

# A Case Study of FMCG Company: Patanjali Ayurved Limited

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## ABSTRACT

Patanjali Ayurved Limited has seen remarkable expansion to date, poses a serious threat to FMCG companies like Colgate-Palmolive, India Tobacco Company Limited (ITC), Hindustan Unilever Limited (HUL), and Godrej Consumer Products. This paper aims to identify the factors that contributed to Patanjali's rapid ascent to popularity and growth as well as the marketing mix tactics used to penetrate the fiercely competitive Indian FMCG industry. The study looks into advertising techniques, product positioning, price strategies, distribution, and various promotional techniques adopted by Patanjali Ayurved Limited for its growth and expansion. The study conducted using secondary data from articles, case studies, news articles, IIFL, IBEF, and other sources. The results show that, unlike other FMCG companies, PAL differentiates its products by capitalizing on Indian consumers' trust in herbal and ayurvedic remedies. As part of its marketing approach, PAL makes use of spiritualism, yoga retreats, television networks, social media, etc. Indian consumers gravitate toward the "Swadeshi Movement" because it places a strong emphasis on fostering India's economic growth. PAL has shown 2083.85% growth in revenue since its establishment year i.e., 2012 till 2021.

Keywords: FMCG, Growth, Marketing-Mix, Patanjali, Swadeshi.

## 1 INTRODUCTION

People are becoming more aware and moving toward a healthy, balanced lifestyle; as a result, they prefer herbal and ayurvedic products over others. With the goal of promoting healthy lifestyles among the masses and working ethically to promote the development of our nation. Since its founding, the company has experienced phenomenal growth, leaving other FMCG companies astonished and on alert.

The study looks at the many marketing strategy Patanjali Ayurved Ltd. (PAL) employed to compete in the very competitive Indian FMCG sector. The inspiration of PAL is the Indian ascetic and yoga master Baba Ramdev. The company's managing director and largest stakeholder is Acharya Balkrishna. The study discusses the PAL marketing mix approach and the significant contributions Acharya Balkrishna and Baba Ramdev made to the company's current standing (**Singh & Gopal, 2016**). For most Indians who enjoy consuming anything "healthy," "ayurvedic," or "herbal," Patanjali has a special attraction. (**Prasad, 2019**).

## 2 REVIEW OF LITERATURE

**Borden. (1964)**. The report contains a concise chart detailing the elements and motivating factors of the marketing mix. The mix chart, in other words, provides a continuous list of categories to assist you organize your thoughts when you're considering problems relating to marketing.

**Kumar et.al.(2014).**The majority of individuals strongly believe in moral responsibility and spiritual growth. Patanjali Yogpeeth is utilizing this spiritual advantage to its fullest potential in order to successfully compete in the market and sell its own products. Patanjali Yogpeeth is expanding its product line by selling FMCG items in addition to ayurvedic medicines. PAL participated in a variety of noble initiatives that greatly benefited society. It aims to instill in the populace excellent character and good health through yoga and ayurveda.

**Dutta (2015).**This paper examines the development of Patanjali Ayurved and the factors that contribute to it. If they wish to lead healthy lives, people are more likely to adopt ayurveda and herbal remedies. An analysis of Patanjali's performance in relation to other businesses in its sector was done to identify the elements that contributed to it. The success of Patanjali has been discovered to be due to marketing elements such product quality, widespread customisation, digital marketing, price, and Ayurveda.

**Sharma (2015).**In this study, the various marketing techniques employed by Patanjali Ayurved and their influence on the market are examined. According to the study's findings, Patanjali's expansion can be attributed to a number of factors, including herbal products, high-quality products, the Swadeshi brand, and Baba Ramdev's position as the company's ambassador.

**Gupta (2016).**The fact that PAL is progressing is undoubtedly an exciting step. Customers have overwhelmingly embraced its core message of "swadeshi" product, and more importantly, its quality standard has been established. A market-disrupting force that has emerged from India's hinterlands both domestically and worldwide has shaken the foundations of the well-established enterprises in the FMCG sector.

