The Rise of Patanjali

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Abstract

This case is designed to highlight the marketing strategies adopted by a new entrant in the fast-moving consumer goods (FMCG) sector. The importance of brand architecture in building brand relevance in this competitive environment and enhancing customer loyalty has been put forth as illustrated by the experts. The synchronization of branding strategies and marketing communications in terms of establishing a customer connect purely on the basis of nationalism, price, and natural preparations have been highlighted from the perspective of Patanjali's growth strategy. The brand has been envied by all the big players of the sector for proving itself as the major disruptor being portrayed in terms of its voluminous sales and ever-rising revenues.

This case on Patanjali offers an insight into the strategies followed by a new company to position the brand at the right time and acquire a substantial market share. It also highlights the facts that exceptional competitiveness in distribution strategies may not be the only determinant for effective management of distribution strategies, and the road ahead needs to be rightly sorted out.

This case also tries to unlock the path that determines the success the brand Patanjali has achieved which otherwise took decades for Nestle, Proctor & Gamble, ITC, or Unilever to achieve.

Keywords

Patanjali Ayurveda Limited, FMCG, marketing mix, AIDA, branded house strategy

Mr. Ramachandra: My personal experience about the products from Patanjali carry a stamp of 'Healthy Offering and Quality Assurance'! I think I am not biased in favour of an Indian MNC. The biscuits, the juices, the soaps, shampoos etc., are of the same quality if not superior to the products of other MNCs. Like it or not Patanjali has dared to dream big and has made a good ground by achieving it as well.

Ms. Rajalakshmi: Glad to see another Indian company challenging videshi MNCs. I agree with you on that point.

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Mr. Param: Agreed, no doubt, however, in the context of the Maggi controversy containing lead beyond permissible limits and the bread controversy which involved major brands containing cancer causing agents, raises the question of the motives behind the released data because these controversies surfaced after Patanjali entered the markets and whether this exposure is really for the safety of the citizens or could there be any ulterior motive given the fact that this multi-billion dollar brand enjoys a huge patronage of the Central Government. Good or Bad - time will tell.

Mr. Ramachandra: The criticism is fair but how Patanjali responds to it remains to be seen?

Ms. Rajalakshmi: But what is 'ayurvedic' about noodles, cornflakes and biscuits, coming off the assembly lines of a factory which imitate large MNC brands with just 'whole wheat' as the health proposition? Or about detergents and floor-cleaners set up in direct competition with MNC brands? And do the claims of 'anti-bacterial neem and lemon' go beyond added fragrance? It is these mixed signals and confusion that is worrying. Also, the logistics doesn't seem to be in place.

Mr. Param: Y.es, not to forget the fact that FSSAI has not yet certified most of the Patanjali brand of products. I would rather suggest stringent background checks on the third-party suppliers as well because the authenticity of any product including those belonging to the personal care category needs to be assessed on many traits and especially the ayurvedic products need to adhere to the government regulations.

Ms. Rajalakshmi: The intention appears to be noble but he seems to be in a hurry by releasing so many products all at once, it should not leave him huffing and puffing midway. Personally, I am not sure whether to believe in the brand which has reached its pinnacle in a very short period of time or the other way round. It seems like soon he will be going public with listing in the NSE.

Mr. Ramachandra: As it is a home venture, I feel we should all be proud about, I wish him all success in the days to come and hope to hear more about the brand Patanjali's success in the future.

Introduction

In a progressive country like India with predominantly dynamic consumer markets driven by cutthroat competition and consumers being spoilt for choice, the name "Patanjali" is synonymous with defining "Ayurveda" taking the retail plunge.[1] Baba Ramdev, who has been accorded a status not less than that of a celebrity, has been the endorser of this ubiquitous desi brand "Patanjali." This billionaire ascetic yoga evangelist, the protagonist of this case study, asserts that Patanjali's new business policy, "Prosperity for Charity" with an aim toward charity along with its highly emphasized network marketing and a hybrid business model driven by increasing consumer demand, wider reach, unique product range, and its price competitiveness coupled with aggressive marketing strategies has resulted in its unexpected sales figures which has made its competitors do "kapalbhati." He states that Patanjali belongs to more than a billion Indians, where the entire Indian sub-continent can associate with and the whole world can fit in the Indian Ayurveda link through this native Indian brand.

