

## **Patanjali Ayurved: The Edifice of an FMCG Brand**

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### **Abstract**

In the milieu, Patanjali Ayurved has conceivably appeared as the fastest-growing FMCG firm in India with growing revenues year by year. The firm spreads through numerous categories of food and personal care products. The ability of the firm to bag impressive sales growth figures setting the stage for a fresh battle of brands in the FMCG sector is one area that has fascinated corporate, research, and academia. The study deliberates the concept of a brand prism with help of Patanjali Ayurved in detail, which distinguishes it from its competitors. The study also extends the potential strategies that can help the firm in combating the challenges faced by it for a long and can certainly prove catastrophic for its rising success.

**Keywords:** Brand, Branding, Brand Identity, Consumer Recognition, FMCG Sector

## **Introduction**

Branding has gained growing interest from the industry in the last decade, due to the realization that brand is one of the most important intangible assets of a firm. The research arena also geared its interest towards the area and a lot of related studies have been contributed in form of papers, articles, books, and reports (Keller & Lehmann, 2006).

Companies need to display uniqueness that provides them an edge over others that cannot be imitated. Brands are one of the prominent sources of gaining inimitable success. But, a brand itself is not sufficient to ensure a competitive advantage in the market arena. Superior results are achieved by the companies who develop the capability of brand management in terms of its identity and its elements, uniqueness, and equity. The development of brand image while attempting on brand identity enhances the position of a company amidst the competitive scenario (Janonis, Dovalienė, & Virvilaitė, 2007).

The paper discusses the case of Patanjali Ayurved in detail and embraces the fundamental means of consumer recognition of the brand, which differentiates it from its competitors. The base model for case analysis is the Brand Identity Prism proposed by Kapferer (1998). Also, suggestions have been offered towards the end that can contribute towards the attainment of continuing success.

## **Methodology**

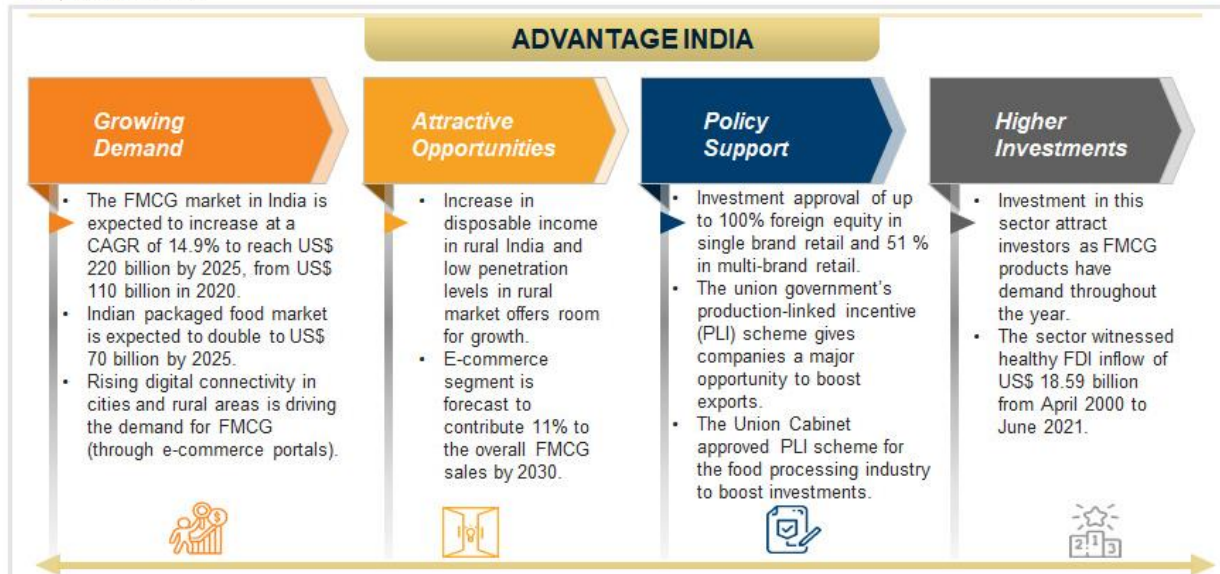
The paper is a research-based case study. Data has been collected from secondary sources like research papers, research articles, books, dissertations, newspapers, and websites.

