

Is spirituality one of the basic marketing strategy used by Patanjali?

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Abstract

The marketing through spirituality is one of the hot topics now a day because of the fact that spiritual marketing has great influence on consumer's consumption behaviour. As a result of which spiritual organizations now days have started producing and selling their own products. There are various dimensions of spirituality but in this research paper the focus is on performing prayanam and yoga. One such example is that of Patanjali. Swami Ramdev is one such guru who has been teaching people yoga and prayanam which people found to be very effective. Seeing people's confidence in his teaching he launched various products in various product lines. This paper tries to study the factors behind the success of Patanjali, marketing strategies used by Patanjali and also the SWOT analysis of Patanjali.

Keywords: Patanjali, marketing strategies, SWOT analysis, spiritual marketing, consumption behaviour

Introduction

The word spirituality evolved from the Latin word spiritus, which means breath - the breath of life. The word Yoga has been derived from a Sanskrit word 'yuj', which means to achieve the goal of salvation through physical and mental balance. Yoga not only helps in strengthening body and mind, but it is also a business and results in change of consumption behavior of people. For practicing yoga, people usually choose spiritual guru who provides them continuous guidance therefore, the spiritual gurus have their own importance in India. Millions of people, not only from India but also from foreign countries, are following the spiritual gurus for spiritual enlightenment. These spiritual gurus are not only changing behavior of mass population but also resulting in changing consumption behavior. Marketing through spirituality also deals with change in consumption behavior due to spirituality. Patanjali is one of the biggest example of such kind.

Literature Review

There are various authors who have contributed in the field of spirituality. And the most of the work till now has been done in the field of workplace spirituality (Case and Gosling, 2010)^[3], spirituality in relation to leadership and entrepreneurship. There have been less number of researches in field of spirituality in relation to marketing. One of research was conducted (by Vinod Kumara*, Ankit Jainb, Zillur Rahmana, Akhil Jainc) which showed the greater impact of spirituality.

Research Methodology

The entire research is based on secondary data which has been collected from various journals, books, websites and articles. This study is descriptive in nature. The objectives of this study are-

1. Factors behind the success of patanjali.
2. Marketing strategies and marketing mix of patanjali.
3. SWOT analysis of patanjali.
4. Is spirituality one of the main reasons behind its success?

Case of Patanjali

The Patanjali Ayurved Limited is an Indian FMCG company which has its manufacturing units and headquarters in the industrial area of Haridwar while the registered office is located at Delhi. The founder members of Patanjali Ayurveda Ltd. are Baba Ramdev and Balkrishna. Its motto is "Prakriti ka Ashirwad".

Patanjali Yogpeeth is basically an institution for scientific research and treatment which tries to offers treatments for all. It has world class ambience. It has been spread over 100 acres. A team of approximately 200 qualified doctors have been trained who are attending to approximately 2500 patients daily. No consultation fee is being charged from patients and moreover, medicines are being provided to economically weaker section of society at concessional rates. It has brought about health revolution in India and other countries also like USA, UK, Nepal, Canada etc, with the help of Yoga and Ayurveda. Besides this, it has entered into all FMCG product line offering a range of products at affordable price.

Their unique selling proposition is high quality which they monitor by growing endangered herbs on their own farm lands. This is basically to ensure that the customers get the same high quality irrespective of the place from where it is purchased. Further, the products are environment friendly.

Factors behind the success of brand Patanjali

The main factors that seems to have led to success of patanjali are-

- Its pricing strategy- patanjali has priced its products in most categories at lower margin as compared to its competitors. For instance- *Dabur Honey*: Patanjali Ayurved is providing people with option to buy quality honey at around 30% lesser price than Dabur.
- Being swadeshi- Baba Ramdev has been continuously stressing and focussing on making use of products made in India to which people have responded positively as now they are aware that this is going to boost our economy.
- Use of natural ingredients and Ayurveda is yet another factor.

Marketing Strategy

Marketing strategy refers to the marketing logic by which business units hopes to create value for customers and expects value in return by achieving profitable customer relationships. Guided by the marketing strategy, every company designs a marketing mix consisting of 4 Ps i.e. product, price, place and promotion.