The beginning of the second decade of the new millennium, specifically the later quadrants of 2014 saw "Patanjali" having a unique appeal with most of the Indians who prefer to consume anything "healthy," "organic," or "herbal." Patanjali Ayurveda Ltd (PAL), still in its infancy in the fast-moving consumer goods (FMCG) market, has challenged the bigwigs and has leaped forward to excel as the third major contender by occupying the position of the third-largest FMCG company in India (Rai, 2015). Baba Ramdev's cult figure status has made the brand Patanjali a strong contender in the FMCG sector mainly because of its branded house marketing strategy. In the toothpaste sector, "Dant Kanti" has created a big cavity for the existing top players like Colgate and Pepsodent and the same can be attributed in the case of soaps and detergent powder as well. "Powervita" from the stables of Patanjali has given a severe jolt to GSK Consumer's Horlicks, Mondelez's Bournvita and Heinz's Complan along with being a major competitor to domestic bigwigs like Dabur's Honey and Chyawanprash, Nestle's Maggi noodles, Emami's fairness cream, and a host of competitor products from Hindustan Unilever Ltd (HUL), Indian Tobacco Company (ITC), and Godrej. March 2016 saw PAL's revenue grow nearly tenfold to rise up to 758 million USD which got India its new billionaire, Acharya Balkrishna. He owns 98.5 percent of PAL with an estimated wealth of 2.5 billion USD. Acharya Balkrishna oversees the research and development division of PAL (Gupta, Himan, & Ramadoss, 2016).

Current Scenario of the FMCG Sector

The FMCG sector is one of the largest sectors in India that has always been the bedrock of talent to all other industries. The Indian FMCG sector has grown at an annual average of about 11 percent over the last decade and is expected to increase at a compound annual growth rate (CAGR) of 14.7 percent to touch US$110.4 billion during 2012–2020. The rural FMCG market is anticipated to increase at a CAGR of 17.7 percent to reach US$100 billion during 2012–2025 (IBEF, 2017).

The items in this category include all consumables (other than groceries/pulses) people buy at regular intervals which include toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, household accessories, and further extends to certain electronic goods as well (Purohit, 2016). According to the study conducted by AC Nielsen, 38 of the top 100 brands are owned by Indian companies. The top ten Indian FMCG brands are HUL, ITC, Nestlé India, AMUL, Dabur India, Asian Paints (India), Cadbury India, Britannia Industries, Procter & Gamble—Hygiene and Health Care, and Marico Industries. Food products are the leading segment, accounting for 43 percent of the overall market. Personal care (22%) and fabric care (12%) come next in terms of market share. The rural areas are also expected to be the major drivers for this sector which saw an increase of 16 percent as against 12 percent in the urban areas with the Government of India being instrumental in enhancing the rural purchasing power which is indicative of a high degree of brand awareness, increase in the brand penetration, and a widespread scope for growth in rural markets (Nielsen, 2014).

In this context, HUL has had the privilege of becoming the market leader by capturing the Indian FMCG markets with a whopping 35 top-ranking consumer brands across 20 diverse product categories which translates to two out of every three Indians using HUL products, indicating that its brands are a part of their daily life (Agarwal, 2016).

According to a recent report by Goldman Sachs, it says that India's consumption model will be shaped by the growing awareness, easier access, and changing lifestyles of the urban mass which comprises of 440 million millennias and Gen Z. The key driver of India's consumption story in the coming 5–10 years could be attributed to the different income segments of Indians and their varied spending attitudes. The Government of India's policies and regulatory frameworks such as relaxation of license rules and approval of 51 percent foreign direct investment (FDI) in multi-brand and 100 percent in single-brand retail are some of the key growth drivers for the FMCG market which would be one of the world's most persuasive growth stories in the next 20 years (Goldman Sachs, 2016).