**Dwivedi (2018).** Ayurvedic medicine is gaining popularity as an alternative treatment on the market. Baba Ramdev's healthy lifestyle philosophy, which is credited with profoundly transforming people's lives, has been one of the key draws. The brand targets products with toxins and hectic lifestyles to advertise Patanjali goods. The key element of Patanjali's marketing strategy is the Ayurvedic value.

**Yadav (2018).** Sanskar channel rival Aastha acquired baba Ramdev. Baba launched online stores under the well-known FMCG brand Patanjali in addition to opening physical stores under the same. The firm must use promotional strategies that are distinct from those used in conventional marketing if it is to properly and proficiently manage e-brands. One tactic is to get to know your consumers personally and then start a dialogue with them about your products.

### 3 OBJECTIVES

1. To study marketing mix used by Patanjali Ayurved Limited.
2. To study Patanjali Ayurved Limited growth since its establishment.

### 4 RESEARCH METHODOLOGY

Given the purpose of the study—to find out more about the "Patanjali" brand—the methodology described here heavily relies on secondary data. Data has collected from a variety of published works, journals, newspapers, magazines, writings, papers, case studies, and other research projects, and most significantly, web databases.

### 5 PATANJALI AYURVED LIMITED

The renowned Indian company Patanjali, which sells ayurvedic and herbal products, enjoys a high level of confidence among Indian consumers. Fast-moving consumer goods (FMCG) are produced by this global manufacturer, which has its headquarters in Haridwar, India. In 2006, Baba Ramdev and Acharya Balkrishna founded the company. Patanjali's registered office is in Delhi and its manufacturing facilities and corporate headquarters are in Haridwar (**Suger Mint**). In 1995, when he was a well-known yoga teacher in Haridwar, Ramdev shows off many Asanas for a healthy life as he begins his journey with yoga. Baba Ramdev later founded Divya Pharmacy along with Acharya Balkrishna under the direction of his guru Swami Shankar Dev.

Balkrishna, the company's CEO, owns 94% of the shares. Ramdev serves as the company's ambassador and takes business-related choices, while Acharya Balkrishna manages all Patanjali-related tasks. Additionally, Patanjali has a manufacturing facility in Nepal under the name "Nepal Gramudyog". The business also imports botanicals from the Himalayas in Nepal (**Suger Mint**).

## 6 MARKETING MIX OF PATANJALI AYURVED LIMITED

The group of initiatives or strategies, that a company uses to market its brand or products collectively known as the marketing mix. The four Ps make up a conventional marketing mix: pricing, product, promotion, and place. However, today's marketing mix is gradually adding a number of additional Ps as crucial mix elements, including packaging, positioning, people, and even politics (**The Economic Times, 2022**).



**Fig.1 Marketing- Mix of Patanjali Ayurved Limited**

Source:<https://static.startuptalky.com/2021/08/4Ps-of-marketing-mix-of-Patanjali-Ayurved-startuptalky.jpg>

An ayurvedic-focused company called Patanjali quickly became the market leader attributable to its brilliant marketing strategy and positioning. The business's founder was listed among Forbes' billionaires (**Aditya Shastri**).

## 6.1 PRODUCT

Products from Patanjali introduced to the market with a Swadeshi (indigenous) label and a feeling of purity. All of Patanjali's goods, both medical and non-medical, are created using natural and Ayurvedic components, the company claims, giving customers a choice that is both high-quality and healthy. Although Baba Ramdev's popularity helped the company gain traction in the market, it also gave consumers a positive perception of Baba Ramdev's trustworthiness. It has an agreement for product development with the Defense Research Development Organization (DRDO) for both food and health supplements (**Agarwal & Agrawalla, 2017**).



