

CONQUERING MILES TO REACH A MILESTONE: HOW BABA RAMDEV TURNED PATANJALI INTO ₹ 5000 CRORES BUSINESS

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ABSTRACT

Patanjali has surely washed ashore off many biggies of the corporate world in no time. With its diversified range of products having unique compositions, taste, benefits and reach in the market, it has created a boom and a threat for other business firms of the same field. Yoga Guru-turned-Business Tycoon Baba Ramdev has just turned the competition higher in the market for his consumer products business-Rs.1 trillion (\$14.9 billion) in net sales, a target sales he thinks can be reached in the upcoming 10 years down the line. The brand has numerous items under umpteen ranges of products from eatables and beverages to toiletries and beauty products. It has not only managed to capture a single section of consumers but has products readily available for all the people of the society irrespective of age and sex. As per the facts, the target is a 20-fold increase from the Rs.5, 000 crores in net sales that Patanjali posted in the business year that ended on 31 March. Next stop: Rs.10, 000 crores in net sales in the year to next March. Talking about the brand's shopping outlets and stores; they are not only widespread across India but also has its roots firmly grounded at Canada, Coimbatore, Nepal, USA, UK, Singapore and many other nations. Hence, this research paper focuses on getting to know about all factors that are making the brand reach new heights of success. Moreover, it reveals why people like the products of Patanjali more than any other brand despite of very minimal marketing strategies adopted.

KEYWORDS: Patanjali, Baba Ramdev, Marketing Strategies, Consumer, Net Sales, Products, Ranges.

Introduction

In a very short span of time, Patanjali Ayurveda has not only gathered attention among the consumers of Indian market, but has also injected life to the herbal products market. India best known for its superiority in Ayurveda and natural healthcare by the use of natural herbs and ingredients, has gathered more prominence owing to the onset of Patanjali. With Baba Ramdev as the founding leader, the brand acquired an automatic fan following and loyalty with minimum branding and promotional campaigns. As far as the marketing strategies of the brand are concerned, it has not approached any celebrity for the endorsement except for Baba Ramdev himself. No other techniques of selling propagation like quantity gift, sampling, refunds and rebates etc have been undertaken. With very basic advertisements and that too for mere awareness, Patanjali has already stolen the top notch stand and position in the Indian market. The brand has its roots grounded in all almost daily consumer goods and product ranges like groceries, food, beverages, healthcare, beauty, nutrition and supplements, books and media, home care etc. According to filings with the registrar of companies (ROC), Patanjali Ayurveda clocked Rs 1,200 crores in revenues in fiscal year 2014, and the company claims to have crossed Rs 2,000 crores last year (numbers for fiscal year 2015 weren't available with the ROC). That puts Patanjali in the same league as home & personal care giants like Emami, which has brands like Zandu balm, Boroplus, Navratna oil and Fair and Handsome in its portfolio, and which in fiscal year, 2015 had net

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revenues of Rs. 2,217 crores. In a recent interview with Economic Times, "We never had a business plan. We also don't know markets or marketing," says Acharya Balkrishna, managing director of Patanjali Ayurveda, who began operations two decades ago. "But what we know is serving the people by providing them high-quality products at attractive prices." Not having a business plan doesn't mean the duo lack ambition. "In five years, I will take Swadeshi products of Patanjali to such great heights that foreign companies will dwarf in front of them," declares Ramdev.

Baba Ramdev's phenomenal success in making Patanjali one of the leading brands of FMCG Products is truly being carried up. With a loyal staff and having almost no business model/plan in mind or on paper, Patanjali has not only gathered customer satisfaction but also customer retention through their high quality products, natural and healthy ingredients, attractive prices, wide diversity and variety of products. The brand's roots might have been only grounded in India but also has its stores and outlets in international markets like Canada, Sri Lanka, Nepal, USA, UK, Australia, Singapore etc. A holistic approach to improve the quality of life of all beings, world over, is the purpose behind the brand's being. Getting rid the food we consume of the pollutants in the form of poisonous pesticides and chemical fertilizers that our farmers use, is a goal that they strive to achieve by providing people the eatables that are cultivated in organic and natural manures and pest repellents.

