



MARKETING MODEL OF PATANJALI AYURVED

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Abstract

Patanjali ayurved ltd in a short cover of less than a decade, recorded revenue higher than numerous companies who have managed to achieve the record over several decades. The ascend of patanjali has been nothing short of impressive, posing a challenge to the companies that have dominated the consumer scene for years. The conquest of patanjali has raised investor concerns about the impact on established consumer names. It was established with the main idea of curing and preventing common ailments by ayurveda and importing all kind of ayurvedic medicines. In this research we are going to study about various facts about the consumer preference towards the product and their marketing models. patanjali ayurved, which is eating into the market share of the major FMCG's,. Patanjali ayurvedic products are available only in patanjali ayurvedic stores located in rare cities few months ago, but today you can buy baba ramdev patanjali products in big bazaar too. Ramdev claimed many "patriotic" professional management talents from many multinational companies are joining the patanjali. Patanjali ayurved, co-founded by televangelist ramdev, is targeting rs 10,000-crore revenue in 2016-17.

Key Words: Patanjali Ayurvedic Products, FMCG.

Patanjali Ayurved

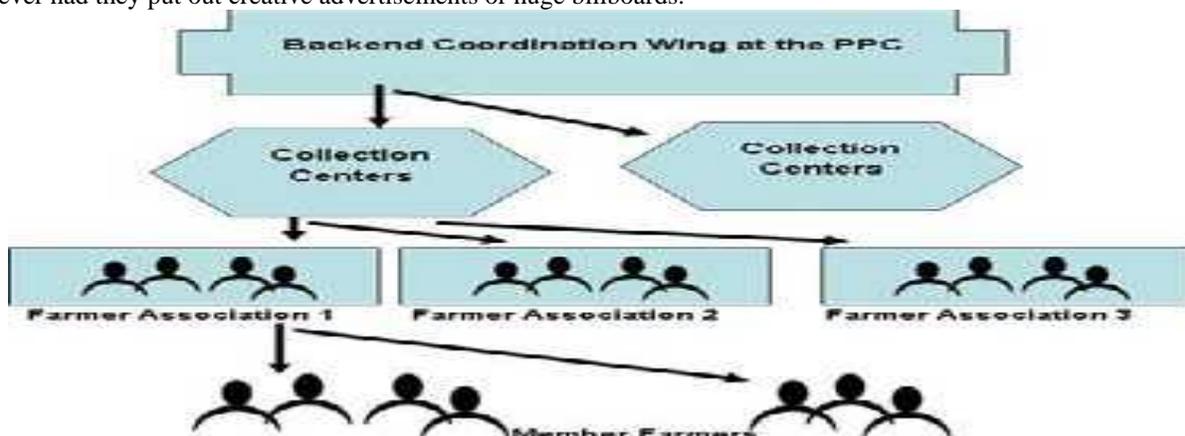
Natural is a global phenomenon and not to trend playing and only in India. The trend being picked up and recognizing our game in naturals is the common statement by CEO's of FMCG. Patanjali Ayurved, maker of ayurvedic consumer products, is the fastest growing consumer company in India. Yes, you heard it right. Credit Lyonnais Securities, a foreign stock broking company, has put out a report wishing for the company promoted by Baba Ramdev, the yoga guru, to be listed on the stock market.

Stunning facts about Patanjali Ayurved:

- Revenue.
- Discount and profits.
- Ownership.
- Food Park.
- People.
- Distribution.
- Store profits.
- Word of mouth publicity.
- Advertising agency appointed.
- FMCG competition.

Marketing Models

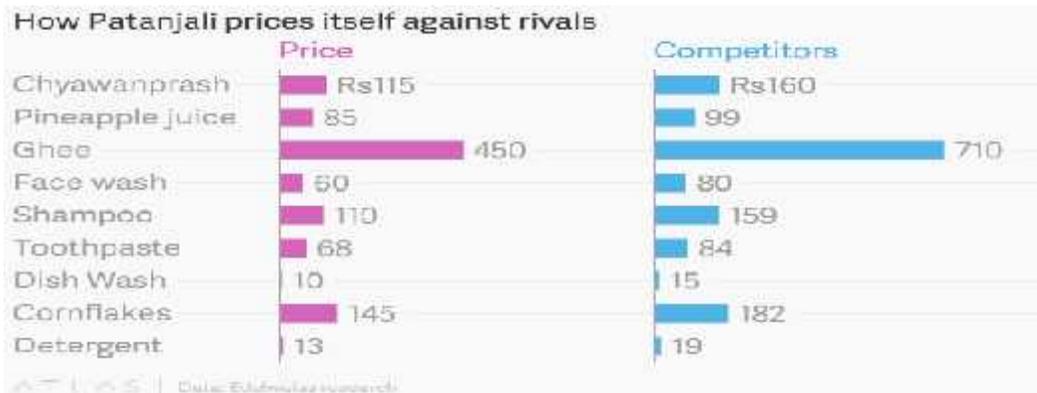
The company today is well enough to vie with Emami Ltd., Marico Industries Ltd., Pepsi Co. and other such global FMCG giants. The most important factor for the high profits is minimum promotion expenses. There is little, very little marketing and never had they put out creative advertisements or huge billboards.





