Patanjali: Business Proposition, Strategic and Marketing Plan

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Introduction

In the current scenario, the welfare industry in India is less than 2% of the international market. There is an unprecedented opportunity in the welfare sector because the government focuses especially on this area in the 'Make in India' campaign. The active participation of individuals and services can have a great impact on the global market. The motivation is the extension of consciousness and usability.

It is one of the largest food and herb parks in the world with world-class R & D facilities and machinery. Executives are at the forefront of most consumer categories with FY16 sales targets (around $ 202.2 billion) set at around RMB5.6 billion. The company is working to reduce the gap between the supply chain and distribution as planned to implement the ERP (Improvement of inventory control) and integrate the state online. Strong innovation and new product lines, competitive discounts (15-30%) and proposals from the Ayurvedic nature (Baba Ramdev) make Patanjali Care competitive for you. Superiority However, the deployment is still an important objective of monitoring.

Pressure on sales beyond profitability; online traffic to drive growth Patanjali remains a consumer-centric ideology for Baba Ramdev, despite being a company. So we focus on sales rather than profitability. The company is expected to reach target sales of approximately 50 ~ 60 billion yen in FY16 (20.2 billion per year). A & P spending exceeded 20% to improve cost control (R & D capabilities and new machines) and to reduce the EBITDA margin of fiscal year 2015 due to low profitability. We strengthen our online presence to improve our employability. Patanjali also implements ERP to help with inventory mapping. In the near future, you can use the mobile application to find retail stores and order Patanjali products online.

Three principles essential for growth

Patanjali Ayurved is a company incorporated under the Companies Act (Patanjali Ayurved Limited). Although the company is on high, its work and ideology are not perfect and can be compared to those of a perfect corporate culture. The company focuses on revenue growth rather than profitability. This business philosophy is inspired by the ideology of Swami Ramdev, who has contact with all life through Patanjali. Patanjali works in all areas where he thinks he can help consumers and get better products for a better price. The organization conducts business in accordance with three main principles:
(1) Give consumers world-class products (do not add preservatives or use natural preservatives if possible).

(2) We produce the most economical products at the most reasonable prices.

(3) All profits earned by the company can be invested in the company to make the same investment in launching new products, cost effectiveness or additional capacity expansion.

Patanjali will not launch products that are harmful to the health of consumers and are harmful to the health and lifestyle of people. As a result, companies do not enter into product categories such as tobacco and alcoholic beverages. We intend to open 500-600 branches of Acharyakulam (educational institution) in the future.

**Products are sold through three types of medical centers:**

![Diagram showing products selling through different medical centers]

Patanjali operates various Sewa Kendras to provide free advice and yoga classes and has 5,000 franchise stores. The value proposition and positioning of Patanjali is in a gap where consumers are currently unsure about the benefits of FMCG products. The company generated total revenue without ads by selling products through its unique word-of-mouth advertising (free yoga class).

**Patanjali Food and Herbal Park: one of the largest facilities in the world**

Patanjali Food and Herbal Park is one of the largest food parks in the world with more than 150 hectares. The park was completed in 10 months and has been in operation for more than five years (completed in February 2009 and scheduled to operate in January 2010). Patanjali has three production units in Haridwar. The production of unit 3 is divided into three parts: (1) food, (2) cosmetics; (3) Fire extinguisher and RTS. Ghee and Ayurvedic medicines are manufactured in two different production units.

Patanjali produces 90% internal manufacturing. However, to meet demand and improve production capacity, third-party production or new equipment can be adapted. The company has a waste-free technology to handle the rest of the material even more. The park employs almost 10,000 people (inside and outside the city within a radius of 25 km). The robust R & D guarantees the quality and development of new
products. During the visit to the factory we visited the R & D facilities of Patanjali with the latest equipment for product testing. The company has a separate R & D department for each production unit for which the manufactured product is being tested. The company also installed a central R & D facility within the park. This installation guarantees that the products comply with high quality standards and carry out R & D for the development of new products.

Organizational culture: building blocks

Although Patanjali is not considered a perfect company, the company takes important steps to specialized activities and integrates necessary processes and technologies into its corporate culture.