Source:<https://sugermint.com/wp-content/uploads/2021/08/Patanjali-Success-Story.jpg>

In terms of positioning, Patanjali has a multiple approach; “**Prakriti ka Aashirwaad**” means “**Blessings of Nature**”, is the brand slogan of Patanjali (**Singh & Gopal, 2016**). All Patanjali products are available on its website [www.patanjaliayurved.net](http://www.patanjaliayurved.net) and delivered to respective address. Patanjali's approach of **carpet-bombing** consumers with a wide range of items rather than concentrating its efforts on a single or a few significant achievements, which relies on spreading itself thin across numerous FMCG categories (**Chakraborty, 2016**).

### 6.1.1 PATANJALI AYURVED LIMITED PRODUCT PORTFOLIO

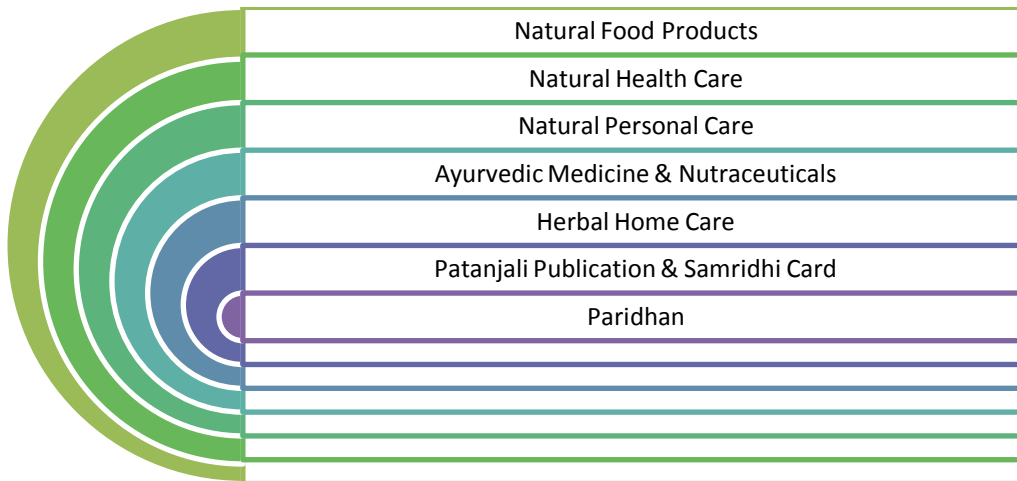
Patanjali has spread its wing in all the segments of FMCG giving strong competition to its rivals. It deals in food products, natural health care, personal care, medicines, home care, apparels, etc.

## 6.2 PRICE

“We don't know markets or marketing . . . but what we know is serving the people by providing them high-quality products at attractive prices.” Said by Acharya Balkrishna, MD, Patanjali Ayurved Ltd (**Singh & Gopal, 2016**).

Pricing plays a vital role in putting Patanjali Ayurved ahead of its rivals in the market. Patanjali uses price comparison as a strong marketing strategy in addition to educating customers about the benefits of using their product. Patanjali's pricing approach is definitely penetrative because the company is

conscious that higher costs will not allow it to dominate the market. Additionally the products are homegrown and natural that is the reason PAL products the cost is lower (Bhasin, 2019). "Natural Products offered at affordable pricing" is how Patanjali describes its products (Singh & Gopal, 2016). It operates under the three core elements established by Baba Ramdev: superior quality at the lowest price, with all revenues going to charity (Laghate, 2017).



