by 2020.

### Patanjali – An Emerging Giant in FMCG Sector of India

Founded in 2006 by Baba Ramdev and Acharya Balkrishna, Patanjali Ayurved is an Indian FMCG establishment with rapid growth in 2010s. Patanjali Ayurved transpires to be the fastest growing FMCG Company in India that focuses on food & beverages, healthcare and medicinal products and functions like any other companies under the regulations of the company law affairs, yet is determined for nation building rather than the profit generation.

Patanjali is founded by Indian Yoga Guru Baba Ramdev & his ally Acharya Balkrishna in 2006 with an aim of promoting ayurvedic products amongst consumers. With an annual revenue exceeding INR 10,000 Crs, Patanjali had become one of the largest consumer brand company in India. (Shaikh, 2017) Even being a new entrant to this sector it has more market share in comparison to brands like Nestle and Godrej.

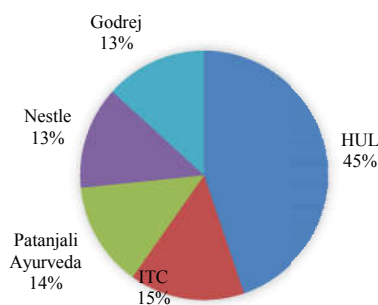


(Fairval, 2012)

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Market Share in FMCG Sector of India



Source:(Capitaline, 2017)

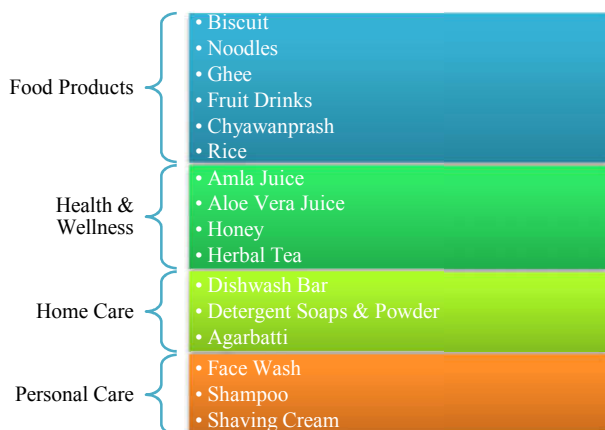
**Vision**

Keeping Nationalism, Ayurved and Yog as our pillars, we are committed to create a healthier society and country. To raise the pride and glory of the world, we are geared up to serve people by bringing the blessings of nature into their lives. With sheer dedication, scientific approach, astute planning and realism, we are poised to write a new success story for the world.(Patanjali, n.d.)

**Mission**

Making India an ideal place for the growth and development of Ayurveda and a prototype for the rest of the world. (Patanjali, n.d.)

**Product Range**



**Marketing Strategies of Patanjali Ayurved Ltd**

Baba Ramdev is aggressively pushing Indians to start using Indian products/brands and save the valuable foreign exchange as well as the economic growth of the country. Apart from that Patanjali is also working on other aspects of marketing to promote and attract consumers. These aspects / strategies are broadly classified into 4Ps of Marketing of McCarthy.

**Product Strategy**

Product decisions are the first decisions you need to take before making any marketing plan. (Bhasin, 2017). Marketers must also create the right product mix. It may be wise to expand your current product mix by diversifying and increasing the depth of your product line. All in all, marketers must ask themselves the question “what can I do to offer a

better product to this group of people than my competitors” (The Marketing Mix, n.d.)