Many professionals have chosen to work with their chosen employer to work independently with the company. During the visit and interaction, we met many professionals with experience and experience managing departments in companies such as Dabur, Shehnaz Hussain, SGH Labs and Alkem Laboratories. Patanjali currently announces several features. The company works with all major employers, such as naukri.com and linkedin, to get the best talent in the industry.

During the process, it switches to operating systems based on KRA and defines processes and internal control systems. SAP has already been implemented to automate most processes. The company is currently implementing ERP. The organizational culture is very friendly because employees usually participate in many training and development programs. We are involved in professional counseling and tutoring.

Patanjali has a separate team to develop new products. Companies can get scores for the speed and frequency of new product launches. The powerful R & D department quickly produced new products and reduced costs. For example, Patanjali published a Maggi number on a brand of instant noodles and was ready to record his snapshot in 3 months. This product has been sent for approval and is expected to be released within a month (I had the opportunity to try the product and I really liked it). The company has a robust and innovative product line for new products and will soon be available in the R & D stage, and some will be made public.

Powerful and innovative pipeline for new products

Patanjali has a new and powerful portfolio of products. The products are innovative and affordable. The separation of the state-of-the-art R & D center from the new department will help build the line after launching the new series for several months. The new release version includes Patanjali Noodles, Dant Kanti Advance, Sugar Chyawanprash, PowerVita, Seabuck eye supplements and powdered dyes.

Power to think

In FY12-15, Patanjali achieved annual average sales of 64.7%. The company has an aggressive plan to present all categories of consumers (excluding categories that affect lifestyle and health). Many consumer goods companies are paying attention today
(with the exception of Ghee, which is expected to reach $12 billion in 2012 in the long term). Exceptional distribution can be a serious threat to the competition. The aggressive development of Patanjali’s innovation was crucial for growth. Other consumer goods companies should reinforce innovation in competitive centers and in Ayurveda (especially when the distribution force is useful).

**Regulatory framework**

Indian Medical Systems (ISM) such as Ayurveda, Homeopathy, Siddha, Unani, Yoga and Naturopathy provide guaranteed government budget and stimulus support. Since Patanjali operates under AYUSH, the regulatory framework of the government is as follows:

1. Conservation of intellectual property rights: a wealth of knowledge about the formulation and medicinal use of plants that can be obtained from ancient Indian languages attracts foreign attention. Patents that claim innovation are already available in the public domain and can not be patented.

2. Central Health and Family Welfare Council (1999): at least one Indian medical and homeopathic system doctor (ISM & H) must be available in all primary care centers and be vacant if there is no homeopathic physician. It was written by an ISM & H doctor.

3. The Medicines Central Committee Act of India (1970) and the Homeopathic Medicines Council Act (1973): 5.5 years of postgraduate education and 3 years of postgraduate qualification. Also ensure appropriate clinical exposure and internships for students.

**Fig. 1:** The 3 Vital Principles That Drive Patanjali’s Business.

**SUBSIDIES AND BENEFITS**

1. The Ministry of AYUSH (Ayurvedic, Yoga, Naturopathy, Unani, Siddha and Homeopathy) has received Rs.1214 crore in budget 2015-2016. Government’s intent to foster growth in this sector is very well evident. The areas to be covered in subsidising the sector are:

2. Developing the AYUSH educational Institutes and enforcing extensive quality control practices in the sector.
3. Focussing on Information, Education and Communication by creating awareness through “Arogya Fairs”, exhibitions and also multimedia and print media campaigns.


5. The Centre of Excellence establishment supporting innovation at public and private Institutions.

6. Implementation of Central Sector Grant-in Aid Scheme for promotion of AYUSH Intervention. 3 years for implementation with maximum Rs1.50 crore provided to the grantees organization.

Patanjali receives subsidy as part of “Mega Food Park” scheme which is aimed at rising the processing of perishables in the country from existing 6% to 20% building share from 1.5% to 3% in global food trade by year 2015.