**Fig. 2 Patanjali Ayurved Limited product portfolio**

Source: <https://www.patanjaliayurved.net/products/all>



**Fig. 3 Supply Chain of Patanjali**

Source: <https://static.startuptalky.com/2021/08/Distribution-and-supply-chain-of-Patanjali-Ayurved-startuptalky.jpg>

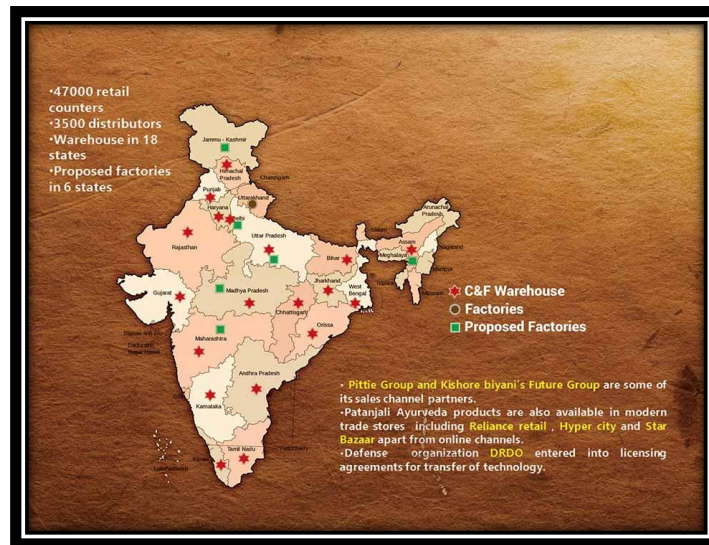
Rawmaterial come from farmers on contract farming basis and manufacturing carried out at Patanjali Food Herbal Park and then delivered to different places. Hence, there are only three stages in supply chain of PAL, which lowers the cost of product and products are available to consumers at reasonable prices.

### 6.3 PLACE

Place of production is different from place of consumption so in order to bridge the gap between producers and the consumer market, businesses adopt distribution strategies. (Vishwal, 2020).

#### Patanjali Presence in the Market

In short period of time, PAL has established an enormous influence across India and the world. Over 47,000 retail counters, 3500 distributors, many warehouses in 18 states, and prospective factories in 6 states. Currently they are active in markets including those in the US, Canada, the UK, Russia, Dubai, and certain European nations. (Patanjali presence,2022)



Source: <http://patanjaliayurved.org/wp-content/uploads/2016/08/Ppt-Slide-India-Map.jpg>

At present PAL have 307 Mega store, 1016 Patanjali Chikitsalya, 1886 Patanjali Arogya Kendra and 759 Patanjali Gramin Arogya Kendra all this help in sale of Patanjali goods and services within India and across India ([patanjaliayurved.org](http://patanjaliayurved.org),2022).Future Group, Reliance Retail, Hyper City, and Star Bazaar are just a few of the retail giants with whom Patanjali has collaborated (Shrivastava, 2022).

Chikitsalya are pharmacies where doctors examined people without any charge and advice from where to get medications. This system was distinctive and not considered by any other company. (Agarwal & Agrawalla, 2017; Shrivastava, 2022).

Patanjali products sold through franchisee, ayurvedic pharmacies, in collaboration with Future Group, collaboration with online merchants, etc.(Shukla & Sanghvi, 2017). Various online platforms such as flipkart, Amazon, Grofers, Snapdeal, ZopNow, and Netmeds in addition to stock-based services, supermarket online retailer Big Basket is also available for sale of Patanjali products (Agarwal &Agrawalla, 2017).