Literature Review

Over the years, several authors have participated with their useful insights in the field of spirituality and many of them have aced it in relation to leadership and entrepreneurship. Even the spirituality has been discussed from the viewpoint of workplace spirituality or spiritual business (Case and Gosling, 2010). But it should be noted that there is very less number of researches on the topic of marketing through spirituality and there is a dearth of literature on this topic (Kale, 2006). However, some of the authors have carried out studies on the subject of marketing and spiritual tourism (Haq et al., 2008; Haq and Wong, 2011). However, Mercer (2006), in his study, talked about marketing through spirituality in USA by targeting children. He not only discusses the parent's worry for spiritualism in children, but also observed that the various companies are offering products for spiritual development of children through offline and online retail modes. As far as literature on marketing through spirituality is concerned, Standifer et al. (2010) took a broader study on comparing the cross cultural organizations of US and China through the influence of spirituality. Kale (2006) supported this view and reported in his conceptual study that spirituality is a big business. The consumers usually get attracted to spirituality and this spiritual behavior also affects the buying behavior of the consumers. Therefore, there is need to study change in consumption patterns of consumers due to spiritual beliefs (Kale, 2006). This study considered the products based on spirituality but did not consider the desired perspective of selling products through yoga and spirituality.

Baba Ramdev owns Patanjali because of his yogic prowess. (The Yoga Sutras are one of the most important texts in the age-old Yoga philosophy written by the Sage Patanjali in about 400 CE). Baba Ramdev has already gained recognition as one of its most respected modern proponents. And Acharya Balkrishna owns Ayurveda since he is a Acharya. Acharya means many things in Indian literature but lets take the simplest meaning of being a preceptor and teacher. Yogi on the left and Acharya on the right is a really awesome combination that should win the hearts of the Indians. Two powerful forces coming together.

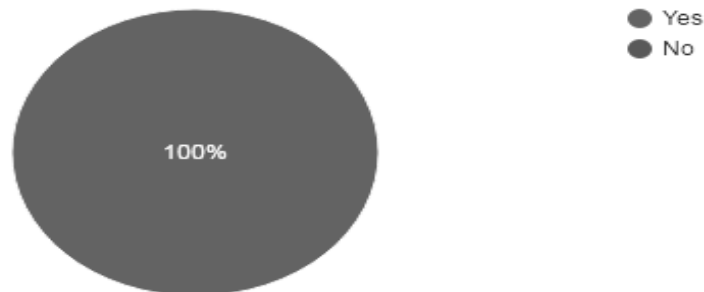
Baba Ramdev's brand seems well configured and ready for takeoff. It seems to have all the magic ingredients of success. The brand has moved into e-commerce besides being available with retail chains and under its own distribution centers. The Ramdev Medicines brand is ready for export with foreign exchange earning potential and could be a great success if marketed successfully given the weakness that the West has for both Yoga and Herbal alternatives. The brand pyramid has legs. Products are available online and through offline retail. And finally it's not only his companies that are digital. Baba Ramdev is himself digital. He has 541k followers on Twitter. Our MNC CEO's are going to find it difficult to match his following in the near future. On Face book Baba Ramdev has 5.7 million people liking his page. (Even Face book could get only 11 million consumers to vote for Free Basics)

Objectives of the Study

- To determine the brand preference of Patanjali among consumers of the Indian Market.
- To analyze the major factors that makes Patanjali a success in the market.
- To highlight the major reasons and factors that could harm the brand's tenure in the market.
- To gather knowledge about Patanjali's various competitors.