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<tr>
<th>Product Catalogue</th>
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<td>Grocery and Staples</td>
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<td>Edible Oil &amp; Ghee</td>
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<td>Flour / Atta</td>
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<td>Staples / Spices</td>
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<td>Ready Food</td>
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<td>Snacks &amp; Breakfast</td>
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<td>Personal Care</td>
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<td>Body Care</td>
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<td>Hair Care</td>
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<td>Soaps &amp; Hand wash</td>
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<td>Oral Care</td>
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<tr>
<td>Make up</td>
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<tr>
<td>Shaving and Grooming</td>
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<td>Health Care</td>
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Target sales growth of more than 250% of FY16. Patanjali has exceeded EBITDA margin of 2-20% in dollars for fiscal year FY15 income month 20.3 lakh. The company aims for a turnover of Rs 5-60 billion in FY16 itself. Subscriptions (Expected $ 120 million in FY16) the best selling product of the cow ghee of the company Dant Kanti and Kesh Kanti has grown happens along the back. Patanjali also has a powerful pipeline with new products to help you achieve your goals.

Patanjali operates through three divisions food, food (supplements, dairy products, fruit juices, etc.), cosmetics (shampoo, soap, sink), household cleaning products (dishwashing cake, powder, liquids), etc. Ayurveda products (health care products such as blood pressure, skin diseases, joint pain). In FY15 a total turnover of 20.3 billion won food and cosmetics sales of 8 billion won, respectively, it has achieved a balanced health care products. The company has sufficient capacity to achieve a sales target of Rs. 5-6 billion in FY16.

Some of the essential elements of the plan are:

1. Provide infrastructure for pre-based food processing
2. Value Added Assurance for agricultural products
3. Create a sustainable supply chain for raw materials
4. Introduction of the latest technology
5. Resource pooling for activities that supplement food processing
6. Quality assurance through process control, capacity building and optimization

Patanjali is expected to receive government subsidies for the growth of the AAYUSH sector.

Proposed variety

Rs reach. The revenue of 10,000 cents is the prospect of Patanjali Ayurveda by supplying high-quality services and various product lines. You have to choose different products and a geographical range. The costs and risks associated with doing business depend heavily on political stability and the economic development of foreign markets. It also requires significant resources to enter the market. Given these two factors, Patanjali should use the Asian markets in developing countries and developing countries for its products. In the beginning you have to export your products without significant costs. Implement the strategy to become familiar with the market slowly by building an empirical curve of product success. Modes can change joint ventures in the long term depending on their success. Standardization of product components is also essential by locating packaging for business prosperity.

An important part of the wellness of yoga and naturopathy is the main activity of Patanjali. We want to become a developed country with services that provide general health and physical fitness. In order to expand this market, recommendations from
joint ventures are the most appropriate and Patanjali does not lose its core competencies.

Implementation strategy

Brands must build and apply a rigorous implementation framework to address various aspects of development.

1. First, learn and promote the tradition of Ayurvedic medicine and the formula of oriental medicine for the research and development of rubber. Since the components of the product must be constant, standardization on this platform must be encouraged.
2. Training of personnel in production units and service centers. The production unit must have experts in high quality products. Service centers (yoga centers, Ayurvedic spas (Ayurvedic), studios, etc.). You must have qualified professionals to assist you.
3. Identify issues related to export by identifying the target markets and the segments of those markets. Simplification of sustainable packaging and export processes.
4. Establish authorization and quality control authority for the product before export. Safety measures must be taken during production and packaging.
5. To operate the company without problems, it is necessary to register with several regulatory authorities at home and abroad.
6. The protection of intellectual property is important for products and services that are exported abroad.
7. Improve the infrastructure by introducing new technologies to produce expenses, equipment and services for the plants.
8. Acquisition of products and medicines ISO 9000 has been certified for export in a large international market.
9. Establish a new center in the northeast. We carry out R & D and infrastructure in areas rich in flora and fauna with Ayurveda meaning.
10. Work with the restaurant industry to improve medical tourism.
11. Maximize all perceptions using a promotional mix. It's word of mouth now.

Lower and effective ads can help lower prices.

Patanjali Ayurved has low advertising costs, so you can reduce your advertising costs appropriately and there is a lot of room for cost savings. The company advertises in a limited way, such as news counters, local newspapers and some digital ads, but can also launch other forms of advertising. Patanjali has adopted a unique advertising based on information. For example, Patanjali Ghee emphasizes the variety of varieties it sells. In the past, print ads increased significantly.

