

Marketing of FMCG Products with Special Reference to Patanjali Ayurveda

Abstract

Marketing Strategies plays a vital role in building up a company's products to be marketed. A marketer of the FMCG Company pursues a wide combination of strategies for the products to be marketed. For example, the company will use wise distribution strategies, design suitable advertising and sales promotion schemes time to time in a competitive market.

Baba Ramdev's Patanjali Ayurveda is right now India's fastest growing FMCG Company and is throwing a stiff competition to global and domestic FMCG majors. Baba Ramdev pitches for swadeshi movement to produce world class product at smart pricing strategy. Patanjali's current business model offers all natural products at a reasonable price. Company's unique branding strategy has helped it gain loyal consumers among Ramdev's followers and those with a yen for Swadeshi products. Brand Patanjali is ruling over social media. No FMCG brands are able to stay in front of Patanjali Products with reference to its prices, the distribution chain or the Promotional strategies. The prime element of Patanjali's products is its efficacy and the fact that Baba Ramdev is promoting the herbal and organic Patanjali products, has proved that celebrity endorsements work if there is a high connect between the endorser and the features of the brand. This paper is an attempt to explore marketing strategies adopted by FMCG companies in India. It also presents a case study of Patanjali Ayurveda wherein a study of their savvy marketing strategies and key success factors have been done.

Keywords- Marketing Strategy, Patanjali Ayurveda, Social Media, Product Efficacy, Smart Pricing, FMCG, Distribution Chain.

Introduction

Fast Moving Consumer Goods (FMCG) sector is one of the fastest developing sectors in the Indian economy. The FMCG Industry is the 4th largest sector in the Indian Economy. The FMCG products are those having a less

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time duration from production to the revenue from the selling of the product. The Fast Moving Consumer Goods (FMCG) Industry in India include segments like glassware, batteries, bulbs, pharmaceuticals, packaged food products, white goods, house care products, plastic goods etc. Some of the FMCG companies are- Hindustan Unilever, AMUL, Dabur etc. The FMCG market is highly concentrated in the urban areas as the rise in the income of the middle-income group is one of the major factors for the growth of the Indian FMCG market.

Marketing Strategies

The Basic Marketing Strategies followed by a FMCG company are as follows:

- **Product:** The first of the Four Ps of marketing is product. A product may be tangible good or an intangible service that fulfills a need or want of customers. Be it the sale of wood products or provide luxury accommodations, one should exactly know what your product is and what makes it unique before you can successfully market it. Physical appearance of the product being sold is also included in this strategy.
- **Price:** After a product offering is established, pricing decisions are made which ultimately has an impact on profit margins, supply, demand and marketing strategy.
- **Promotion:** Promotion looks at the many ways marketing agencies disseminate relevant product information to consumers and differentiate a particular product or service. Advertising, public relations, social media marketing, email marketing, search engine marketing, video marketing etc are a part of Promotion strategy.
- **Place:** Putting the right product, at the right price, at the right place, at the right time is all what is marketing. It is then critical to evaluate what the ideal locations are to convert potential clients into actual clients. Today, the initial place potential clients are engaged and converted is online on the web. The Place factor determines the physical accessibility of the product by the consumers.

In the current scenario, the following are the strategies; the FMCG companies are more focused upon:

1. **Multi Brand strategy:** Multi brand strategy refers to the introduction of various brands in the same category. Through this strategy, a company caters as many segments as possible. For example- Hindustan Unilever offers soaps such as Dove, Lifebuoy, Lux, Liril etc according to the customer segments. Through this strategy the products are offered to the consumers depending upon the category the products they can access to.
2. **Product Flanking:** This refers to offer different combinations of products at different prices to cover as many as market segments as possible. An example of this strategy can be offering Shampoo in a bottle as well as in sachets so that it is in the reach of each and every customer. According to this strategy the products are offered according to the convenience of the customers.

3. **Brand Extensions:** Brand extensions refers to making brand extensions so as to ride on the equity of successful brands. For example- AMUL offers AMUL Ghee, AMUL Butter, AMUL Cheese, AMUL chocolates etc. This strategy basically offers various products of a single brand.
4. **Product Lifecycle Strategy:** Life cycle strategy wherein the companies abandon the old products which have already crossed the declined stage and introduce new products after abandoning the old ones. This is mainly done so as to keep the products of the company updated and according to the changing technology.

For example-The television sets have now been replaced by LCDs and LEDs by the various companies.
5. **Wide Distribution Networks Strategy:** This strategy mainly caters a large number of masses wherein the distribution network is wide. For example- Coca Cola and PepsiCo have their extensive distribution network.

