

PATANJALI: BENCHMARK FOR THE INDIAN ENTREPRENEURS.

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ABSTRACT:

Patanjali is a company which gives a tough competition to its other market competitors like Dabur, HUL, Emami etc., following Indian traditional protocols. Indigenous company boost not only the nation's economy but also helps in motivating people as a nationalism factor grows in them. Baba Ramdev and Acharya Balkrishna in 2006 established PAL (Patanjali Ayurved limited) with the one big objective of establishing the science of Ayurveda with the blend of modern techniques and ancient wisdom. Today Patanjali stand among the top most FMCG companies or ahead of some of the major players in FMCG market. This study will focus on the marketing strategies of the Patanjali products, the data are compiled by face to face conversation, based on the questionnaire, with the sample size of 300 consumers at DELHI NCR. Analysis is done while using mean-based ranks and one sample t-test, the study concluded the most influencing factors affecting customer's preference for Patanjali product are price, quality and health consciousness. This study is useful for business in market as now a-days the companies are trying to go in herbal or 100% natural product zone due to the increase in the demand of health related products over the chemical driven in FMCG market.

Keywords: Patanjali, pricing, quality, marketing, nationalism.
JEL CODE: L11, M31, O32.

Introduction:

A market buzz can be created through the active involvement of the public as well as private players in the global market. Patanjali Ayurvedic Limited is now a day's key player in the FMCG market in India. The company directly deals with the farmers for the raw material and cuts the middlemen cost which leads to the increase in the profit margin.

Study area: DELHI NCR.

A few investigations have been controlled on purchaser conduct in the utilization of Ayurvedic medication/items in a few territories. In DELHI NCR, ayurvedic stores are accessible in adequate numbers and are visited by heft of purchasers. Now a days the demand of the ayurvedic/ herbal products increases as the climatically conditions worsen and atmospherically changes leads to the change in the buying behaviour of the present customer, as the most polluted area in India currently is Delhi the people living near-by are affected with the numerous health conditions and due to which the buyer is trying to go as much as herbal and non-chemical products in the life style for the longer span of life. Because of this, the study is keen on considering the Ayurvedic/home grown item buying/purchasing conduct of shoppers in Delhi NCR.

A private corporation formed in 2006 as Patanjali Ayurved, has since carried out a scope of items - in medical services, hair care, dental consideration, toiletries, food and then some. "When Divya Pharmacy was set up, we hardly had the money to pay for the registration," Baba Ramdev provided statement to Business Today. "For the first three years, till 1998, we distributed the medicines free. From buying the raw materials to grinding and mixing, we did everything ourselves," he added in *The Economic Times* (PTI 2016), "Patanjali Ayurved clocked 1,200 cr in revenues during the fiscal year 2013-14, and crossed 2,000 cr in the year 2014-15, which makes its turnover equivalent to that of companies like Emami. Different reports peg the turnover of Patanjali Ayurved Ltd. to be between 2,000 to 2,500 cr in the fiscal year 2015-16 and in 2018 its 3,000 crore."

Key expertise: Ramdev is expertise in his field. The major factor of growing of one business is only when its entrepreneur has full fledge knowledge in that area.

Research and development: As Patanjali also did his research and analysis regarding the FMCG market and its competitors dealing in the ayurvedic products.

Price, quality and quantity: Patanjali always focuses on the important aspects for any product like price, quality and quantity. The Patanjali supplies products in the market are cheaper than any other competitor and the quality is always a priority for them. The company works with the tagline "PRAKRITI KA AASHIRWAAD" which focuses on the purity of the product.

Uniqueness: His attention towards the brand shows high spirit of an entrepreneur towards his brand which every business person should possess.

Availability: Patanjali as it opened stores in different cities all over the India and make the product available to all the customers in near-by areas.

Media consideration: Ramdev rose to public popularity as a yoga master through his projects on TV diverts - Sanskar in 2001 and Aastha from 2003. "My own role in the rise of Patanjali is just one to 10 per cent, the rest of the credit goes to the media."

Savvy evaluating: "Our profit margins are miniscule because the main aim is not to make profit, most companies have administrative costs of around 10 per cent of their revenue, but in our case it is just two per cent." Ramdev said.