## **FMCG Sector in India**

Non-durable products are referred to as Fast Moving Consumer Goods or popularly known as FMCG (Majumdar, 2004). These are also popularly known as consumer goods. These products include non-durable and frequently purchased products such as soaps, toiletries, salt, soft drinks, etc. FMCG market in India, for decades, has been dominated by MNCs, and companies like Unilever, Procter and Gamble, Johnson and Johnson have been harvesting their well-established distribution network, intense competition between the organized and unorganized segments, and low operational cost. Availability of key raw materials, cheaper labor costs, and presence across the entire value chain give India a competitive advantage. However, this is also an industry that has ever-increasing potential, as this industry is highly dependent on the population.

## FMCG Industry in India

Last updated on Dec, 17 2021



**Figure 1: Prospects of FMCG Sector in India**

Source: Indian Brand Equity Foundation <https://www.ibef.org/industry/fmcg.aspx>

### Why Branding for an FMCG?

In the model proposed by Henry Assael, these products fall in the habitual buying behavior category. These products are characterized by the low difference between brands and low involvement in decision-making by the consumer. Generally, these products include low-cost and frequently bought products where the consumer does not make a decision on the basis of product characteristics but is generally based on availability and brand recognition. For example, if a consumer wants to buy salt, certainly he will neither be able to distinguish between product characteristics nor the pricing will make any significant difference. The decision will be depending most on

- The nearest location where he can find the product.
- The brand is top of his mind awareness (TOMA)
- Counter Pushing by retailer

Patanjali understanding this focused on all these aspects:

Patanjali is implementing ADS(Alternative Patanjali distribution System) for creation of new demand. By setting up its stores, eliminating wholesalers. It eliminated wholesalers in the retail space too.