For the consumer Babaram Dev continues with the face of Patanjali and its products. Baba Ramdev offers products from Patanjali. Inform participants about the benefits of using Patanjali products after the session ends. It is expected that the number of people who contacted Baba Ramdev through yoga camps will increase to 200 million, to 70 million. This highlights the potential reach that the Patanjali brand can have.
without many regular announcements. It also helps Baba Ramdev to create a better perception of Ayurvedic products for consumers. Patanjali products are healthy.

**Online platform to decorate the distribution network**

- Many people complain that Patanjali’s weak distribution system is difficult to buy or buy anywhere. To alleviate these concerns, the company announced an aggressive plan to improve its presence on the online platform.

- If the product is currently sold through the website www.patanjaliayurved.net and the value of the order exceeds INR499, the consumer can request the product and send it free of charge. Other companies like bigbasket.com did not because they sell Patanjali products online. SAP is already implementing ERP to improve inventory management (SAP is already implemented). Patanjali will also launch a mobile application that will locate nearby stores that sell Patanjali products and facilitate online ordering of products.

- Patanjali also sells products through Patanjali Chikitsalayas (a free medical consultation provided by health professionals), Patanjali Arogya Kendras (health and wellness center) and Swadeshi Kendras (regular distributor). Chikitshalyas and Arogya Kendras have around 20 million stores and 10,000 franchise models. We have 100 retailers and wholesalers of supermarkets and retailers (500-600 sales teams) that will be reinforced in the future. Currently, the company has no plans to have an immediate scope.

- In addition to its online presence, Patanjali is taking steps to strengthen its overall presence in the retail sector. The company invited applications for distributors of its products. Patanjali offers a separate distributor for food and cosmetics compared to distributors who manage older systems due to the high demand for their products. In addition, the company offers resellers that represent confidence in the growth trajectory and demand for products at the district, tehsil and mandi levels.

**IMPACT ON GOVERNMENT SUPPORT**

To improve the viability and competitiveness of Kendra, it is important to emphasize financial incentives and tax benefits, such as 10% interest in 2 to 4% of the national health budget, Offer

1. The right to restore the sector due to the effects of medicinal plants, production and export products that are produced in this field.
2. Obtain cooperation from the Ministry of Culture, such as CII, ASSOCHAM and FICCI.
3. The government adopted new legislation on dietary supplements and nutritional supplements. Permission is required.
Possible problem

The company may encounter problems in the future. Some of the problems you may encounter include:

1. To overcome sectoral limitations, a good education and a skilled workforce are required.
2. Promote products in international markets as a result of commercial channels in unstructured foreign markets.
3. Decisions on the degree of location are not clear, so much research is needed in several markets.
4. With growth, the importance of IT knowledge, trust, access to capital, research and innovation is urgently needed.
5. ISM & H manufactures pharmaceutical products that use a wide range of vegetable raw materials. Although 8000 plants have medicinal properties, only about 500 species are commonly used. Therefore, the development of resources is inappropriate.

Direct foreign investment method

92% of the company's shares are owned by Balakrishnan and 8% are owned by the minority in the United Kingdom. Choosing a joint venture is an FDI approach with a limited liability company. Foreign response organizations must invest capital in infrastructure and machinery. Patanjali’s operations should also encourage investment using technology to improve skills.

Patanjali in the host country must use a channel of trusted partners for distribution, promotion and final sale. Partner companies are responsible for promoting product sales to form localized brand assets (international attractiveness) and brand assets.

This alliance also allows you to make a promotional combination of pricing strategies and products and services at the time of launch. Eventually there will be a brand introduction that will improve over time.
Patanjali is studying kitchen concepts to launch products that will touch all categories of SKUs used in Indian kitchens. For example, the company already has products that are used in Indian kitchens, such as dishwashing bars, butter oil, rice (3 varieties of rice), legumes, spices, mustard oil, flour and madharam (instead of zigzag sugar). Patanjali under the brand name.