Retail channels: at the beginning, Patanjali ignored the orthodox circulation organization, wanted to depend upon its channel of wholesalers, chikitsalyas merchants (dispensary establishment) and Arogya Kendra (medical care habitats selling ayurvedic prescriptions). After the starting of retail outlets from 2011, the income started arranged.

Indigenous factor: Patanjali is glad to coincide with native organizations. "Our main aim is to replace MNCs" said Ramdev. "We don't analyse other companies' strategies or conduct market surveys and feasibility studies. It is only when the people ask for cheap and healthy products that we try to respond," he said. **Kumar, v.** concluded that Patanjali's motto is to promote swadeshi entrepreneurship in the people of the nation and reduction of the use of the western products.

UNDER "MAKE IN INDIA" VARIOUS STRATEGIC PLANNING FOR PATANJALI :

- Importantly, motivating the R&D department and promote the traditional ayurvedic medicines and herbal techniques. Due to the uniformity in the formulation of the products there should be the standardization policy.
- Production and services centers must have training sessions for human resource. Experts should be allotted the production Centre's for quality checks and processing, whereas the service Centre's should have the experienced professionals who can serve the customers well.
- Targeted and segmented market should be given importance and issues related to the exports must be identified as per the market. The export process and the durability in the packaging system should be easy going.
- Creating and authoritative department to look over the quality checks and the materials before dispatching the export item in the market. A safety drill should take place time to time in the production and packaging department for the safety and quality.
- Renovation in the factory outlets and upgradation in the manufacturing equipment and service offerings needs to be done.
- For exporting in the international market one should qualified for ISO 9000 certificate for products and medicines.
- Launching the new stores or centre in the areas like north-east India and applying research and development department for the areas which are rich in both raw material as well as the labor needed for the ayurvedic plant.
- Structuring the wholesome awareness plan by using promotional mix, at present which is *word of mouth* promotion for Patanjali.

Literature reviews:

"The word Yoga has been derived from a Sanskrit word 'yuj', which means to achieve the goal of salvation through physical and mental balance, **Varambally**. On one hand, yoga helps in strengthening body and mind, but on the other hand, it is also a business and results in change of consumption behavior of people." **Moran (2006)**

Spiritual marketing also leads with the changes in the buying behavior and consuming behavior suggested by **Kale (2006)**, and now a-day spirituality became a new business in the market. Today's customer is more aligned towards the spirituality and its buying behavior also gets affected by the spiritual gurus. **Warrier (2003)** says that, the spiritual gurus are changing the buying habits of the customers as well as changing the consuming power of the customers like Baba Ramdev do in its Yogpeeth. **Arora**, "Spirituality has been the core of

every Indian. So, as a consumer also, spirituality may have some impact on the buying behaviour.”

“Small fish can enter places where big fish can’t reach because of its size constraint. This, big fish is not *fit* with respect to certain spaces. This has interesting implications for economics and management as *local* could have advantages over the *global*” **Sharma, S.** said this in his book. This technique was adapted by Patanjali to enter in the swadeshi market and make more than any MNC. **Vivek** added that, as a brand, you need to start with *WHY you exist* and communicate it clearly to the world. Patanjali believes in the following:

- **Swadeshi/ Indigenous** (*sva-* self, own + *desī* native)
- **Prosperity for charity.** Patanjali claims that its profit is not going into anyone's pockets.
- **Nation-building** and supporting the poor

He added that, consumers who believe in what your brand believes in will buy your products. In fact, they will not just buy your products but also advocate it to their friends and family. **Khanna, R. (2015)** also added that, the satisfaction one receives after using the product for which he/ she had paid the valuable amount of price and the desired result is as per their expectations regarding the product helps in building the customer’s perception for that sort of product. **Sagar malviya**, “Colgate has lost nearly 800 bps market share in toothpaste category over the past three years. While pace of shift towards natural products of Dabur and Patanjali might slow down, we still see a strong value proposition of natural products in the category which would make market share gains difficult despite reasonable success of Colgate’s Swarna Vedshakti.” Like-wise **Niharika Banerjee** said, "keeping in view the increasing demand of toned milk in the country, Patanjali is now selling milk at Rs. 40 per litre, which is Rs. 4 cheaper than what other companies are selling.”