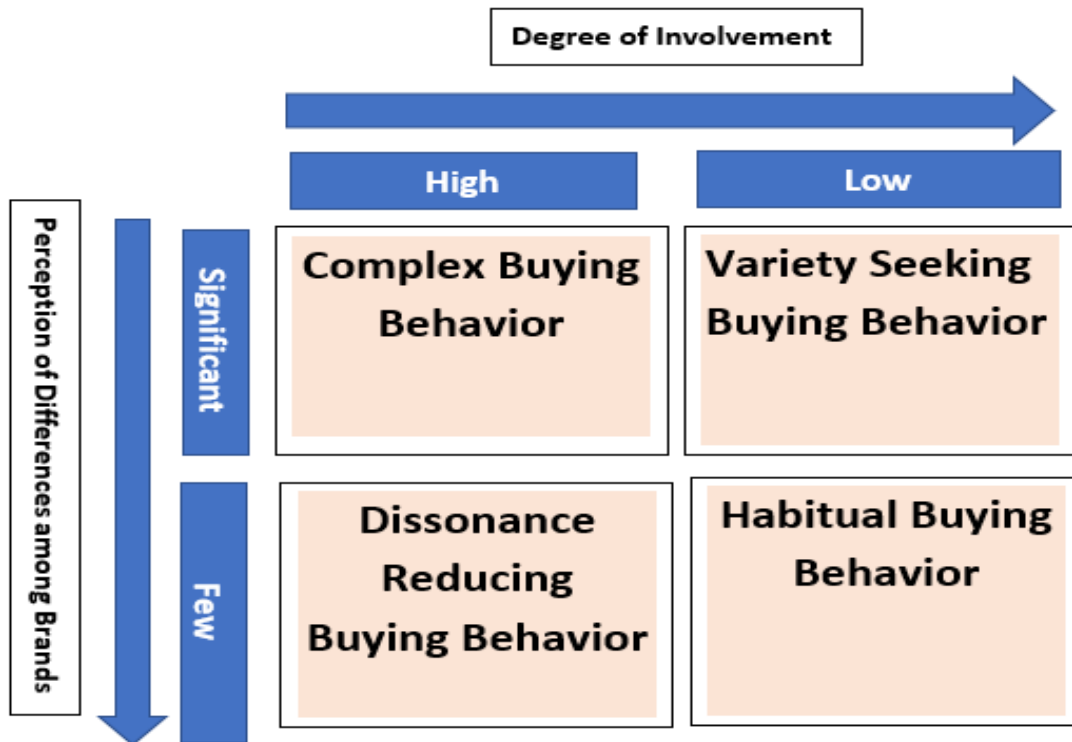


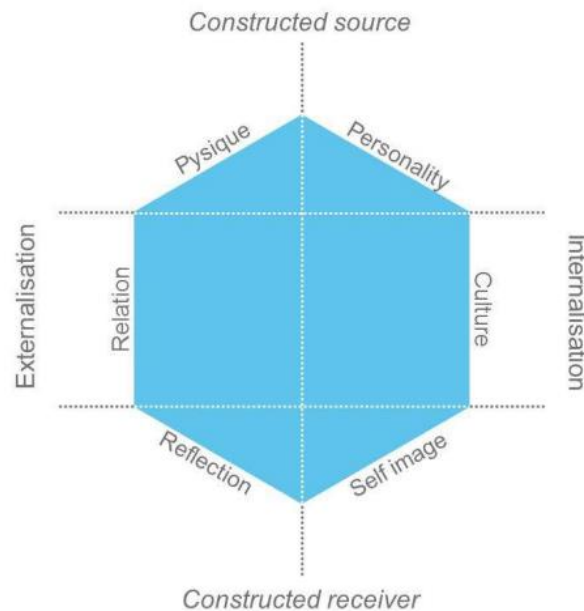
Figure 2: Henry Assael's Model of Consumer Buying Behaviour

### Brand Identity

The concept of brand identity was talked about for the first time in Europe (Kapferer, 1986). The concept there onwards has gained a lot of interest from corporate and academia. Brand identity has been considered as the central concept in building a strong brand. It includes a unique set of associations that the brand strategists aspire to create and which represent what the brand stands for and implies a promise from the organisation to its customers. It can be viewed from four perspectives; as a product, as an organisation, a person, and as symbol perspectives (Aaker, 1996).

Aaker (2000) observed that brand identity embraces brand associations that need to be developed under the brand strategy. Brand identity should help in relationship development with a consumer providing them with some benefit. There can be many ways through which a brand puts forward its identity like logos, signs, slogans, symbols, mission, vision statements, mascots, products, etc (Sagar, Singh, Agarwal, & Gupta, 2009). The conception of brand identity includes the uniqueness and aim that the firms want to demonstrate and provides a possibility to achieve a competitive advantage.

Kapferer (1998) proposed an identity prism to describe the concept of brand identity from the sender and receiver's perspective. A brief overview of the six facets of the prism has been discussed.



**Figure 3: Brand Identity Prism**

**Source: Kapferer, J. N. (2009). Kapferer's Brand-Identity Prism Model. *European Institute for Brand Management*, 24, 2014.**

**Physique:** This face identifies what the brand is, what it does, and what it looks like. It can include elements like the look and feel of the products and services under the brand; common characteristics of the entire product portfolio; and specific traits of the product without which the brand loses its essence.