Patanjali Ayurveda Limited

PAL, an Indian FMCG company, is a business miracle of sorts with a mission to make India an ideal place for the growth and development of Ayurveda and anything natural for the rest of the world. It was started by Baba Ramdev and Acharya Balkrishna as a small pharmacy in Haridwar in 1997. In 2006, PAL was established as a private limited company and subsequently converted into a public limited company in 2007, with an objective of establishing the science of Ayurveda in accordance and coordination with the latest technology and ancient wisdom. It is a registered company under the Company's Act, 1956, having its registered office in New Delhi and its headquarters and manufacturing units located in Haridwar, Uttarakhand (ibid., p. 3).

The idea behind the birth of PAL was to "link the rising destiny of millions of rural masses on the one hand and many more suffering and leading unhealthy urban life style on the other" indicating that the company was determined to manufacture products that benefit mankind, which in the process was acknowledged by the consumers globally making it a leading manufacturer of Indian-made consumer goods. Every day, some 300 trucks roll out of a 150-acre manufacturing complex on the outskirts of Haridwar, one of India's holiest cities. This is the biggest plant of PAL, which supplies roughly 60 percent of its output which includes a huge number of cartons of juices and herbal candies, toothpastes and soaps, flour and spices, and an assortment of herbal medicines which are very popular within the country as well as across the borders in curing apparently all types of illnesses like headaches, arthritis, asthma, and high LDL cholesterol (Maheshwari, 2016).

Taking Control

In India, trust and faith still form an engaging proposition than science and logic which made the path easier for Baba Ramdev to seize the opportunity with the slogan "Prakriti ka Ashirwad." This young brand with a focus on "Swadeshi" positioning and underlining their products with phrases "natural and pure" went past the eight-decade old brand Colgate by reporting a revenue of around 750 million USD for the last financial year (ibid., p. 3). The "Satvic" brand endorser has been working diligently toward bringing in a revolutionary change in the FMCG markets by employing branding and marketing strategies which foretells that PAL will overtake the established decades-old brands like Nestle and Proctor & Gamble by doubling its revenues to 1.5 billion USD and will slowly inch its way toward the second position next only to Unilever in India.

PAL epitomizes all natural products which are synonymous with Ayurveda and Indian values and has a wide variety of products in the much sought after categories like food, cosmetics, and ayurvedic medicinal preparations. This Indian native brand can be aptly termed as a disruptor (Somvanshi, 2016) in the Indian FMCG scenario which can be attributed to their vision that states that their dedication, scientific approach, astute planning, and realism are all geared up to serve people by bringing the blessings of nature through Yoga and Ayurveda into their lives. According to Forbes (Forbes, 2016), Patanjali has been depicted as India's Body Shop which has taken over the markets with a storm, posing a real threat to the existing market leaders like Colgate, Unilever, Nestle, and GlaxoSmithKline.

PAL had made a huge landfall in FMCG sector and many other lines of food products along with beverages, healthcare and medicines, personal care products, and cleaning agents. For any FMCG company, advertising and promotions typically account for 12–20 percent of revenue expenditure, but this was significantly taken care of by Baba Ramdev's branded house strategy. During the introduction stage, PAL followed a unique word-of-mouth publicity model, and the brand loyalty of its customers proved successful for the company which eventually helped them save on marketing and advertising costs as well. The growth of Patanjali (see Table 1) to register a profit of more than 27.9 million USD, which is nearly a 103 percent raise from the previous value, between 2012–2013 and 2013–2014 is beyond expectations. The business model of this brand has brought in a tectonic shift in the FMCG sector and puts forth revenue targets that are four times their last reported sales. These growth trends deserve to be applauded for breaking in to the heavily guarded bastions of FMCG which can be solely attributed to the towering brand image of Yoga Guru Baba Ramdev (Youth Ki Awaaz, 2016). He embraced every available opportunity to engage the customers who were more concerned with healthy living and in the process built an empire comparable to some of the prominent mid-sized FMCG companies in India that brought Patanjali close to the ranks of FMCG companies like Emami and Marico.