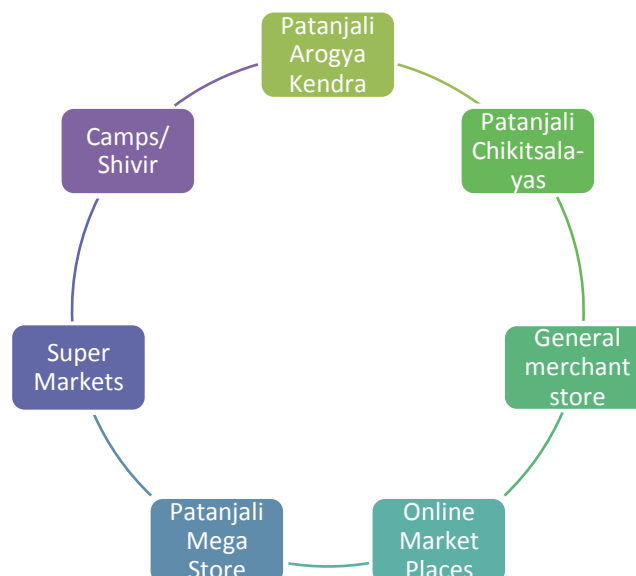


Fig. 4 Distribution Channels of Patanjali Products

Source: (Agarwal &Agrawalla, 2017)

Patanjali is successfully expanding its presence online by introducing website [www.patanjali.net](http://www.patanjali.net) as e-commerce in the Indian market. Customers would be able to easily add the items to their shopping carts and purchase Patanjali goods using COD, online payment methods, etc., which would be delivered at their doorstep(MBA Skool, 2021).

## 6.4 PROMOTION

Promotional actions are those that alert and enthuse your target market about your products. (Beltis,2020)



**Fig. 5 Promotional tools of Patanjali**

### 6.4.1 YOGA

Yoga serves as the foundation and one of the key strategies of Patanjali Ayurved Limited. The Sanskar TV channel in 2002 and the Aastha channel showed Baba Ramdev’s yoga in 2003, bringing Baba Ramdev and his yoga to new heights.

(Prasad, 2018).



Source: [https://encryptedtbn0.gstatic.com/images?q=tbn:ANd9GcStfyvmoq1pAccxWtIFUMiV2OnA1L\\_GtqD0uA&usqp=CAU](https://encryptedtbn0.gstatic.com/images?q=tbn:ANd9GcStfyvmoq1pAccxWtIFUMiV2OnA1L_GtqD0uA&usqp=CAU)

Baba Ramdev through his Yoga Shivirs discusses various yoga poses and how they used to treat various illnesses, but also Patanjali Ayurvedic products and how they can help one live a healthy lifestyle and be free from various illnesses (Singh & Gopal, 2017). In the middle of his yoga classes, Baba Ramdev introduces products to a huge audience (Pandey and Paul, 20).

#### 6.4.2 NATURAL AND HERBAL

Patanjali had accurate, which helped the company's brand grow quickly. There is the overall trend among Indians to favor natural/herbal items with a history. According to a recent study by Edelweiss Securities, 83% of people favor Patanjali products because of its natural positioning, while 38% do so because of the products' reasonable prices (Gaurav Laghate, 2017).

#### 6.4.3 WORD OF MOUTH

In comparison to other forms of promotion, word-of-mouth communication unquestionably has a larger believability factor. Through the work of the Patanjali Yogpeeth Trust and Yoga Shivirs, who have nothing but affection for Baba Ramdev and Patanjali goods, Baba Ramdev has built a significant network of followers (Singh & Gopal, 2017).

#### 6.4.4 SWADESHI

The business uses the "Make in India" campaign slogan, which given by the Indian prime minister. Patanjali implemented this marketing strategy for its goods and daily sales increased. He further claims that using these products will allow you to spend money that will stay in India. The company experiences a five times faster rate of expansion thanks to its Swadeshi strategy (SugerMint) Patanjali had shown a huge success and one factor behind it is increase in patriotism and nationalistic pride, which has undoubtedly benefited Patanjali. It's the ideal brand fit (Laghate, 2017).