**Personality:** Aaker (1991) stated that giving the brand a spokesperson /figurehead, whether real or symbolic, is the easiest way to create an instant personality. Holland (1959) observed that individuals tend to be inclined towards those who display their kind of belief system. The way a brand speaks of its products/services shows what kind of a person it would be if it were a person. Aaker and Fournier (1995) emphasized that consumers prefer choosing brands with a personality that matches their ideal personality. In other words, consumers chose brands that they want to be seen and related with (De Chernatony & Mc Donald, 1992).

**Culture:** Kapferer (1998) includes both the culture communicated by the physical product as well as the messages carried in the media. It refers to the value sets that are the brand's inspiration and the outward signs. Schein (1996) explained the concept in terms of three levels,

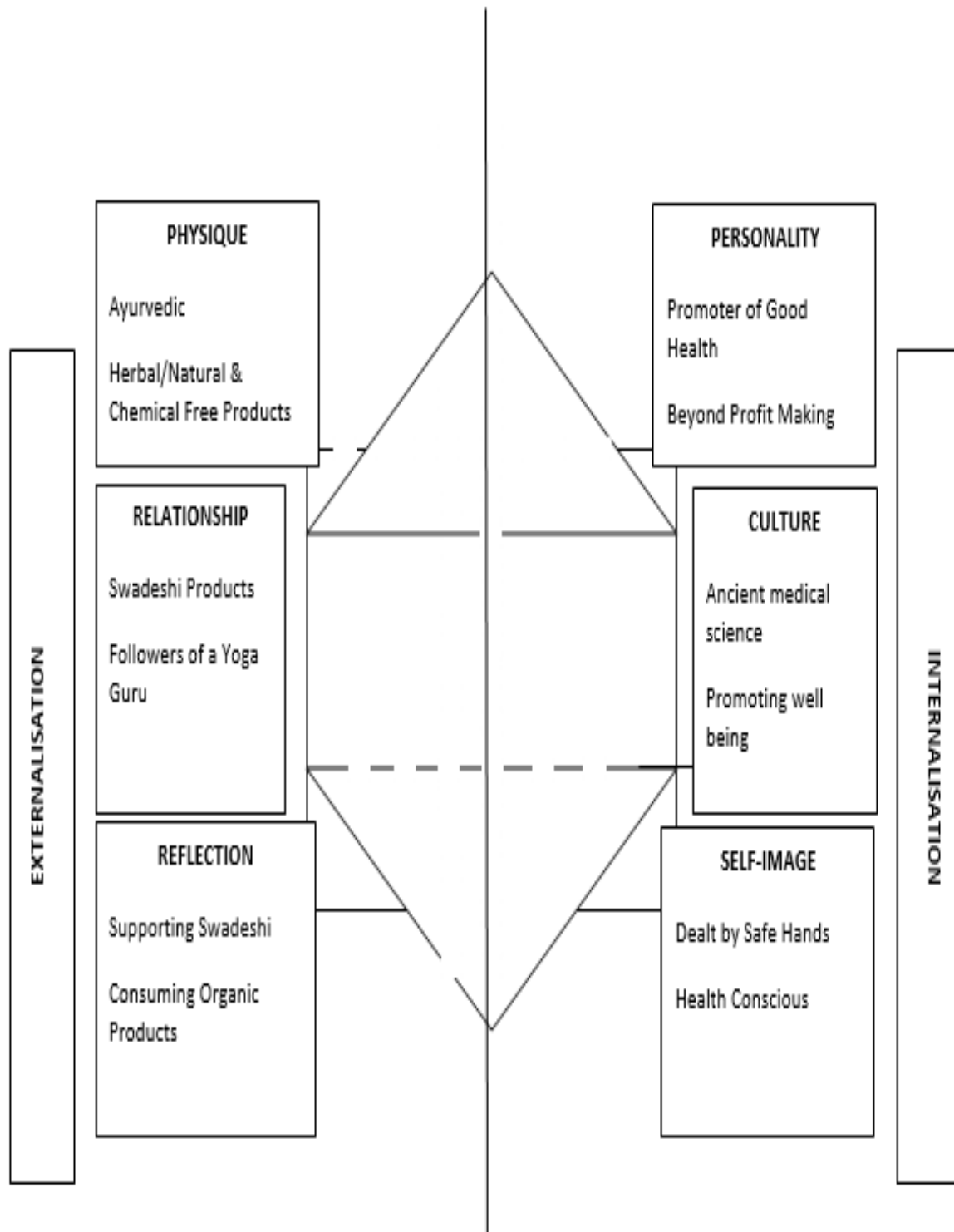
the artifacts (logo design, punch line, typography, layout, etc.); values (explicitly stated as well as observed through actions); and the basic assumptions of the brand (subconscious thoughts and beliefs which serve as the source for the previous two concepts).