Fighting the Odds

Baba Ramdev sensed the Indian consumers' temperament toward price sensitivity and their penchant for culturally rooted products. To cater to this, he developed a unique model for PAL which embraced unique branding and affordable pricing attributes that shaped its end-to-end business strategy (Bhasin, 2017a). The ayurveda division of Patanjali is the star performer with products like Desi Ghee, Dant Kanti toothpaste, Kesh Kanti shampoo, herbal bath soap and Patanjali Honey being the star performers for the brand. Patanjali ghee is the largest selling product of the company. Patanjali claims that its shampoo has a 15 percent market share, toothpaste 14 percent, face wash 15 percent, dishwash 35 percent, and honey 50 percent. The snapshot of the marketing mix of PAL seems to be very unique, and it may be detailed as the promise of delivering a product with the use of genuine and natural ingredients in sufficient quantities. The outcome results in a brand experience which convinces the consumer of the authenticity and goodness of the product indicating that the promise is delivered. The price is 15–30 percent lower than the competitor brands. The use of alternate media (online), word-of-mouth publicity, Baba Ramdev himself acting as a public relations officer, yoga events, and real time digital marketing, and the use of multiple distribution channels helped to build the brand. The product portfolio of PAL includes nutrition and supplements, grocery and staples, ready food, beverages, personal care, healthcare, household-related products, and so on (see Table 2).

The flagship products of Patanjali like honey, toothpaste, and noodles, to name a few, have already forced competitors to bring their prices down in order to save their presence in the market. Ghee made from cow's milk is their cash cow and the market reports say that more than US$300 million of the US$751 million approximately valued top line comes from this single product (ibid., p. 3). It is here that the shrewd marketing strategies of PAL come into play, and the product is in fact sold at a premium to the other organized sector players.

The use of natural products and penetrative pricing strategy is yet another contributing factor for making the brand fiercely competitive in the market and a genuine reason for its extensive reach across every nook and corner of India (Pandey & Sah, 2016). Baba Ramdev has a well-established trade relation with Nepal which is home to PAL's manufacturing unit as well as a sourcing hub for its herbs which it imports from the Himalayas in Nepal.[2] PAL products are available at an attractive discount as compared to their competitor brands because it sources products directly from farmers and cuts on middlemen to boost profits, thereby deriving a cost advantage and passing it on to the consumers at a lesser price. Currently, PAL is making 20 percent operating profit which is higher than the industry average.

Patanjali Ayurveda Limited on Track

The promotional strategies stressed on the traditional way of lifestyle with an incorporation of modern marketing techniques, stressing on a content that engages the audience through e-commerce as well as offline channels increasing their penetration even further which otherwise would have been an expensive proposition to handle for a native company like Patanjali. The brand strategy of simple packaging that stresses on natural looks with a message to promote health through ayurveda is their way of effective promotion which in fact has attracted the consumers to buy the product (ibid., p. 3).

According to Nielsen, the health and wellness segment grew by 6 percent in 2014 and is worth ₹330 billion. The recent trends also indicate that people have become more health conscious, which is evident from the fact that major investments of the FMCG companies are seen in organic and ayurvedic product lines (ibid., p. 4). The globally acclaimed brand ambassador of PAL, Yoga Guru Baba Ramdev capitalized on this changing consumer behavior by contributing to people's life through Yoga which in a way made it possible for the brand to fortify its distribution channel and move on to capture a sizeable market share with its ayurvedic product line.[3] Patanjali Chikitsalayas, the health and wellness centers like Patanjali Arogya Kendras, non-medicine outlets like Swadeshi Kendras, along with well-known retail chains, general retail stores, and a huge number of exclusive retail outlets exceeding 15,000 in number across India constitute PAL's distribution channels. PAL embraced real-time digital marketing strategies. Their entire range of products are on display at their .net site and their .org site is their corporate website (Giri, 2017) which defines their mission statement, company's philosophy, and so on. Baba Ramdev with his digital presence felt across the various digital media has more than 100,000 followers on twitter and more than 5.7 million likes on his Facebook page. In addition, the weakness of the West for yoga and herbal alternatives has made Baba Ramdev's medicines a great potential for earning foreign exchange. The idea behind any promotional activities is to raise awareness of its products and services and Baba Ramdev can be held solely responsible for initiating *awareness,* generating *interest* and a *desire* to purchase (*action*) the product among the consumers (DeMers, 2013).

