



STRATEGIES THAT UNPAID BRAND AMBASSADOR BABA RAMDEV EMPLOYED TO CREATE BRAND PATANJALI

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ABSTRACT Launching of something new is not as easy as it used to be once. It's not accidental in the contemporary world it is rather incidental. Amidst an extremely competitive market it's not only about calling a press meet and launching a product, there are procedures involved in it. In the thick of some major players and many minor players, Patanjali was launched in the year 2006. Patanjali was headed by an unpaid brand ambassador who never studied marketing and still Patanjali's success is a matter of study for marketeers. This paper is a study on how Baba Ramdev successfully launched Patanjali, the strategies which helped increase market share of Patanjali, the steps taken by Baba Ramdev to create the brand Patanjali and what steps could be taken by the company in order to keep going.

KEYWORDS : Patanjali Ayurved, Baba Ramdev, Marketing Strategies, Content Marketing, etc.

INTRODUCTION

In the year 2006, emerged a company Patanjali Ayurveda which grew multi folds in a very short span of time with revenue of 450 Cr in the Financial Year 2012 and 5000 Cr in the Financial Year 2016. When we look a few years back, the company was nowhere present in the PPTs of competition analysis of the big FMCG players. But the diligent efforts of Baba alone made a big change. The scrupulous and ingenious marketing strategies used by the unpaid brand ambassador Baba Ramdev strikingly increased the visibility of the brand digitally as well as on retail front. This was a clear result of trust and credibility of Baba Ramdev's credentials on Yoga and Ayurveda. Only recently Patanjali ("India's Body Shop" as coined by Forbes) is ranked among the top 10 most influential brands in India.

ABOUT BABA RAMDEV

Ram Kisan Yadav popularly known as Baba Ramdev belongs to the poor district of Haryana Said Alipur turned out to be one of the most influential public figures in India since 2002 and of course a game changer for MNC's. He commanded a singular attention of the Pharmacy industry as he claimed to cure almost all the diseases through Yogasana. He preached the nation every morning in various religious channels. His revolving stomach move is the most famous among the Indians as well as foreigners. As he walked on the road of FMCG, he kept on setting his foot prints with vigorous marketing and set the big players thinking. There are Entrepreneurs, there are good employees and then there are certain people who set us thinking what did just happen and this is the case of Baba Ramdev. Baba holds no equity in business.

OBJECTIVES

- To study Patanjali as a brand
- To analyze the strategies which helped increase market share of Patanjali
- To examine the steps taken by Baba Ramdev to create the brand

PRODUCT CATEGORIES OF PATANJALI



STATEGIES EMPLOYED TO CREATE BRAND PATANJALI

1. CONTENT MARKETING

Content Marketing is the activity wherein we attract the consumers to the product not by assaulting the customers with perpetual ads but by educating them on the domain where the company operates. It is not about harping about the product and expecting the target consumers to not be bored rather it's about educating them. In content marketing the company educates the consumers about the product rather than explain its edge over the other competitors. And this is what Baba Ramdev did. He talked about the way farmers were exploited, the evils of MNC's, the effect of chemical content in the edible oil, effects of fertilizers, the negative impact of cosmetics on human body and so on. He did not push his customers to buy but he created an environment to search for an alternative to avoid all such evils.

2. ADVERTISEMENTS

The elemental ads of Patanjali educated its specific audience hence stimulating sales. Patanjali has candidly targeted the Indian customer through its engaging ads through almost all brand communication mediums. Its strong content marketing approach not only attracted early adopters but also helped retain the old ones. The medium for such content marketing was quite coherent; Baba Ramdev. He preached mass media about the demerits of MNCs along with Yoga in his sessions. The advertisements of Patanjali are a mix of old and new, they are getting grip over young educated as well as oldies. The old generation does not generally believe in the idea of adopting new products or ideas but they showed a keen interest in this brand.

3. DEDICATED STORES

Besides, Patanjali did advent with a strategy of building up of a sizeable consumer base via its dedicated stores while staying available at general stores, grocers and chemists also in the vicinity of the dedicated store. Such dedicated stores contributed to 80% of the total FMCG sales in the year 2013 thereby creating awareness and pull towards the brand. You may also find placards outside many stores stating 'Patanjali products are available here', such stores also attracted customers and hence they had to pile up low margin (top selling) products of Patanjali as well (tooth paste and honey). Such retailers had to stock up the products in order to maintain goodwill amongst the customers.

4. DISTRIBUTION CHANNEL

Patanjali products can be seen right through the local stores to the e-commerce websites today. Patanjali's concept of winning in alternative distribution channels is not new. Few players have adopted a "flanker" strategy to dodge the competition, anchor their position, circumscribe and then strike back in mainstream channels.

Few brands adopted the same strategy for instance, Starbucks' consumer packaged goods (CPG) business. Starbucks leveraged its retail store footprint to build a flourishing CPG business. The intent was to capture a larger share of coffee consumption – reaching consumers whenever they want great coffee.

In the case of Yellow Diamond Wafers, the company targeted a

relatively lesser contested space – smaller mom-and-pop retailers within the intensely competitive wafers market. Yellow Diamond also provided higher margins than competition to ensure a very high shop share with those retailers. In six years, Yellow Diamond grew to ₹700 Crore. Developing an alternative channel strategy can help a company create white-space opportunities and dominate them. This approach is valid both for incumbents as well as new entrants into the FMCG market.