Ahmed, A. (2018). In some areas customers are complaining regarding the shortage of the Patanjali products for a longer duration. This shortage of the products explains the higher demand of the product, lower margins, less number of distributors (The Economic Times 2016). **Rawal, (2016)** the consumer awareness leads in providing the better solution to the company as it helps in recognizing its customers and to know what the problem they faces and how to cope up with them. Patanjali took the charge and through its product offerings provides a unique blend Ayurveda and the herbal ingredient helps in awakening its customers and increases the market area.

Geethamani (2017) he concluded that the awareness among the customers regarding the product plays an important role in brand loyalty as the perception regarding particular product defines the buying behaviour of the customer, and for Patanjali the customer perceive it as 100% herbal product.

Gupta, R. (2016), Patanjali is about the farm product which is economically feasible for day to day consumable products from ayurvedic medicines to food and cosmetics. The price factor plays a vital role in shifting the brand for some customers, like Patanjali’s honey is 43% lower than of dabur’s. PAL is only the company which became one of the biggest competitors in the FMCG market globally only by *word of mouth* strategy.

Shankar (2017) quality and purity are the key roles of the success of patanjali brand. One of the major product is patanjali’s ghee(50% of its revenue is from the sale of ghee). This indicated that the customers linked with this brand focuses on purity and quality of the products and so maintaining these elements is necessary. **Joshi, R. (2018),** also supported this

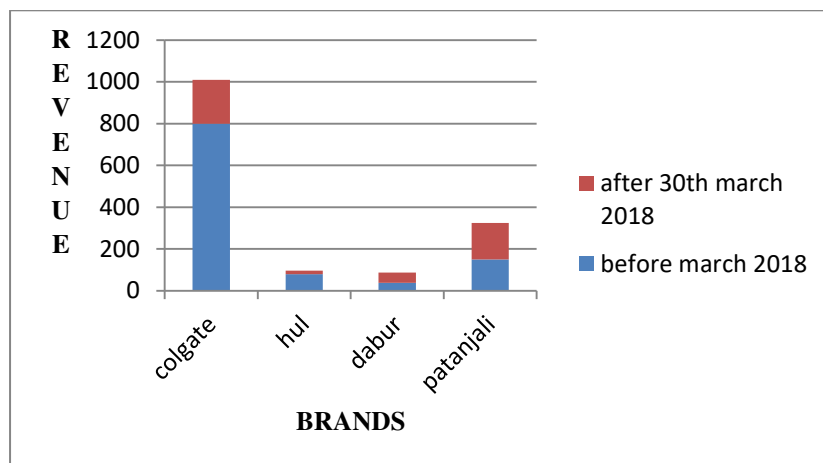
as he indicated that value, item quality and wellbeing inclinations are the most compelling factor for the buyer’s preference. **Dutta, S. (2015)** Patanjali’s product comprises of 3 major disciplines: product leadership, effective quality and customer familiarity, as the Patanjali product is 30% cheaper than other multinational competitors due to the direct dealing in the raw material and motivates the farmer through promotion of indigenous product.

RESEARCH METHODOLOGY:

This study focuses on the quantitative research on Patanjali Yogpeeth. Various discussions and sources have been used for data collection and being analysed for the information. In this study primary and secondary data is used. The collection of primary data is through face to face interviews in Patanjali Yogpeeth and close ended questionnaire for store managers and co-workers in the selected sample field while, secondary data is collected through websites, brochures and the Patanjali special reports for the consecutive months.

ANALYSIS:

Figure no.1: FMCG brands and there revenue before and after 2018.



The above figure shows that the increase in the revenue sales in Patanjali brand is higher than of its competitors in the market. The major players in the FMCG market goes through the decrease in their shares as the indigenous name Patanjali roles in.

Demographics of the sample size: this study includes the gender, age, group, and income slab of the sample size as following.

Table 2: demographic profile

MEASURE	ITEM	FREQUENCY
AGE	0-20	70
	20-40	190
	40 AND ABOVE	40
		300
GENDER	MALE	90
	FEMALE	210

		300
OCCUPATION	SERVICE	60
	BUSINESS	50
	STUDENTS	160
	HOUSEWIFE	30
		300
INCOME (INLAKHS)	BELOW 3 LAKHS	150
	3LAKH- 5LAKHS	55
	5 LAKHS- 10 LAKHS	48
	10 LAKHS ABOVE	47
		300

By gender, the sample survey is in two parts, although the females are more in percentage therefore, the data on brand can supportively on feminine based.