**Competitive price with attractive price and natural positioning**

Patanjali’s core competencies are in pricing, except for exceptional product quality. The company's products are 15-30% cheaper than competitive prices, making it an attractive proposition for consumers. A & P expenditures are negligible. The A & P expenses in relation to A & P expenditures can vary from 12% to 18% of sales, so you can usually offer discounts.

Another reason for the discount is to sell products of the highest quality at an attractive price with the consumer-oriented ideology of an organization. There may be products that cause a loss to the business portfolio or generate low margins, but they continue to sell this product to meet the needs of the consumer.
### Product Name | Qty | Patanjali Products Prices | Comparable Price | Comparable Company | Discount |
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<tr>
<td>Special Chyawanprash</td>
<td>500 gm</td>
<td>115</td>
<td>160</td>
<td>Dabur Chyawanprash</td>
<td>28.10%</td>
</tr>
<tr>
<td>Pineapple Juice</td>
<td>1 Ltr</td>
<td>85</td>
<td>99</td>
<td>Dabur Real Juice</td>
<td>14.10%</td>
</tr>
<tr>
<td>Cow Ghee</td>
<td>1 Ltr</td>
<td>450</td>
<td>710</td>
<td>Parsi dairy farm Cow ghee pure</td>
<td>36.60%</td>
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<tr>
<td>Honey</td>
<td>500 gm</td>
<td>135</td>
<td>199</td>
<td>Dabur Honey</td>
<td>32.20%</td>
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<tr>
<td>Patanjali Saundraya Face Wash</td>
<td>60 gm</td>
<td>60</td>
<td>80</td>
<td>Pears Face Wash</td>
<td>25.00%</td>
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<tr>
<td>Patanjali Kesh Kanti Anti Dandruff Shampoo</td>
<td>200 gm</td>
<td>110</td>
<td>159</td>
<td>Head &amp; Sholders Anti Dandruff Shampoo</td>
<td>30.70%</td>
</tr>
<tr>
<td>Patanjali Dant Kanti (Tooth Paste)</td>
<td>200 gm</td>
<td>68</td>
<td>84</td>
<td>Pepsodent Germicheck</td>
<td>19.00%</td>
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<tr>
<td>Patanjali Kanti Neem Bathing Soap</td>
<td>75 gm</td>
<td>15</td>
<td>24</td>
<td>Himalaya Neem &amp; Turmeric</td>
<td>37.50%</td>
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<tr>
<td>Patanjali Super Dish Wash Bar</td>
<td>175 gm</td>
<td>10</td>
<td>15</td>
<td>VIM Dish was Bar</td>
<td>32.80%</td>
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<tr>
<td>Patanjali Corn Flakes Mix</td>
<td>500 gm</td>
<td>145</td>
<td>182</td>
<td>Kelloggs Corn Flakes Original</td>
<td>20.20%</td>
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<tr>
<td>Patanjali Detergent Powder Popular</td>
<td>250 gm</td>
<td>13</td>
<td>19</td>
<td>RIN Detergent Powder</td>
<td>31.60%</td>
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### SOON NEW PRODUCTS:
- Patanjali Noodles (compete with instant noodles such as Nestle and ITC).
- Dant Kanti Advance (already three varieties of toothpaste from Dant Kanti - Regular, with medication and junior).
- PowerVita (all health and beverage companies (Mondelez, GSK Consumer) - this product consists of Ayurvedic ingredients such as Brahmi).
- Sugar Free Chyawanprash (competition with chyawan prawn manufacturers such as Dybur and Emami).
- DRDO (created under a technology sharing agreement with DRDO) (used by army personnel as a power source on difficult terrain). This product will be rich in all the nutrients you need and will be delivered to citizens.)
- Powder color (the company has a separate device called Coloroma, which produces herbal pigments and dyes).
- Divyapay in a dip-dip format (a health drink similar to tea).
• Children's range (the company will release baby oil, talcum powder, baby soap, shampoo, etc. from Patanjali).

**Products in the R & D phase**

• Buttermilk in powder form. Oats and oats
• Chikori coffee (coffee without caffeine)
• Weight gain and loss products
• Madhuram - ginger and rose flavor

**References**