Patanjali Ayurveda

Located in the industrial area of Haridwar, Patanjali Ayurveda was started by Acharya Balkrishna along with Yoga Guru Baba Ramdev in the year 2006. Patanjali Ayurveda's primary focus is on the manufacturing of organic and herbal products. Trying such an approach so as to improve the quality of life of all beings, world over, is the purpose behind Patanjali's being. Getting rid of the pollutants we consume in food in the form of poisonous pesticides and chemical fertilizers that the farmers use. Patanjali provides people, the eatables that are cultivated in organic and natural manures and pest repellents. Ayurvedic medicines along with Pranayam, pure food and natural drinks is a package perhaps the world was waiting for long, for the two saints in the form of Swami Ramdevji and Acharya Balkrishnaji.

Marketing Strategies Adopted By Patanjali Ayurveda

a) The 4P's Of Patanjali

Product

- The Patanjali Products are heterogeneous.
- Products those are free from chemicals.
- Appeals to the Indian belief.
- Pure, Ayurvedic and herbal.

Smart Price

- Most of the Products are cheap as compared to other prices of competitors.
- Low cost of packaging
- Different sizes packet available
- No expenditure on attractive packaging.

Promotion

- Baba Ramdev is himself the sole celebrity involved in the promotion of Patanjali.
- Primarily through Television commercials, Yoga etc.
- Costs are saved on the brand endorsements as no celebrity is involved in the endorsements of the products.

Place Positioning

- The Patanjali Ayurveda has set up Ayurvedic pharmacies for the distribution..
- They have franchises for the same.
- Recently, the Patanjali group has tied-up with Future Group & will enlarge Patanjali's footprint to make it easily available to shoppers. Also has Tie-ups with online retailers like Big Basket.
- Patanjali has positioned their products based on Ayurveda and health which are in the reach of common man.
- Patanjali is positioning the products as Swadeshi.

b) Mass targeting in Yoga Way

Baba Ramdev is primarily known to be a Yoga trainer. He popularized yoga in India through his yoga camps. Recently, the Haryana Government had appointed Baba Ramdev as the brand ambassador of Yoga and Ayurveda for the state of Haryana. He is against FDIs and the flow of money outside the country and always stressed to use the Swadeshi products i.e. Products that are made in the country itself. This automatically urged the Indians of trying something new and different not related to MNCs or big brands. The Patanjali business through the spirituality marketing has grown up very high. The awareness regarding the products is spread through the Yoga camps. And the activity actually has contributed to its grand success. Patanjali products have mainly become popular through word of mouth and word of usage communication. The products are herbal and organic and Patanjali Ayurveda company claims there are no chemicals used in the manufacturing so it strongly appeals to common people specially the older generation.

c) Strong Distribution Network

The tremendous growth in the sales and growth of Patanjali products is deeply supported by the strong distribution network. Having a strong distribution network is the main support or the backbone of the company. Patanjali as compared to other MNCs have proved to be strong and has been able to make its position due to their strong distribution network. The Patanjali group has a strong Distribution Network with a base of nearly 300000 Retailers. Also 1500 Patanjali Chitiksalya have been set up countrywide. Apart from this, the Patanjali group is having more than 3500 Arogya Kendras where the doctors advise the patients about the benefits of using herbal and natural products and medicines.

Hence through the strong distribution network, Patanjali has made a position in the Indian market and they also have a plan to open 1000 mega stores in recent times.

d) Media Role

Initially, Baba Ramdev was known as a Yoga Guru or Yoga trainer in India. He started broadcasting his yoga programs on channels like Aastha. Media has been a strong support to give him fame. Baba Ramdev admits his own role in the rise of Patanjali Ayurveda Limited is just one to 10 percent; the rest of the credit goes to the media and his followers. Media has well supported the brand Patanjali in popularizing the brand.

Findings

- The Internet, Digital marketing and the social media has created buzz marketing of FMCG products.
- The consumers are more cautious of what they put into their bodies and they are also think about what the products they consume are doing to the planet.
- Baba Ramdev, himself being the celebrity endorser has helped the brand Patanjali to grow at a very low expenditure.

Suggestions

- FMCG companies in India should rethink their marketing strategies and focus more on products innovation taking into account all the pervasive competition emerging in present times.
- Patanjali should use online platform to spruce up distribution network and should also work on enhancing its overall distribution coverage. Separate distributorship for Food and Cosmetics as compared to earlier system where one manages both should also be offered.
- Patanjali should take significant steps to professionalize the management and incorporate necessary processes.
- Patanjali should abstain itself from comparative advertising and prevent itself from getting into controversies.

Conclusion

Patanjali Ayurveda Ltd. has posted a record turnover of Rs5000 crores in 2016 and is exhibiting a growth rate of 200% at a fast pace that soon it would be included in the top three FMCGs in the country. It should be noted that it is imperative for FMCG companies in India to bring about changes in their strategies in creating consumer preference by suitably modifying their marketing mix. It is also appreciable to note that the recent trend in FMCG industry of shifting their focus from urban to rural cities and making new marketing strategies and promotional strategies in capturing newer market segments in India.

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