**Relationship:** Blackston (2000) identified brand relationship as a coherent extension of brand personality. Fournier (1998) recommended that people form relationships with brands in the same manner as they do with each other in social settings. It can include elements like personnel behavior at service encounters; maximization of customer satisfaction; and CRM moves.

**Reflection:** Kapferer (1998) states that brand reflection represents the perceived target with which the customers want to be seen after purchasing or using the product. It is not to be confused with the actual target segment. It can include elements like target segment that appears in the communication of a brand and placement of products/services about other retailers.

**Self-Image:** Kapferer (1998) identifies the concept as the inner image of the brand or the target/brand consumers' internal mirror while they interact with the brand. While using a brand, consumers attain the perceived characteristics or attitude of the brand. It can include a profile of target segments in which most of the products/services fall and elements like brand nomenclature and aura.

The six facets of the identity prism are interrelated and the dimensions of one facet echo in the other.



**Figure 4: Brand Identity Prism of Patanjali Ayurved -Understanding the Framework of Brand Identity Prism**



### Created by Authors

#### **Recommendations:**

##### **Patanjali Ayurved**

Patanjali Ayurved is India's fastest-growing consumer brand that has left giant domestic and global competitors panic-stricken, by the shooting sales of its wide product range including staples, nutrition, cosmetics, and personal care (Rai, 2015). The company's turnover has eaten up the market share of existing FMCG companies as it grew 150%, growing from Rs. 2000 crore to more than Rs. 5000 crore in the year 2015-16 (The Hindustan Times, 2016). The brand seems to have all the ingredients that a successful firm puts in.

**Physique:** Patanjali brand is synonymous with 'Ayurveda' which is a medical science of ancient India. Pantanjali carries a mix of natural and herbal products. With a touch of Ayurveda to every product it carries, it has made most of the customer segment inclined towards it. It is one of those brands that has made the MNC leaders panic through its Ayurvedic crusade. The company upholds the entire product range under a single brand, which comes across as the one that gives a message of naturalness and simplicity. A simple packaging embracing the appearance of flowers, leaves, and herbs that represent nature, has proven effective going with the message that the brand articulates.

The food and cosmetic products are claimed to be 100 percent natural made from effective herbs, organic and chemical-free ingredients that hardly have any side effects. Be it curing sickness and diseases, improving health, or beautification of its customers, Patanjali has its products available for every perceivable issue. Adding an ancient touch to the product formulas has helped it gain the reliability quotient.

It also moved into e-business in addition to being available with retailers and its distribution centers. Sensing that the western countries are highly inclined towards Yoga and Natural/Herbal products, the company is all set to grab international markets.

Although a well-designed website is managed by the company that displays the entire range of ayurvedic products, which offers online buying options with their international prices also stated.

**Personality:** It has been seen that brands echo the personality of their founders or CEOs or celebrities, mostly men/women flaunting designer merchandise with a huge following. Baba Ramdev who became popular as a yoga guru initially, emerged as the leader of the 'Ayurveda Movement' that Patanjali started. With 541,000 followers on Twitter and 5.7 million on Facebook, he broke the cliché and raised the heartbeat of many of the MNC CEOs (Mundkur, 2016). The brand reverberates a famous yoga guru's personality, in terms of the promoter of good health and against the philosophy of 'merely focusing profit-making at the cost of customer wellbeing'.