Product – It refers to the good and service combination offered by the company to its customers. As far as Patanjali is concerned, the product strategy used is based on use of natural ingredients and Ayurveda which grabbed the attention of customers at large.

Price - It refers to the amount the customer has to pay to obtain the product. As far as Patanjali is concerned, the pricing strategy is penetrating pricing in order to get ahead of its competitors. In case the product is made up of the ingredients that are natural and domestic, the price is kept low. There is a drop of approximately 25-30 percent of price in almost every product when compared to International Brands which has helped Patanjali reach each and every household in India. One of such example is Dabur Honey: Patanjali Ayurved is providing people with option to buy quality honey at around 30% lesser price than Dabur.

Place - It refers to the activities that make the products and services available to customers. As far as Patanjali is concerned, there are exclusive stores that we can find at each and every location which has eased the reach. Now a days, people can even shop online for Patanjali products. And taking the case of its spread in Nepal- Patanjali has its manufacturing unit in Nepal and moreover, it has been importing herbs from Himalayas in Nepal which had led to good trade relations with Nepal and has further helped Patanjali to spread with ease in Nepal.

Promotion - It refers to the modes that communicates merits of product and then, persuades the customers to buy it. Patanjali has been using the tag line “Prakriti ka Ashirwad”. Moreover, its brand ambassador is Ramdev himself which brought about huge success to the brand Patanjali.

Swot Analysis

It refers to the Strength, Weakness, Opportunities and Threat analysis. Strength and Weakness are internal to the organisation while Opportunities and Threats are external to the organisation.

The SWOT analysis of Patanjali is as follows –

Strengths

- The mounting success of Patanjali can be credited to Baba Ramdev himself as it is highly impossible for a new brand to achieve such success in short span of time. It has been possible only due to the fan following and goodwill of Ramdev ji.
- Sense of Patriotism is yet another strength. Patanjali has always marketed itself as a brand made in India. Further, Patanjali asks customers to buy products of Indian brand rather than International brand as it is going to boost our economy.
- Penetration pricing strategy has been used. Patanjali's products are usually priced at 20-30% lower as compared to competitors. The main reason behind this pricing strategy is elimination of middlemen due to direct sourcing from farmers.

- Wide distribution channel has also become one of the strength. It has over 15000 outlets all over India.
- Promotion strategy initially used by Patanjali was word-of-mouth which didn't let to expenditure on promotion.

Weaknesses

- Patanjali's pricing strategy will not be able to work in long run if the company wants to expand itself as every company needs funds to expand and diversify which is possible through large profit margin.
- The major part of Patanjali's revenue is dependent on its 4-5 products consisting of shampoo and toothpaste. So, the company need to push other products to achieve its target revenue.
- There is lack of experienced management graduates with Patanjali due to which they might face difficulty while expanding nationally and internationally.

Opportunities

- Patanjali has tapped the awareness among consumers about organic products. This awareness has helped boost its sale.
- Patanjali's product portfolio is such that it has great opportunity to expand in rural areas.
- Patanjali also has the opportunity to expand globally due to rising awareness amongst people about yoga and ayurveda.
- Patanjali also has the opportunity to expand in other sectors like clothing again by promoting swadeshi as its main agenda.

Threats

- After the awareness created by Patanjali about organic products, other companies like HUL, P&G etc. have also started entering into this line which poses a great threat.
- Patanjali is heavily dependent on farm and natural ingredients. Poor agricultural reap during a particular season might lead to low production thereby posing a threat.

Conclusion

Spiritual marketing has become a sort of buzz word now a days. It's a new concept which came into limelight recently with the establishment of Patanjali. Patanjali, as a brand has been successful due to few main reasons like- price penetration and dependency on natural ingredients. Although Patanjali has been successful but there are certain threats which should be used to its advantage by Patanjali.

On the basis of various research, it can also be concluded that Ramdev baba is the sole reason for success of Patanjali who led to its success through marketing through spirituality.

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