

Different Marketing Strategies of Patanjali Ayurveda Ltd & it's effect on the Current Market Scenario

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Abstract - The following paper depicts to understand the different marketing strategies of Patanjali Ayurveda Limited (PAL) and its effect on the current market conditions. With the Population of around 1.35 billion of our Country, the lifestyle of people is changing and are becoming more health oriented so due to which their preference condition towards the natural and Ayurvedic products is quiet increasing. The Baba Ramdev's different marketing strategies, promotions and branding of Patanjali Ayurveda Products has attracted many buyers for opting of Patanjali products with ease.

Keywords: Patanjali Ayurveda, Baba Ramdev, Natural Products, Buyers, Marketing Strategies.

I. Introduction:

Patanjali Ayurveda Limited (PAL) an Indian consumer goods company was founded in 2006 by Acharya Balkrishna and Baba Ramdev with a motive of establishment of science of Ayurveda with coordination of latest technology and ancient wisdom. The Patanjali Ayurveda manufacturing units and headquarters is being located in Haridwar, Uttarakhand. The company basically manufactures both Ayurvedic and herbal products eventually.

The Patanjali Ayurveda basically produces the product in the personal care and food in which the company produces more than 2,500 products including 30 types of food products and 45 types of cosmetic products and all those products manufactured by Patanjali being made from natural and Ayurvedic components. The Manufacturing unit of Patanjali Ayurveda has over 300 medicines for treating people's cold with a motive of providing pure and better-quality products to the consumers. The Baba Ramdev's tremendous impact on "Yoga and Pranayama" has basically targeted the huge masses Worldwide. Thus, Usage of Spiritual competitive technique basically helped to sell the products with zero investment being done in advertising media.

The Middle-class people were quite benefited with the usage of Patanjali Products as the product cheap pricing as compare to other brand products the quality and quantity of the Patanjali products was quiet maintained with the series of FMCG Products which includes ghee, juices, soap, Dant-kanti paste, oils etc. With proper providence of these products satisfied the needs and demand of the people to the fullest.

The Marketing Strategy developed by PAL products is quite different from other MNC's such as it basically focuses more on content marketing. Thus, Baba Ramdev's concept of educating the people regarding the usage of Herbal and natural products its advantages and effect tremendously fascinated people to buy they're with ease and people started demanding herbal products.

Revenues:

Year	Revenues (RS in Cr)
2010-2011	100
2011-2012	300
2012-2013	841
2013-2014	1,184
2014-2015	2,006
2015-2016	5,000
2016-2017	9,030
2017-2018	8,135

From the above table it can be observed that the Baba Ramdev's Enterprises revenues fell down to RS 8,135 Crore in 2017-18 as it was 9,030 Crore in 2016-2017. The sales and profits of the company eventually drop due to the increased competition between its rivalry and company's inability to adopt GST regime and failed in maintaining of proper supply chain management. They basically need to focused on advancement and redevelopment of the products at faster pace so as to be competitive in the Marketing era.

Theoretical basis of research:**II. Objectives of the study**

The major purpose of our research study is to understand the different implied marketing strategies of Patanjali Ayurveda Limited (PAL) and its effect on the current market scenario. The objectives of the study are as follows:

1. To study the current market scenario of Patanjali Ayurveda Products.
2. To study distinctive market strategies that attracted many buyers for opting of Patanjali Ayurveda Products.

III. Research Methodology

The Present Research paper depicts a Descriptive Research based study which basically focuses on the different marketing strategies of Patanjali Ayurveda Limited (PAL) and its effect on the current market condition. The major focus on these research is done on secondary source of information accumulated through studying set of different review papers and collection of data through different websites, articles and brochures etc. The data so collected is properly studied and analyzed as so the following research is expressive in nature.

IV. Literature Review -

C. Prabha, S. Revathi (2018) [1], studied how the different marketing strategies help the consumers to get attracted towards Patanjali Ayurveda products with ease. By building a strong fan base and followers trust by Baba Ramdev Patanjali had skimmed the opportunity and fortunately grab the current market scenario. Yoga Guru adopted “Telling is the new selling” concept, instead of selling the products which attracted more people to get into it. According to 2015 report analysis Patanjali Ayurveda sells nearly 4000 retail outlets. The Patanjali Ayurveda tied up with “Pittie group and Kishor Biyanis future group” in which all the products of Patanjali will be available for direct sale in future group outlets, it also provides the flexibility to the consumers of buying the products online. Thus, the products smart pricing and providence of type of quality and quantity of product influenced many of people to get attracted towards it.