**Culture:** The value proposition and message that the brand carries through the products and communications encompass the brand culture of Patanjali. The brand has been able to win millions of hearts because of displaying rich culture that embraces the philosophy of being desi with products drawn out of natural and genuine ingredients, an ayurvedic formula/composition, backed by a Yoga Guru well known for promoting wellness, a Sanskrit name and of a legend who is the founder of Yoga and a package that communicates a strong association with ancient Indian medicine system. Even the distributor form asks the dealer to vow support for the movement of liberating the economy from MNC products and making it self-reliant.

**Relationship:** The growing following of the brand also reflects the relation it has invoked in the past years. The brand has witnessed growing brand loyalty year by year. The Yoga Guru has been successful in harvesting the popularity he has gained for promoting good health in the past decade. Secondly, appearance in the form of the Indian company promoting Swadeshi products at economic prices and the assurance of genuine ingredients unlike MNCs attracted a lot of value from customers has helped arouse the patriotic feelings as well. Thirdly, as discussed above the distribution is done through ‘authentic consultants’ as they say and who work as more of a promoter of health and fitness instead of employees.

**Reflection:** The brand has come up as a promoter of health and fitness. It offers an entire range of products that help the customer segments see a solution to every possible ailment. The company has always shown signs of being Swadeshi and Anti MNC. The focus has always been to highlight the ill effects of MNC products and make India a self-reliant and super economic power. Thus, the customer segments feel good as they use the products of the brand. Supporting the movement ultimately arouses the feeling of being a patriot. Thus, it is not just the higher age groups that support the brand; even youth who are quite oriented to demonstrating west have started using Patanjali products.

**Self-Image:** While interacting with Patanjali products, the customer segments feel that they are being dealt with by safe hands. While using its products, there is a feeling of using natural and herbal items that provide the benefits of established brands with no side effects. The entire aura of health and fitness that it has created makes the segments feel that they are using something that shall help them overcome their ailments and issues without harming their body. (Fig. I) is a pictorial presentation of Patanjali Brand Identity Prism.

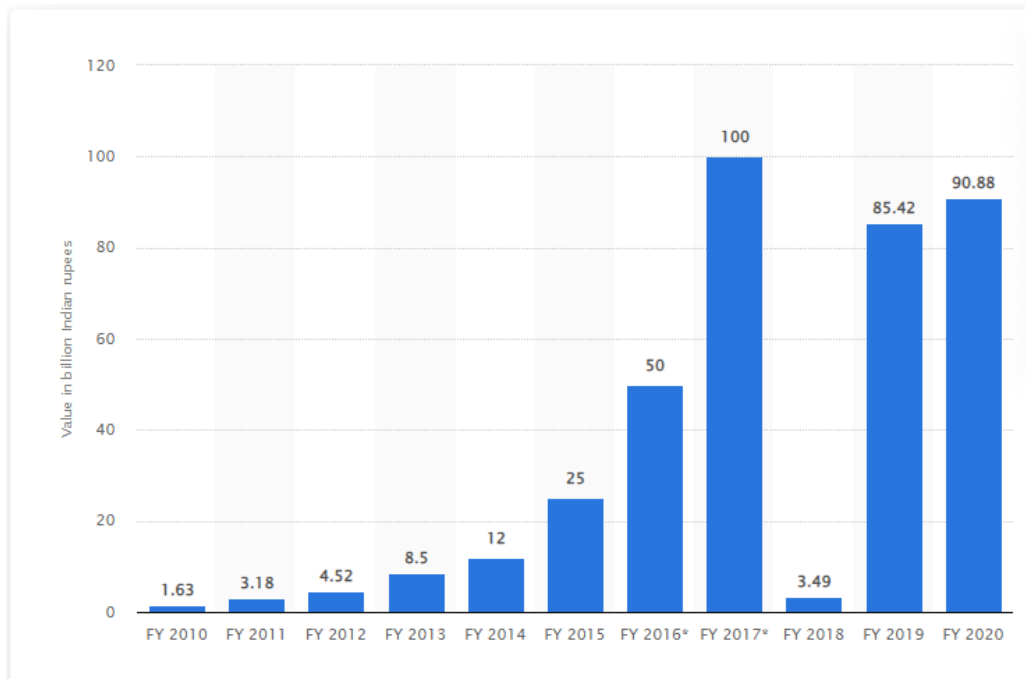
**Quality:** The FMCG products that can appeal to the masses are mostly the ones that stand by maintaining good quality. A lot many times Patanjali products have been criticized for not living up to the quality expectations. Where the company used its herbal and natural formulas for the least harmful effects claiming purest quality as its weapon to defeat other domestic and MNC