By age, a majority of group comes under the youth age of above 20 and below 40. Therefore, the factors chosen for the customer preference is a youth based in the region.

By occupation, the data is collected is from the students majority to see the where the youngers are going and what factors are making them purchase a certain brand.

By annual income category, it is seen that almost 50% of the sample size falls under the group of below 3 lakhs income slab. Next 18.33% of the respondents earn 3 lakhs-5 lakhs. Third, 16% comes under the income slab of 5-10lakhs and the rest 15% is the higher earners in the respondent size which is considered a large group that is studied in the present study for analyzing the factors.

Factors affecting the customer’s preference:

Eight factors affecting the customer’s preference has been used after studying the review of past literatures, this study focuses on knowing which factor influence the brand preference of NCR region. Therefore, table 3 below shows that which factor is influencing the brand preference of Patanjali products.

In context of mean values of the sample size is measured over a 5-anchor Likert scale (with 1 for firmly concurred and 5 for unequivocally oppose this idea), product quality, product price, and health consciousness have ranked the top three most factors influencing the customer’s preference for the Patanjali product. The price resulted to be a most affecting factor as the most of the respondent falls under the two lowest income slabs.

Table 3: factors affecting brand preference for Patanjali product

Factors	Mean	SD	SE	Mean-based Rank
product price	2.331	0.685	0.049	1
health	2.342	0.665	0.047	2
product quality	2.371	0.722	0.051	3

brand name	2.418	0.755	0.053	4
product availability	2.531	0.624	0.044	5
brand awareness	2.581	0.602	0.042	6
product varieties	2.695	0.762	0.053	7
packaging	2.894	0.632	0.044	8

Although respondents have also considered health and product quality in considerations keeping price in mind, as the youth is more aware about the quality preference and health consciousness. The promotion strategy of the Patanjali makers are so high and effective liking the brand with the herbal, swadeshi and with yogic spiritualism which leads in making the brand name a next factor in influencing the customer’s preference regarding the Patanjali product. The remaining factors in the table product availability, brand awareness, product varieties and packaging are the least factors influencing the buyer’s preference in case of Patanjali product.

Table 4: Customer’s opinions over influence of the Factors affecting Customer’s Preference for Patanjali products

Factors	T	df	sig. (2-tailed)	Mean Difference	95% certainty time frame distinction	
					lower	upper
product price	-13.762	199	0	-0.691	-0.784	-0.581
product quality	-12.327	199	0	-0.63	-0.764	-0.521
product availability	-6.239	199	0	-0.351	-0.465	-0.241
product varieties	-10.621	199	0	-0.468	-0.555	-0.389
packaging	-3.125	199	0	-0.189	-0.264	-0.098
brand awareness	-10.251	199	0	-0.485	-0.553	-0.398
brand name	-10.321	199	0	-0.521	-0.687	-0.488
health consciousness	-14.215	199	0	-0.651	-0.774	-0.598

The responses of the sample size on the scales are quite different, as presented in the table 4 above. All the 8 factors make significant impact on the customer’s preference for Patanjali brand products, as on the both halves (with 3 or neutral as the test value) have shown differences, with the p-values of the factors for one sample T-test.

CONCLUSION:

This study shows that value, quality, wellbeing inclinations and the brand image plays a vital role in the influencing the buyer’s behaviour for the Patanjali product in the present scenario. The customer these days is quite observer regarding the brand he purchases, the quality of the product, its price, its cause and effect on the health and even on environment also. Pandey & Sah (2016) the Patanjali products are accepted by the customers due to the 3 main reasons: A.

the quality of the products and the ingredients it possesses have a major impact on the belief of the customers regarding the health care. B. the availability of the products at the cheaper price than its competitors plays a vital role in the sale of the product. C. make in India is a marketing strategy. The strategies Patanjali is using for running the business is very fruitful for the entrepreneurs to learn the new strategies for the business as the biggest player of Ayurveda market is Patanjali. A countless start-ups being introduced in India every year but very few survives in the market, which shows there is so much to learn from the successful entrepreneurs like Patanjali regarding the policy framing and strategies forming system.

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