PATANJALI AYURVED Ltd is a company that functions like all other companies under the Rules and Regulations of the Company Law Affairs and several other Laws applicable, yet is constantly striving for nation building more than the profit accumulation. At micro level the challenge is no less herculean. Along with PRANAYAM, the wisdom of our ancient sages, the organic food products and herbal medicines churned out of this unit, trying to undertake the challenges to fight out the dreaded and incurable diseases like CANCER and AIDS. Superior quality of our products at a fair price is not the only concern the we have. Getting our patients rid of their diseases is again too limited a goal for us to seek.

Patanjali Vs Others Price Variation



Food, a breakfast range including cornflakes, healthy noodles, ghee, The company, which is about to launch oats corn flakes, is betting big on ready-to-eat food products, too. Patanjali's vast food range consists of interesting concoctions such as an almond mix, a rose sherbet and a gooseberry juice. They are also working on herbal chocolates, rasgulla, idli and dosa mixes and an energy drink called Powervita to rival Bournvita, expected to roll out shortly.

Patanjali Set to Change the Face of FMCG with Following Factors

Patanjali products are available at lesser cost than other brands at prices that are 15-30% lower than its competitors. As on Dec 2015, if Kellogg's is selling flakes for Rs 91 and Rs 159 (MRP for 250 gm and 475 gm, respectively), Patanjali flakes are available for Rs 85 for 250 gm and Rs 145 for 500 gm. Maggi sells atta noodles for Rs.25, Patanjali offers it for Rs 15. Below image from Economic Times shows the price comparison of various Patanjali products.



The increasing popularity of Ayurveda and naturals is prompting Dabur India also to strengthen its existing range of products like chyawanprash, which contributes 40% to its sales and expand with new offerings like post-natal health tonic dashmularishta and menstrual pain relief tonic ashokarishta, Ramarao Dhamija, Dabur India category head of mother and child care, had earlier told The Times of India.

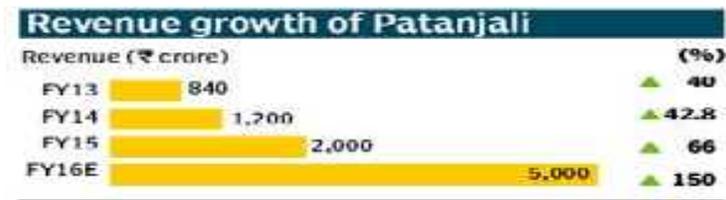
HUL also wants to jump on to the bandwagon, according to its CEO, Sanjeev Mehta. The Indian arm of Anglo-Dutch conglomerate Unilever is planning to bring its Ayush brand back, since Ayurveda and naturals are back in vogue, Mehta told CNBC-TV18. HUL reported a modest growth of 2.7% growth in revenues at Rs 7,981 crore and 22% decline in net profit at Rs 971 crore for the third quarter ended 31 December, 2015, as compared to the corresponding period last fiscal. Patanjali products are making steady inroads into the FMCG space, even as HUL is facing sluggish growth and margins, as reflected in its third quarter results, when volumes grew by just 6% and net profit declined 22%. The Haridwar based Patanjali Group is growing at a faster clip and is projected to reach Rs 1,000crore within 12 to 18 months, said Kishore Biyani, CEO of Future Group that retails Patanjali products through its Big Bazaar outlets, once logistics are fully in place, given that demand outstrips supply.



The demand is much more than the supply of Patanjali products, so supply also needs to be fixed up. However, once everything is fixed up, we can achieve Rs 70-80 crore a month probably in the next 12 months time & quote; Biyani told business news channel CNBC-TV18. We have an understanding that we want to touch close to Rs 1,000 crore by next year. Currently, sales of Patanjali products hover around Rs 30 crore every month. Patanjali was ranked as one of the top 10 brands in India during the second week of 2016 by television audience research firm BARC India.

Revenues Growth

The company targets to achieve revenue of Rs 5,000 - 6,000 crore in FY16 itself. Growth is being driven by the company's largest-selling product, cow's ghee (expected to be Rs 1,200 crore in FY16) followed by Dant Kanti and Kesh Kanti. Patanjali also has a robust pipeline of new products, which will help achieve its target.



Besides Patanjali Noodles, the new launches pipeline includes Dant Kanti Advance, Sugar free Chyawanprash, PowerVita, Seabuck thorn dietary supplement and powdered hair dye. Over FY12-15, Patanjali registered revenue CAGR (compounded annual growth rate) of 64.7%. In FY15, of the total sales of Rs 2,030 crore, food and cosmetics contributed Rs 800 crore each, while healthcare products comprised the balance. While Patanjali Ayurved, which is involved in the manufacturing and trading of FMCG, herbal and ayurvedic products is the flagship company of the Patanjali group, there are at least 40 companies under the name Patanjali in website of ministry of corporate affairs. According to sources, the total turnover of the Patanjali group exceeds Rs 2,000 crore.

Conclusion

Patanjali Ayurved Limited, started in 2007, was started by Acharya Balkrishna, companion of Ramdev Baba with an aim to popularize Ayurveda, the ancient medical science in India. It owns more than 15,000 exclusive outlets that sell healthy and organic consumer products and is into many product categories of personal care and food such as soaps, shampoos, dental care, balms, skin creams, biscuits, ghee, juices, honey, atta, mustard oil, masala, sugar and much more. Starting with few stores and limited distribution, this company today is putting the mighty FMCG players to deliberate on the rapid escalation of the company into India's FMCG market. When the company first introduced the products, hardly any market player took notice, leave alone imagining it as a potential business threat. It was similar to any other very small scale 'organic food maker'. The products entered the scene as 'healthy' substitutes and were offered at cheaper prices.

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