players, it needs to stand by it. Thus, the company needs to tighten up the control standards and be more vigilant towards the manufacturing processes.

**Innovation:** In the milieu, businesses need to adapt and innovate if they wish to operate successfully and stand the test of time. It is a prerequisite for businesses that aspire to grow for sustained success. It has been observed that the corporate players who have managed to incessantly impress their customer base, exhibit tendencies of innovating in some of the other forms. Patanjali needs to realize this as soon as possible. It has been quite a time that the customer segments have been inclined towards its product range. The company is marching aggressively and thus getting closer to the need of innovating on the product mix. Also, it should work upon innovating on the other elements of the marketing mix. Change is a constant and consumer preferences, tastes, and behavior change. Thus, it is high time that Patanjali pays enough attention to such trending issues.

## Conclusion

The Brand Identity Prism provides useful insights for managing marketing communications. The case analysis of Patanjali Ayurved was found an apt one to be discussed using the above framework. The query with which the study began that ‘what makes Patanjali different from its competitors, was to our satisfaction answered by the Kapferer’s framework and thus was studied in detail. The brand identity of Patanjali Ayurved has served as the fundamental means of its consumer recognition of the brand, which also differentiates it from its competitors. And so it has perhaps come out as the fastest-growing FMCG firm in India with mounting revenues year by year. However, the scenario is witnessing growing competition, and therefore the firm needs to design its stratagem embracing other elements as well which can help the firm overcome the lacunas that have bothered it many times and can prove catastrophic for its rising success. In all it can be said that Patanjali with its fierce stride towards success remains the unconquerable leader of the FMCG market and fulfills Ramdev’s vision or turns out to be history, is a question whose answer the coming years shall unfurl.



**Figure 5: Patanjali Ayurved Sales across India (in Billion Dollars)**

Source: <https://www.statista.com/statistics/823142/india-patanjali-ayurveda-revenue/#:~:text=This%20statistic%20represents%20the%20annual,from%20the%20financial%20year%202010.>

## Hopes to leverage Ruchi Soya portfolio

The Patanjali Group, including Ruchi Soya, is on track to becoming the largest FMCG player in the country this year overtaking Hindustan Unilever, according to Baba Ramdev. The Haridwar-based company crossed the ₹30,000-crore revenue mark in 2020-21 compared to HUL's revenues of ₹45,311 crore.

“We have already touched ₹30,000-crore turnover this year. With the help of Ruchi Soya, I am confident that we will achieve the goal of becoming the country's largest FMCG player. The portfolio of products that Ruchi Soya offers itself has a market size of ₹5-lakh crore. If you add to it Patanjali Ayurved's extensive portfolio, I have no doubt that this goal can be achieved,” Ramdev, founder of Patanjali, told *BusinessLine*.

**Figure 6**

Source: The Hindu Business Line

<https://www.thehindubusinessline.com/companies/patanjali-will-be-indias-no-1-fmcg-company-ramdev/article35414124.ece>

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