PAL uses word-of-mouth publicity, above-the-line methods like television, online sites, magazines, and newspapers, and a fact worth mentioning is that Baba Ramdev publicizes his company free of cost by connecting well with the politicians as well as maintaining good relationships with press and media (Kumar, Jain, Rahman, & Jain, 2014). Baba Ramdev's intelligently managed below-the-line promotion with media in tow in the form of a memorable experiential marketing by engaging a brand like Lalu Prasad Yadav with a face massage using Patanjali face cream indicated an event with high impact and a higher recall with the audience.[4] PAL has accepted the challenge thrown on by the bigwigs of the FMCG sector head on and Patanjali brand of products find a growing market in the FMCG sector and has in the process created a larger-than-life brand image beyond anybody's imagination. However, to chart out big footprints for the next phase of their growth cycle and with their future plans to grow to 100,000 outlets in next few years, PAL has hired the services of two top advertising agencies McCann and Mudra.

Patanjali Ayurveda Limited in Great Company

PAL is in the great company of top MNC brands, and the top capital market analysts of the leading brokerage firms who analyze the financial ratios of the listed companies were overtly surprised at the entry of this native unlisted FMCG company. Its unique traits of not burning cash and boasting an increasing market share with a growing loyal customer base (Layak & Singh, 2017) has become a source of contempt among its rivals. The cost economics of PAL indicates 25 percent net savings, which according to industry analysts is because it is operating at less than 10 percent gross margin (profit before tax as corporate overheads are said to be low and also Baba Ramdev takes no salary) and less than 5 percent marketing and advertising expenditure which generally is not possible for any MNC operating in this space as the gross margin is approximately at 10 percent, and marketing expenditure is anywhere between 13 and 20 percent approximately. The latest data indicates that the company grew by 150 percent from 2015 to 2016, and the company targets to hit a turnover of US$1.4 billion in 2016–2017. This unprecedented growth (see Table 3) could be attributed to the brand resonance with the cultural identity, brand promise, and aggressive distribution pattern, a three-pronged strategy followed by PAL.

Strategic Outline for Patanjali Ayurveda Limited

The PAL is financially well placed, and the company was started with an investment of ^{1}400 million, which was initiated by Baba Ramdev from his yoga camps, television shows on private channels, and donations. A minimal advertising budget which included few commercials and with the employees acting as volunteers in brand promotion aided in cutting down on the advertising and promotion expenditure. All these attributed to the fact that the company was void of any financial burden.

The FMCG companies in India have been following the traditional distribution strategy followed since ages, and the modern retailers were not ready to sell Patanjali's products, forcing them to look at an alternative model of distribution (Singh & Gopal, 2017). Thus, came in to being Patanjali's unique distribution strategy which was a blend of the successful Ayurveda chains like Arya Vaidya Shala and Kottakal and the multinational's multi-level marketing (MLM) networks like Amway, Tupperware, to name a few, along with co-opting the Indian entrepreneurial mind set. The types of retail formats that were employed to sell Patanjali products included Patanjali Chikitsalayas which were basically clinics with ayurvedic doctors available for consultation, Patanjali Arogya Kendras which are health and wellness centers, and Swadeshi Kendra, non-medicine outlets.