5. BRANDHOUSE

Patanjali enjoys an edge over its competitors due to its Branded House marketing strategy. Unlike foreign players Patanjali promotes its entire product under one single Brand House which has helped them to infuse a sense of trust and loyalty in the customers. Patanjali is able to create a brand perception of health and wellness among the Indian masses, primarily because of Baba Ramdev's association with the brand who is considered to be a veteran of yoga. Hence, more people are getting attracted to Patanjali's products and are re-buying products more frequently. Patanjali is not only attracting price sensitive customers but also brand loyal customers

6. DIGITAL MARKETING

Patanjali appears to be bending the rules of the game in digital, too. It started its digital journey with mobile advertising company Pokkt a year ago. Pokkt worked for rewarded video ads within gaming along with the game integration. In case of rewarded video, Pokkt worked with seven key brands of Patanjali such as Powervita and Energy Bar. This helped Patanjali to provide the brand reach, targeting and engagement. The platform ran nearly 30-35 lakh video impressions per month for Patanjali. In fact, in September, Pokkt ran an in-game integration with one of the Chota Bheem games for Patanjali noodles. It resulted in half-a-million unique users and 10 million unique sessions for the brand.

7. AD INSERTIONS

According to the BARC, Patanjali doubled its weekly ad insertions from 11897 in the first week of January 2016 to 24050 in the week of 25 March. During this period, Baba appeared every 30 seconds on one channel or another which is nearly 234934 times to be exact. Baba's face has become omnipresent and Patanjali Ayurveda became one of the top advertisers of India.

The Haridwar firm, the third largest TV advertiser in 2016, according to Broadcast Audience Research Council of India (BARC India), has ramped up TV advertising by 34% in the first 23 weeks of 2017 against a year ago. While Patanjali is still far behind FMCG behemoths Hindustan Unilever and Procter & Gamble in terms of TV advertising, the gap is narrowing. For instance, P&G had 230994 more ad insertions than Patanjali in first 23 weeks last year compared to 182782 this year. P&G had 755165 this year until June, according to BARC data. Among the top five products which the company has been advertising are its range of products, toothpaste Dant Kanti, soap, aloe-vera gel and herbal washing powder. This is different from last year when they focused more on Atta noodles, biscuit, ghee, honey and toothpaste.

PRODUCTS	INSERTIONS
RANGE OF PRODUCTS	50291
DANT KANTI	39897
SOAP	38608
ALOE-VERA GEL	31961
HERBAL WASHING POWDER	27598

8. USP

Patanjali Ayurveda differentiated its products mainly by its go herbal scheme which set the chemical products aside. It created herbal products of best quality in its breed. They were not the panacea of everything though, but the toothpaste was as good as any other in the market, as were the oils, as were the extracts. Moreover, Patanjali's products satisfy the need, they solve a problem and works almost as it claims and they are not high end products.

9. THE SWADESHI CAMPAIGN

Saffron wearing Baba Ramdev headed towards an informal Swadeshi Campaign. Baba set up Patanjali in Haridwar- a Hindu Pilgrimage. Moreover, during his camps he compared the MNC's with East India Company and consumers got a quick connect. Consumers were induced to think patriotic and started boycotting the Chinese products as well. Moreover, Prime Minister's make in India concept has helped

the brand.

10. LOW PRICE

Since the products of Patanjali were marketed in the mass yoga camps which were conducted for free, consumers were convinced that Baba wasn't here for the sake of money. And the Patanjali products initially priced anywhere between 10%-30% cheaper than peers, Patanjali poses serious challenge to flagship products of many companies. Patanjali uses low cost raw material and works on minimum profit but the way it is scaling the sales, distributors and retailers are willing to work for it. It avoids the middle man and sources directly from farmers. Their administrative cost is only 2% unlike 10% of other companies. Patanjali also uses its profit for investment for the launch of new products, cost effectiveness or further capacity expansion.

PORTER'S FIVE FORCE ANALYSIS

1. Industry Rivalry (High)

The rivalries like HUL, Nestle and Dabur are planning a strong come back in the market by developing distribution channels and changing marketing strategies.

2. Bargaining Power of Buyers (Moderate)

Although buyers are satisfied with the quality and price of Patanjali products, but GST has resulted into price rise and this may affect adversely

3. Bargaining Power of Suppliers (Moderate to High)

Patanjali has nearly 10 Lakh dedicated stores in India and is planning to expand its reach to 20-25 lakh outlets but still it is dependent on the distributors who are selling many low margin Patanjali products. So, suppliers have a good bargaining power here.

4. Threat of New Entrants

Major threat to Patanjali is from the existing players rather than the new ones, like Dabur (Honey), Colgate (for Patanjali Dant Kanti), Himalaya (Personal Care Products)

5. Threat of Substitute Products

On the basis of various product categories there may be few substitute products of Patanjali. Few alternatives to Patanjali products may be Sri Sri Ayurveda, Zandu, Dabur etc.

FUTURE OF PATANJALI

An analysis by IIFL suggests that by FY20, Patanjali will have high market shares in categories such as honey (35%), ayurvedic medicine (35%) and ghee (33%) and will have eight categories with turnover greater than Rs. 10 billion (Rs. 1,000 Crore). Success may be limited in chocolates (4%), detergents (4%) and noodles (4%). Ghee, biscuits and ayurvedic medicine will be the main contributors to Patanjali's turnover," states the report.

The lives of Babas are dicey these days, it is full of mysterious and suspicious stories related to corruption. But Baba Ramdev is influential mainly because he is one person who spent a sum total of ₹500 on his studies and has built an empire ₹10,561 Crore in the financial year ended March 31, 2017. Patanjali is looking at a two-fold jump in sales at over ₹20,000 Crore this financial year as it plans to double its distribution network to 12,000 across the country. However, Baba is walking on the edge of the sword and big MNCs are eyeing on one probable mistake from Baba so as to ruin the success of Patanjali.

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