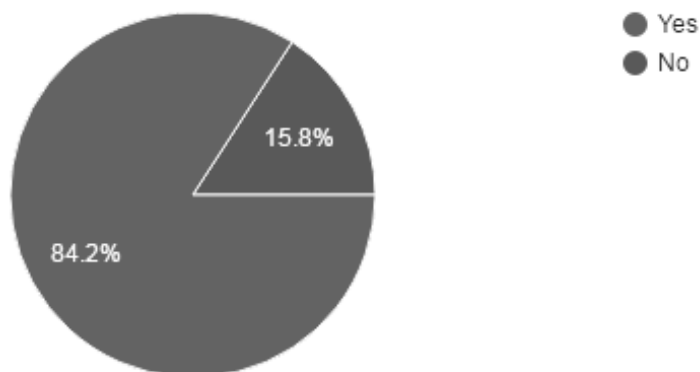
Result and Analysis

Figure: 1
Do you know about Baba Ramdev's New Venture Called Patanjali?



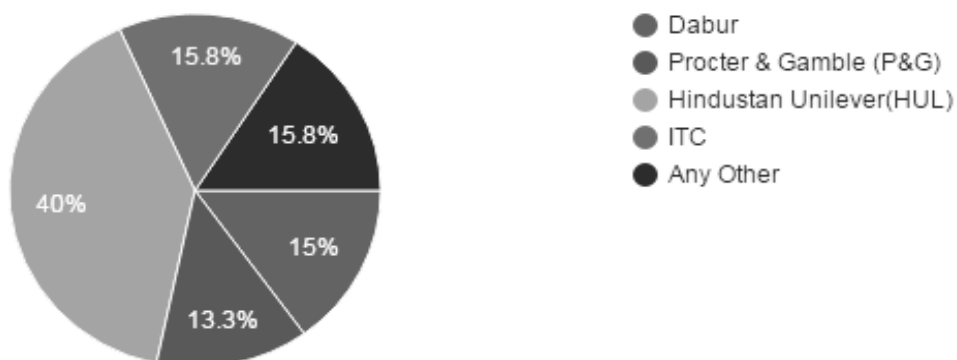
As far as the brand awareness among the consumers is concerned, there is 100% knowledge about the brand in the market and consumers are highly aware about it.

Figure: 2
Have you ever used Patanjali's Products?

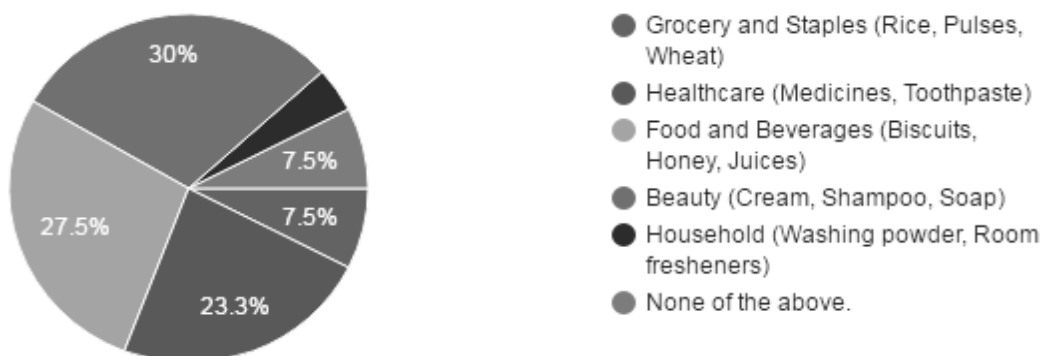


With the maximum percentage of votes of 84.2%, consumers use Patanjali products at regular intervals. Whereas, the remaining 15.8% of consumers do not use the products of Patanjali.