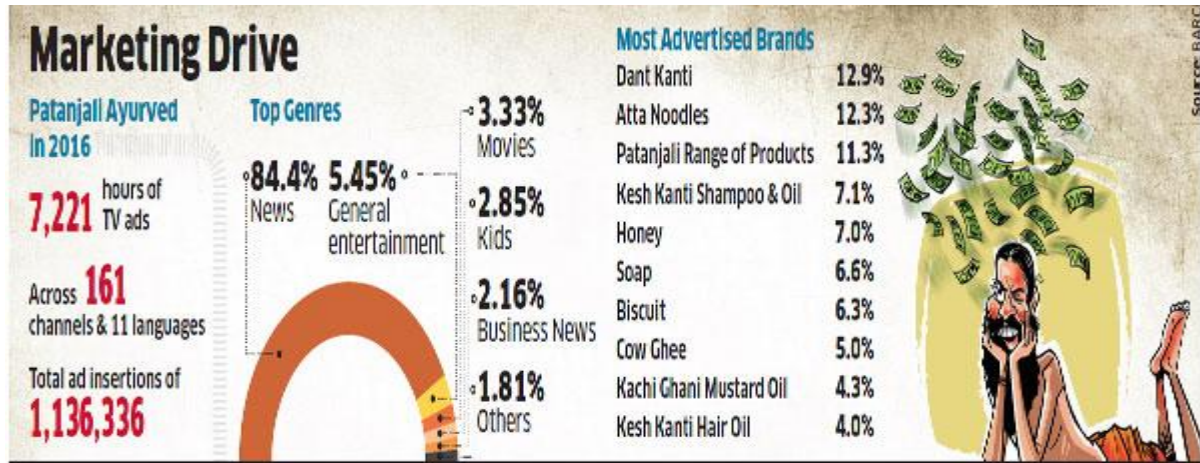
#### 6.4.5 ADVERTISEMENT



Source: <https://www.google.com/imgres>



Each PAL advertising used the slogan PATANJALI—“Prakriti ka Aashirwad” which means “Blessings of Nature”. This blowpeople towards Patanjali products because these are made of natural and herbal ingredients. Natural product does not have any harmful effect on consumer (Pandey and Paul, 20).



Source: <https://img.etimg.com/photo/msid-56881117,quality-100/.jpg>

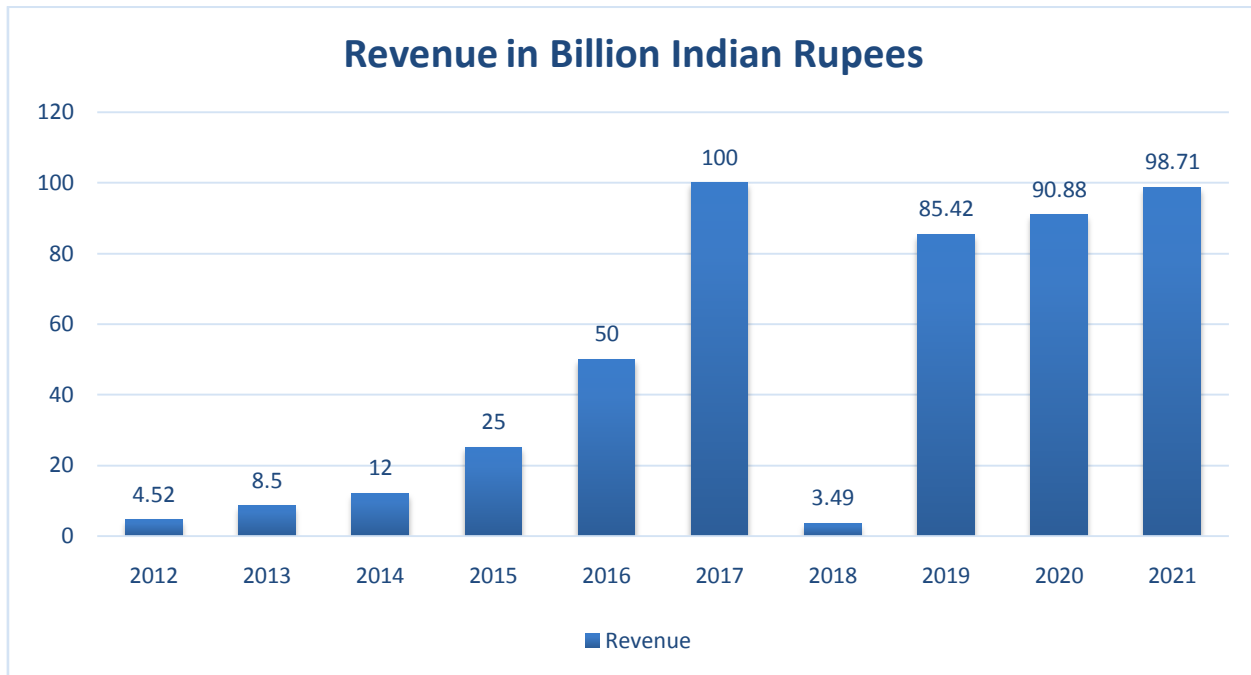
By implementing an extremely cost-effective marketing strategy that emphasizes utilizing news channels for advertising, using Baba Ramdev's personal credibility and emphasizing the natural placement of its products. In addition to the free publicity Ramdev receives on numerous TV networks, Patanjali Ayurved aired 1.14 million commercials on various channels in 2016, according to data from the audience measuring company BARC India. Across on 161 channels Patanjali advertisements shown for 7,221 hours this amounts into 19 hours and 43 minutes of advertising time every day on average. According to media planners, Baba's use of news channels for 84% of all Patanjali's 2016 commercials has helped the company build brand recognition among both consumers and merchants. Patanjali spent only 8–10% of what FMCG giants typically spend on advertising. They do not employ celebrities in any promotion Baba Ramdev addresses clients personally. It's overall marketing and advertising budget is only about Rs 300 crore (Laghate, 2017).