Patanjali attracted its customers by forming a milieu where it focused on highlighting general issues which stimulates the buying habits of an Indian household productvizi. Baba Ramdev also through his mass speeches and advertisements impart the knowledge to us about the ill – effects of using MNCs products on economy, purity of Patanjali’s products, employment generation and restriction outflow of country’s wealth. (Ummat, 2016)

**Pricing Strategy**

Marketers must link the price to the real and perceived value of the product, but they also must consider supply costs, seasonal discounts, and prices used by competitors. (Four Ps, n.d.) Price includes the pricing strategy of the company for its products. How much customer should pay for a product? Pricing strategy not only related to the profit margins but also helps in finding target customers. (Marketing Mix - 4 P’s of Marketing, 2009)

Patanjali products are cheaper and affordable when compare to other brands product of same specifications.Patanjali products are made in India and herbs are imported from Nepal and neighbouring himalayan countries which makes it quite affordable by the means of low pricing of Patanjali products. They also use advanced machinery that is also a causefor low cost of production leading to give a competitive advantage to its product. (Jitend215, 2016)

**Placing Strategy**

Placement or distribution is a very important part of the product mix definition. You must position and distribute the product in a place that is accessible to potential buyers.(The Marketing Mix, n.d.). Availability of the product at the right place, at the right time and in the right quantity is crucial in placement decisions. (Marketing Mix - 4 P’s of Marketing, 2009)

Patanjali claims to they have approximately 85,000 retail outlets either of their own or through partnered channels such as Future Group, Reliance Stores across all overIndia, thus providing products to customers near to their living areas. Also, Patanjali is selling their products through online. E-commerce sites like amazon, flipkart, etc. which makes an easy access of products to the costumers.(Jitend215, 2016). Patanjali has followed a two-stage distribution strategy in general trade (GT):

- Stage 1: Create a strong alternative distribution system for demand creation and building word-of-mouth advocates.
- Stage 2: Pivot to GT once a sizeable consumer base is generated from Stage 1

**Promotional Strategy**

The right kind of promotion will affect all three variables of marketing mix – the product, price and place. If the promotions are effective, itshould increase distribution points, it should get to increase the price because of the rising brand equity of the product, and the profitability will support the organisation in launching even more similar products.(Bhasin, 2017)

Patanjali Ayurved have a Slogan “*Prakriti ka Aashirwad*”. The organisation has support and popularity among people

because of the globally recognized Yoga Guru, Baba Ramdev, who is brand ambassador of Patanjali and is solely responsible for the success of the brand. His input to people's healthy life through Yoga is farfetched hence people felt associated towards him when he launched his very own Indian FMCG Company.(Jitend215, 2016)

Also, Patanjali have their "Bharat Swabhimani Trust", "Patanjali Yog Mandir Trust," and other than that brand ambassador of Patanjali is Ramdev who is yoga guru and worldwide known public figure.

## CONCLUSION

According to the 2015 annual Brand Trust Report published by TRA (Trust Research Advisory), Patanjali entered in the list for the first time, it also features in the top seven most trusted Ayurveda brands in India. However, despite Baba Ramdev's popularity, he is always called when a company needs help in marketing, negotiating deals, talking to farmers, and even featuring in ad campaigns even though he is not a Patanjali Stakeholder. The casual and personal tone of Baba Ramdev is vital to the identity of Patanjali. And if he's there, there's no way Patanjali is slowing down in coming future. (Singh, 2016)

### Future prospect of Patanjali

Till now, the organisation is funded mostly of its requirements from internal sources or private equity. With such kind of aggressive plans that the organisation has for the next five years, external borrowing was the need of the hour. Thus, now, it is advancing towards borrowing close to Rs 1,000 crore from external sources. The food park in Uttar Pradesh, is expected to cater to the crucial market in the National Capital Region of Delhi, which will require an investment of Rs 1,400 crore in two phases. In first phase, it will require an investment of Rs 800 crore. (Dutta, 2017)The organisation wants to set up a production unit in Sahibganj, Jharkhand, and export products to China, Myanmar and Bangladesh. (Mitra, 2017) Patanjali said it is eyeballing a two-fold jump in sales at over Rs 20,000 crore this fiscal as it plans to double its distribution network to 12,000 outlets across the country and is adding to the capacity. The Haridwar-based FMCG firm had clocked a turnover of Rs 10,561 crore in 2016-17. (Firstpost, 2017)

### Limitations of the Study and Scope for Future Research

The study is based on secondary data and limits itself only to Patanjali Limited. The future study related to this can be undertaken where comparative study can be undertaken and Strategies of other FMCG companies both national and global can be studies through primary method of data collection.

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