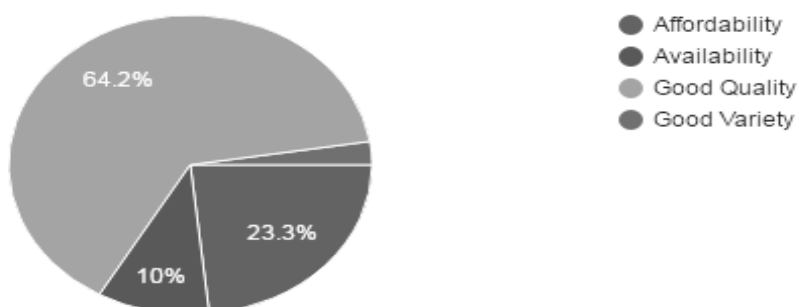
Figure: 3
Usually, which Brand's Products do you use Most Often?



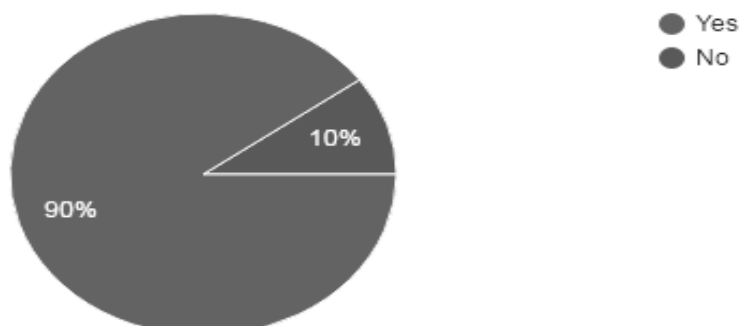
Talking about the consumer preference towards different brands, with the highest percentage of 40%, consumers use HUL products followed by an equal share in both ITC and Other brands. Moreover, 15% of the consumers use Dabur Products followed by 13.3% who use P&G products.

Figure: 4**Which Category of Products do you like the Most Offered by the Brand?**

According to the data, 30% of the consumers use Beauty products of the brand Patanjali which is the highest share, followed by 27.5% and 23.3% for Food and Beverages and Healthcare. With same share as 7.5% Grocery preference, there are consumers who don't consume the Patanjali products at all, followed by Household section.

Figure: 5**What Do You Think is the Main Advantage of Patanjali's Products?**

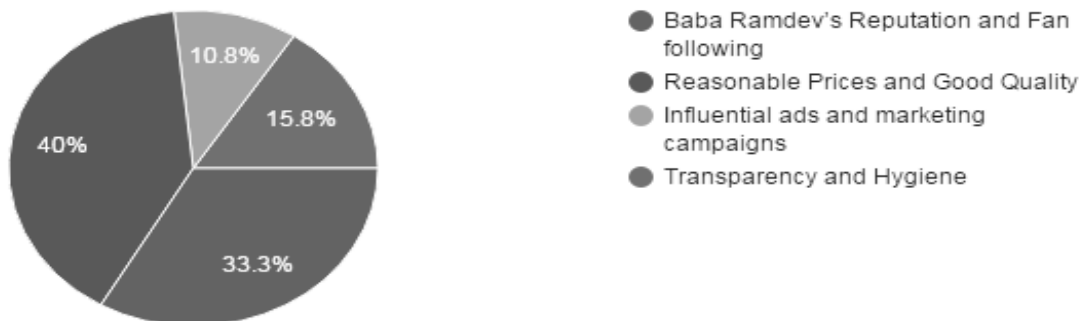
Talking about the advantages of the brand, 64.2% of consumers think Good Quality is the major advantage. Moreover, 23.3% of consumers think it's the affordability whereas 10% think it's the availability. With a negligible share, certain percentage of consumers think it's Good Variety.

Figure: 6**Patanjali Has Already Earned Rs. 2000 Crores in the Recent Years. Do You Think it is the Next Big Thing for the Indian Market?**

According to the data, 90% of the consumers think that Patanjali is the next big thing in the market after earning Rs 2000 crores in the previous year followed by 10% who completely oppose this notion.