Vinod Kumar, Ankit Jain, Zillur Rahman, Akhil Jain(2014)[2], Their study revealed that yoga and pranayama are very effective tools in marketing through spirituality (Patanjali Yogpeeth) and influence the consumption behavior of masses. The Patanjali Yogpeeth is an institution for scientific research and offers treatments to all people with reasonable rates. Patanjali Yogpeeth has bought a health revolution with the integrated approach of Yoga and Ayurveda. Swami Ramdevji has such tremendous impact on Pranayam and Yoga dimensions of spirituality to target the mass population worldwide. Thus, utilizing spiritual competitive technique helps to sell its own product in the market with much ease. Hence it can be concluded that Patanjali Yogpeeth has succeeded in creating a positive image through spirituality and using it to sell the products in the market.

Sambhavi Shukla (2017)[3], studied the effective pricing strategy in the marketing process grab many of the consumers to buy Ayurveda products with ease. Patanjali Ayurveda with slogan “Prakriti ka Ashirwad” helps of promotions in the marketing mix of Patanjali Ayurveda. The Ambassador of Patanjali “Baba Ramdev” is exclusively responsible for the success of Patanjali brand. His Unique Selling Proposition(USP) techniques by training 35,000 people who can conduct yoga classes at different parts of country and expansion of yoga ashrams where customers requirement can be satisfied without frustration is unique sales offer from Patanjali Ayurveda. The low pricing of product, Baba Ramdev’s strong brand association, productssimple natural packaging, media promotion are basically the main and important keys for Patanjali’s huge success. As 60% people use Patanjali products weekly and 40% of them use monthly. Thus, the providence of Patanjali mobile app also help customers to order products online according to their needs and demands to the fullest.

Pranshoe Pandey, Rahul Shah(2016)[4], studied how the growth of Swadeshi provide an impact on the position of Patanjali Ayurveda with special focus on product range, market share, revenue trends, marketing strategies and further analysis on how the company needs to work on to sustain its growth and develop into a major force in the Indian FMCG space. The Patanjali Ayurveda amidst this competition on innovation, alternate marketing techniques and cheap good quality products and its impact affecting the Indian FMCG space with much ease.

Neha Gupta, Vishal Garg(2016)[5], studied how Ramdev’s Patanjali is setting trend for HUL and to explore the reasons of increasing sales, their perception and changing attitude of consumers towards these herbal and Ayurvedic products. Their study reveals the comparison of Patanjali products with other competing brands in the market. The overwhelming success of the herbal products and medicines had its own strategic planning with the extra ordinary yoga camps, spiritual lectures and yoga camps, which had a drastic impact on, people not only in India but abroad too. The study reveals that “Patanjali Ayurveda ltd” stands at third position with market capital of 40000. Whereas “HUL” at seventh position with Market Capital of 17372.2 eventually.

Jagmeet Singh, Hiritik Mehta(2018)[6], Their study reveals to find what customers perceive about Patanjali Products and to know the reasons behind the repeated buying of these products on large scale by consumers. According to their analysis maximum buyers are of age group between 18 to 35 years. The reasons behind buying the Patanjali Products is Quality, Quantity, Availability of Products. Besides, Promotion campaigns very well carryover by focusing on Ayurveda, Yoga and label of “MADE IN BHARAT” impacted hugely on the buying behavior of the customers.

Vineet Kumar [7], Studied the various challenges faced by Patanjali Ayurveda to compete with Multinational Companies. But the bidding efforts of ‘Ayurvedic Expertise’ and ‘Baba Ramdev’ their products are growing in the range of 50-100% year on year basis. Which proved to be a truly eye opener case for Indians who are very much attracted towards Foreign brands. As per Baba Ramdev more than 20 crore people are Yoga practitioner so these huge are the consumer base for PAL product and services. The Policy they opted to “offer whatever you good at” has tremendously increased the Market goals at huge rate.

V. Findings:

1.Current Market Scenario of Patanjali Ayurveda Products

Economic Times (2019), Balkrishna the Chairman, basically owns 98.6% of Patanjali Ayurveda and as of March 2018, has got a net worth of 43,932 crore. In the Past four years Patanjali Ayurveda disrupted the fast-moving consumer goods sector upbringing with natural products which challenged various other companies to introduce similar type of products and regain their market ranking.

The rapid growth of these Patanjali Ayurveda posed a threat to other FMCG Companies to take initiative for renewing of the ayurvedic theme and thus increased their market share. But due to these tremendous growth of Patanjali Ayurveda Products, HUL’s personal care product faced problem, redeveloping its Ayush Brand and acquirement of ayurvedic hair oil Brand Indulekha and introducing new brands such as Citra in the marketplace. Similarly, Colgate-Palmolive launched its own herbal toothpaste. As Dant- kanti toothpaste of Patanjali was fascinated by people as it is more in demand.