These include Patanjali Chikitsalaya, which are clinics along with doctors, Patanjali Arogya Kendra, which are health and wellness centers, and Swadeshi Kendra, non-medicine outlets (ibid., p. 7). In recent days, PAL has built its own mega stores or exclusive outlets which typically measures around 1,500 square feet in size and the group has 15,000 exclusive outlets across India. The robustness of the brand was further demonstrated by its unique strategy of selling its products through their own stores, general retail stores, traditional mom-and-pop stores in every nook and corner of India followed by a premeditated partnership with the leading retailer of India, Future Group, which over time helped the brand in achieving deep market penetration and gaining a substantial appeal from the urban rural consumer.

Baba Ramdev's scathing remarks and bold campaigns to boycott products like shampoos, soaps, colas, and so on manufactured by multinational companies by showing their ill effects along with the word-of-mouth advertising by its loyal consumers paved way for strengthening its brand identity and brand promise. This when coupled with the pricing strategy adopted by the brand confirmed the value proposition specially designed for the price-sensitive Indian consumer and in the process proved to be a great trendsetter in the FMCG sector by gaining a huge mind and pocket share (Bussi, 2015).

The Concept of Extendable Core and Patanjali Ayurveda Limited

The aspect of Patanjali's business model allows it to maintain its performance advantage as it scales the market for more market space. The brand Patanjali spans across various product lines like *Shuddhi*, a cow urine-based floor cleaning solution to personal care, human and cattle food, spices, ayurvedic medicines, yoga CDs, branded apparels, and other lifestyle categories, indicating a very low "product mix consistency" (Bhasin, 2017b). Also, these brand extensions are not linked to Ayurveda which may at one point of time result in critical issues of maintaining consistent quality as PAL has to rely on contract manufacturers and in the process this brand extension may impact its core brand promise (Nair, 2016).

PAL's expansion into inconsistent product categories with a view to increase the product line depth may end up confusing the consumers. If a particular category performance drops for some reason, it has all the probability of impacting the sales volumes of key categories as their integrated marketing communication strategy mainly revolves around their parent brand name Patanjali, indicating a lack of focus on key sub-brands (ibid., p. 8). The euphoria that had set in the market, when Ayurveda started becoming the main segment of FMCG markets and brand Patanjali started commanding the segment was given a cold foot treatment when the government of India proposed a goods and services tax of 12 percent as against the existing tax incidence of 8–9 percent on all ayurvedic preparations (Bhushan, 2017). This move was very disheartening to all the major FMCG players because it arises an important issue of price affordability among consumers.

The brand "Patanjali" has been endorsed largely by Baba Ramdev and Acharya Balkrishna to a certain extent, and any issue that blemishes their integrity may have an adverse effect on the brand's performance as Patanjali has adopted an image-driven branding strategy.

Patanjali's conceptual framework is developed purely on competitive dynamics along five basic dimensions like aim of competition, mode of competing, product portfolio, plan of action, and customer interaction from the perspective of time. This in the process compelled for a broader conceptualization of competition that has been interpreted in the context of the brand evaluation by the customer which involves their cognitive process that is used to attach certain aspects of positivity or negativity to a brand. In other words, there have also been noticeable occurrences of cognitive processing and affective behavior in terms of affection and emotional association with the brand which fosters brand loyalty. The brand attributes, such as creating quality image, the products being sourced naturally, being purely herbal, and the portrayal of the brand as totally ayurvedic in nature along with suitable pricing strategies, have acted as an important competition criterion in the FMCG sector.

As a result, the existing FMCG companies directly affected by Patanjali such as HUL, Dabur, Emami, and Himalaya have reinforced their portfolios by ramping up all their herbal product portfolios and making their products more relevant to consumers. The brands like Colgate and Dabur indeed felt threatened by Patanjali's aggressiveness in the market, and the bigger brands like HUL and Emami went on an acquisition spree and acquired brands like Indulekha and Kesh King, respectively, while Himalaya opted for aggressive marketing strategies. Baba Ramdev made PAL a force to reckon with in the Indian FMCG sector by partnering with "Future Group," which ushered in a new trend, creating a strong swadeshi cult in the Indian FMCG market which focused on herbal-based soaps, shampoos, and food products, to name a few. This indicates that Patanjali, even though a disruptor brand, has just opted for a market expansion rather than replacing or acting as a substitute for the existing legacy brands. In other words, it has created or rather streamlined the market for ayurvedic products, which until its arrival had not been given much attention either by the consumers or the existing brands and the market.