Figure: 7

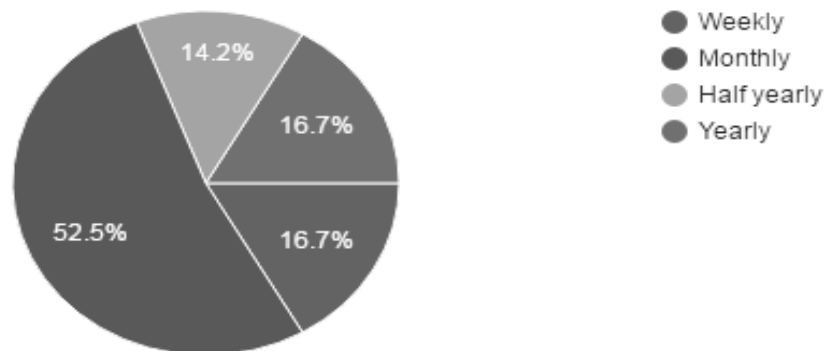
What According to you is the Main Reason for Patanjali's Success?



As per the figures, 40% of consumers think 'Reasonable Price and Good Quality' is the prime reason for Patanjali's success, followed by 33.3% and 15.8% who think the Baba Ramdev's fan following and hygienic standards of production are its main drivers.

Figure: 8

How Frequently do you Purchase the Products of Patanjali?



With the maximum share of 52.5% consumers buy the products monthly followed by 16.7% of consumers who buy weekly and yearly. With minimum share of 14.2%, consumers buy the products of Patanjali half yearly.

Figure: 9

Which Company do you Think is being/will be Affected the Most due to Patanjali's Outbreak?



Talking about the competition, 26.7% of the consumers think that HUL will be highly affected by Patanjali's success followed by 25.8% and 25% who think other miscellaneous brands and Dabur respectively will be highly affected. While 14.2% of the consumers think P&G will be affected, there is a certain percentage of consumers who think ITC can be affected too.

Figure: 10

If Patanjali as a Brand Fails in the Indian Market, what According to you would be the Main Factor Behind it?



If Patanjali fails in the Indian market, 45% of the consumers think that it would be due to political interference while 35% think it would happen due to preconceived notions about the brand. With 16.7%, consumers think that the weak marketing strategies would be the reason for Patanjali's failure, a miscellaneous percentage of consumers thinks cheap pricing of the products will end the brand's tenure in the market soon.

Limitations

Although the present study took a positive approach in reviewing previous literature of perceived service quality for frill and no frill carriers and a comparative analysis of the relationship among them using advanced statistical tools, there are some limitations worth acknowledging. During the study, it became slightly difficult for us to compare the products of Patanjali with other company's products like HUL, P&G and Dabur since Patanjali is a new commercially growing company in the market whereas the latter companies have been serving the market since many years. Also, to segregate and to conclude the actual reason behind Patanjali's takeoff became a bit confusing as there was a clash between an already existing image and reputation of the man himself- Baba Ramdev, with the nature and quality of the products the brand is selling to consumers. Hence, we dawned upon the fact that both the factors are at par and drive Patanjali towards a commercial success. Moreover, to classify the Products offered by the brand also came in the limelight as it manufactures and distributes wide range of products and in huge numbers.

Conclusions

Patanjali which started with a lot of political interference and controversies has outshone everything and everyone with its stupendous pace towards revenue earning and reserving a spot for self in the Indian market. According to the data collected, there is 100% knowledge about the brand amongst the consumers which highlights that the marketing and promotional strategies have played a very drastic role in its success. Plus, there is a huge consumer preference towards the products like food and beverages, healthcare and beauty and can prove to be a strong competition for other big brands like HUL, Dabur, P & G, ITC and others.

Consumers think that by earning Rs 2000 crores in the recent years, Patanjali is the next big thing in the Indian market however lot of political interference and disturbances can also tarnish its image and brand performance. Also, consumer perception plays a very typical yet important role in the brand's success. Moreover, talking about the consumption pattern of consumers regarding the brand's product, a major proportion of the population purchase the products monthly as they think that Patanjali offers good quality products and has clear availability in the vicinity markets.

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