For the year ended March 2018, due to increase in competition between the rivals. Baba Ramdev led enterprises revenues fell from 9,030 crores to 8,135 crores in 2016-2017. The depreciating rate faced by Patanjali Ayurveda was primarily due to company’s insufficiency in adapting of GST and failed in proper development of infrastructure and supply chain management.

According to “Kantar World panel” The huge depreciation rate is being observed in the Urban Sales declined 2.7% while rural sales grew 15.7% for April ended 2019, due to unchecked distribution expansion and inconsistent quality of products. Currently, Patanjali is no longer in its top ten list of advertisers. It suddenly fell off in 2018 being in the top 10 consistently for two years satisfying the needs and wants of people. A recent report by “CARE” ratings depicts the Patanjali Sales slip off from 10,000 crores in FY17 to 8,135 crores in FY18 to 4,701 crores in the first nine months of FY19. Eventually there was a time when sales doubled from 5000 crores in FY16 to 10,000 crores in FY17. Patanjali sudden deployment helped its rivals to come up with advance naturals products and creating the option for consumers to take a long hard look at them. Currently, Patanjali has been in the news for acquiring the edible oil company Ruchi Soya for RS 4,350 crore and also getting aggressive for the launch of Patanjali “Paridhan” these November. All these initiatives taken by them to help their brand to grow firmly and rigidly as the limelight which it had turned upon itself some years ago has being completely lost.

2. Distinctive Marketing Strategies attracted buyers for opting of Patanjali Ayurveda Products:

Baba Ramdev has grab the current market scenario by developing and building a strong fan base and followers which helped the consumers to get attracted towards Patanjali Ayurveda with ease. There are various marketing strategies developed which is being given as follows:

1. Marketing through Spirituality:

The two terms “Yoga and Pranayama” are very effective tools in marketing through spirituality and had influenced huge masses. The Patanjali Yogpeeth is an institution for scientific research and offers treatment to people with reasonable rates. It has basically bought a health revolution with the integrated approach of Yoga and Ayurveda. These utilizing competitive techniques helps to sell its product in the market with much ease. So, it can be observed that Patanjali Yogpeeth has succeeded in creating a positive image through spirituality and using it to sell the products in the market place.

2. Effective pricing strategy:

The Patanjali Products cheap costing and offering of attractive discounts on the products had fascinated many middle-class people to buy their products eventually. The company basically earned profit share by delivering of the products directly from the farmers and thus the intermediaries are being reduced so due to which purchase cost of the raw materials is reduced and the product is produced at much lower prices.

3. Baba Ramdev’s strong brand association:

The growth of Patanjali’s market share and developing its strong brand mainly through the association of Baba Ramdev and the further analysis bought to the point that communication strategy, product quality and quantity implementation attract more people and also the “MADE IN BHARAT” label on the products provides an effective strategy in selling a product or brand to consumer and helped them to buy more often tremendously.

4. Maintaining product's naturalness and packaging level:

The providence of simple packaging of Patanjali Products and promoting “Ayurveda” and “Health” are the two very effective tools to advertise in the market scenario. But the product’s natural appearance and it’s simple packaging level feel consumers attracted to buy products eventually.

5. Unique Selling Techniques(UST):

The emergence of Patanjali do not spent more on Advertising and Promotions as when new company enter into the new market scenario it needs to spent huge amount but Patanjali’s emergence in the market was out of the box. Yoga guru “Baba Ramdev” adopted “Telling is new selling” technique which comprised instead of selling the products which attracted more people to get into it and correspondingly grab the market of Patanjali Ayurveda Products.

V. Research Implications:

Patanjali Urban sales deplete in huge amount, while growth has been reduced to third in villages. Whereas the natural products overall market is at a pace to grow. The Baba Ramdev’s Urban Volume sales has tremendously declined 2.7%. Whereas its rural sales grew 15.7%. The proper applicability and availability of the resource needs to be properly managed and controlled where it has to be focused. The more of Research and development in the FMCG sector is to be done. So as in these competitive world organizations keeps on implementing and advancing the product methodology as to sustain by studying the current market conditions.

VI. Limitations/ Failure of the cause:

During the study it has been observed that the sudden depletion in the sales of the Patanjali Ayurveda is due to the ignorance of the competition, lack of innovation and lack of advertisement are the important factors which need to be focused for maintaining the consistency and continuity for the growth of business.

VII. Conclusion:

We can conclude from our study that Baba Ramdev is the driving force for upliftment of Patanjali's production through his different strategical methods of changing the perception and attitude of consumers towards usage of Herbal and Ayurvedic Products with great ease. Thus, Patanjali Ayurveda Limited has basically created a positive image with providence of superior quality and quantity of products Worldwide.

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