## 7 PATANJALI REVENUE FROM YEAR 2012 TO 2021

**Table 1 Patanjali Ayurved Limited Revenue:**

Year	Revenue in Billion Indian Rupees
2012	4.52
2013	8.5
2014	12
2015	25
2016	50
2017	100
2018	3.49
2019	85.42
2020	90.88
2021	98.71

Source: <https://www.statista.com/statistics/823142/india-patanjali-ayurveda-revenue/>



**Fig. 6 Growth of Patanjali Ayurved Limited from year 2012 to 2021**

As shown in Fig. 6 and TABLE 1, in the year 2012 when Patanjali Ayurved Limited started as FMCG company had its revenue 4.52 billion rupees and it grew to 98.71 billion rupees in 2021. Patanjali has shown an excellent degree of growth since its establishment. Percentage growth in revenue of Patanjali Ayurved Limited is 2083.85% ( $98.71 - 4.52 = 94.19$ ,  $94.19 / 4.52 * 100 = 2083.8495\%$ ) from 2012 to 2021.

## 8 IMPLICATION

Researchers, businesses, professionals, regular people, and investors can all benefit from paper. The completed study contributes to the body of existing information and aids in future research. The different businesses in this industry will receive information from it. They might take inspiration from Patanjali when creating or enhancing their marketing mix strategy. Those who want to learn more about Patanjali Ayurved Limited will find this paper to be useful.

## 9 CONCLUSION

We can conclude from the findings that Patanjali Ayurved Limited is one of the growing FMCG Company. PAL success depends on many factors such as Baba Ramdev as Brand Ambassador, his Yoga, Swadeshi positioning, products are herbal, natural and ayurvedic “Prakriti ka Aashirwad” positioning. Marketing mix adopted by PAL lead it to great height. Product mix consists of all FMCG products and they are herbal, natural and ayurvedic. Prices charged are 25-30% less than charged by other companies and company uses penetrative pricing. PAL products are available at various places such as mega store, Arogya Kendras, super distributors, online platform and Chikitsalayas. Swadeshi positioning, Baba Ramdev Yoga, discounts, TV advertisements, ayurvedic, natural and herbal positioning helps in Patanjali products promotion. PAL has shown growth in revenue of 2083.85% from year 2012 to 2022.

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