Second, it was not clear if Patanjali has expanded the market or acted as a substitute for legacy brands. While the former falls under the ambit of market creation, the latter could be the shift of consumer loyalty from existing brands and thereby, unraveling the latent consumer dissatisfaction.

The grocery category also saw a change like organically grown rice, wheat, pulses, and brown sugar on the retail shelves which was not observed before. Patanjali tackled the aggressive branding strategies of its competitors by consistently advertising and spreading word-of-mouth messages that brand Patanjali products are totally ayurvedic/herbal, naturally sourced, and safe to consume without any side effects or allergies. The brand endorsements, product promotions, word-of-mouth messaging, and advertising strategies were carried out in a very simple and natural way that people easily accepted, making the company save on their investments in traditional advertising channels. This was adequately supported by an excellent distribution network system.

Conclusion

The Indians, be it a retailer or a consumer, are especially sensitive to any change in the markets, and their outlook is generally based on their judgments and opinions which are significantly aligned toward the value proposition the brand offers. In a diverse and competitive landscape like India, increased market share in a growing market is an ideal scenario for any company in any sector and the growth volumes of PAL are laudable as it shares the competition in the market with the top-branded players.

Brand Patanjali constituted a viable and potent threat to all the lead players in the FMCG sector making its presence felt across categories. This was one brand which had a solution to every problem. Baba Ramdev developed a business model which was highly disruptive and by all means more imperative in an increasingly volatile world of FMCG. Disruption plays with time and competition, which at times is quick and complete, but otherwise slow and incomplete, but in the case of Patanjali, the disruption happened at a speed which put the fate of the legacy brands like HUL, Dabur, Himalaya, and so on to name a few beyond imagination.

This market disruptor brand "Patanjali" has gone on to become a runaway success because it is sold with a concoction of attributes like faith and reliability and with a price structure justifiable with the retailers' margins and consumers' needs. The beyond imagination outcomes of the brand and its success in the decades-old and highly mature FMCG sector may be attributed to brand association and brand availability of Patanjali coupled with Baba Ramdev's aggressive brand campaigns with a tinge of patriotism and smart convincing brand strategies that Patanjali is all but natural and herbal catering to every Indian's health needs and wants. Can we attribute this lethal combination of Patanjali and "Baba Ramdev" to the *Lollapalooza Effect?*[5]

An interview-based informal survey was conducted for the retailers and consumers of Patanjali brand of products. It predominantly indicated that the retailers were satisfied with stocking the products of Patanjali, despite the fact that the margins were not at all a match when compared to other leading brands of FMCG because sales volume was very high. However, they were slightly skeptical about the distribution strategies adopted by PAL as the stocks were almost sold out in the first week of the month, but the replacement of the stocks is not done on time and they feel would hurt their sales as well as the brand image. They also feel that if necessary steps are not taken, the rate of customer defection to other Ayurveda brands may be high and this in the process would have an adverse effect on PAL and its brands.

From the perspective of the consumers, they were satisfied with the product portfolio of Patanjali as they could associate them with affordability and with something which is natural or herbal, paving way for brand trust, assuring an encouraging scenario that would see Indian consumers turning on a new leaf of consuming anything that is Indian. The agility with which the first-time buyers became repeat purchasers and ultimately loyal to the brand was noteworthy, indicating that the brand has to be proactive in the market and always have to keep on updating as per the consumers' needs.

Table 1. Chronological Framework of the Brand Patanjali

1995	Patanjali Yogpeeth was set up in Haridwar
2002	Mass yoga camps were telecasted in major spiritual television channels across the country
2003	Yoga education was banned in JNU for spreading controversial benefits of yoga
2006	PAL was established as a private limited company
2007	PAL was converted to a public limited company
2012	Initiated marketing and promotion of the product through yoga camps with a swadeshi positioning that Baba Ramdev isn't here for money and that Patanjali products are purely ayurvedic and herbal
2014	PAL adopted an aggressive retail strategy
2015	Worldwide Yoga Day celebrated with Baba Ramdev leading the show

Source: Developed by author using information from an article by Gupta et al. (2016).

Table 2. Product Profile of Patanjali Ayurveda Limited

Grocery and Staples	Dals and Pulses Flour (Wheat Flour and Besan Atta) Rice, Salt, Staples and Spices Edible Ghee and Oil (Mustard Oil)
Ready Food	Confectionary (Biscuits, Cookies, Energy Bars) Snacks and Breakfast (Namkeen, Papad, Honey) Sauces and Pickles (Tomato Ketchup, Pickles)
Beverages	Juices and Fruit Drinks (Apple, Amla, Litchi) Sharbaths and Squashes
Personal Care	Face Care (Face Wash, Lip Care, Face Cream) Body Care (Soaps, Body Wash, Footcare, Lotions) Hair Care (Hair Oil, Lotions, Shampoos, Conditioners) Oral Care (Tooth Pastes and Tooth Brushes) Makeup (Kajal, Sindhoor stick) Grooming (Shaving Cream and Gels)
Health Care	Health Drinks, Nutritional Supplements, Chyawanaprash, Ayurvedic medicines for digestion, headaches
Household Care	Cleaning liquids and Soaps, Detergents

Source: Developed by author using information from an article by Gupta et al. (2016).

It is a matter of time to decide whether these revolutionary strategies of PAL will help Patanjali to sustain itself in the market or would the leading brands in the FMCG sector prove their success with vengeance by either defensive or offensive strategies to fortify their positions in the market against this young player which would again depend on the consumer acceptance of new product launches, which would ensure that the consumer is spoilt for choices and the competition existing in the markets. Patanjali has been pursuing aggressive strategies to acquire a huge market share amidst a number of big FMCG players.

The biggest challenge that may be forthcoming for the brand which is currently in a commanding position in the FMCG market would be that it should not fall prey to "Icarus Paradox" (Youth Ki Awaaz, 2016). Patanjali's aggressive strategies which have apparently signified success should not spell disaster. Has the "satvic" brand endorser and the kingpin of this huge Indian conglomerate given a thought on this? Is it time for him to re-strategize and focus on products that will foretell the brand's sustainability?

Table 3. Annual Turnover of Patanjali

Period	Revenue (₹ billion)
2011–2012	4.46
2012–2013	8.50
2013–2014	12.00
2014–2015	20.06
2015–2016	50.00

Net Profit Rates of Patanjali

Period	Net Profit (₹ billion)	Net Profit Margin (%)
2011–2012	0.56	12.36
2012–2013	0.91	10.72
2013–2014	1.86	15.62
2014–2015	3.17	15.80

Source: Developed by author using information from an article by Gupta et al. (2016).

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Notes

1. This case has been conceived on the basis of the published sources only. However, the interpretation and presentation of the case lies with that of the author.
2. Baba Ramdev to invest billions in Nepal, create 20,000 jobs. Retrieved from www.deccanchronicle.com/.../baba-ramdev-to-invest-billions-in-nepal-create-20000-j
3. Patanjali Yogpeeth. Retrieved from www.divyayoga.com
4. Adding a personal "touch": Lalu Prasad Yadav endorses Ramdev's Patanjali cream ... Firstpost. Retrieved from www.firstpost.com › India News.
5. The *Lollapalooza Effect* is a concept where multiple psychological biases act together to produce a compounded effect on a huge scale. This was devised by an American billionaire investor Charlie Munger, who is also a partner of investor Warren Buffett.

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