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38. GLOBAL CLIMATE CHANGE AND ITS IMPACT ON INDIAN PRODUCTS: A STUDY ON PATANJALI AYURVED LIMITED

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ABSTRACT

A decade ago Patanjali Ayurveda came with an influential dialogue “no chemicals & swadeshi alternative”. In a very few months, Patanjali has become a prime household name. Today, Patanjali Ayurveda Limited is as one of the main players in the Indian FMCG (Fast Moving Consumer Goods) company, and blindly trusted by the people across the country. Patanjali has now become the most prestigious brand in India and has a turnover of more than 2,000 crore in a very short span of time. Patanjali Ayurveda is offering the entire range of FMCG products such as food, grocery, nutrition, hair care, skin care and dental care at much competitive price than the other brands available in the market. The research “A Study of Brand Strategy and the Demand Inclination of the Patanjali Products in India” will provide the information of sales, marketing and the branding strategy of the Patanjali products. We will discuss the factor responsible for the growth of Patanjali Ayurvedic Limited and the future projects by Patanjali Ayurvedic Limited.


INTRODUCTION

Baba Ramdev established the Patanjali Ayurved Limited in 2006 along with Acharya Balkrishna with the objective of establishing science of Ayurveda in accordance and coordinating with the latest technology and ancient wisdom. Patanjali Ayurved is perhaps the fastest growing fast-moving-consumer goods firm in India with Annual revenue at more than Rs.2,000 crore. It is reported to have said that it expects to take the revenue to a whopping Rs10, 000 crore. The company sources products directly from farmers and cuts on middlemen to boost profits. It is to be noted that Baba Ramdev does not hold any stake in Patanjali Ayurveda Ltd. His partner Acharya Balkrishna is believed to own 92%. The balance 8% stake is held by Sarwan and Sunita Poddar, a Scotland-based NRI couple; who are associated with the UK Trust of Patanjali. Patanjali’s proactive moves in innovation have been crucial for its growth; the report says and cautions that the other consumer companies will need to speed up innovations, particularly in the Herbal and Ayurvedic space to counter competition.

OBJECTIVES OF THE STUDY

• To know why consumers prefer Patanjali products
• To study the increasing growth of profit of Patanjali products.
• To know the source of consumer preference
• To know the products customers are expecting from Patanjali
• To study the future prospectus of Patanjali products.

RESEARCH METHODS

This paper depends on secondary data where sources have been utilized to gather data about “Patanjali” brands. Diaries, articles, research reports and government records were explored to get the knowledge of the past intercessions. The research is expressive in nature.

OVERVIEW OF PATANJALI AYUURVED LIMITED

Overview

Patanjali Ayurved Limited is an Indian FMCG Company headquartered at Haridwar, Uttarakhand. The Company was established on 13th January, 2006 with Acharya Balkrishna as its majority state holder as well as managing Director with 92% stake, the rest being with an NRI family from UK.

Product Portfolio

It is involved in manufacturing as well as distribution of products ranging from food,
beverages to cosmetics and fabric care. Since its inception in 2006 the company has made rapid advances in expanding its reach across many segments and currently operates a plethora of brands. Its many products include.

**Production**

Patanjali Food and Herbal Park at Haridwar is the main production facility operated by Patanjali Ayurved. The company plans to establish further units in India and in Nepal. In 2016, the Patanjali Food and Herbal Park was given a full-time security cover of 35 armed Central Industrial Security Force (CISF) commandos. The park will be the eighth private institute in India to be guarded by CISF paramilitary forces. Baba Ramdev is himself a “Z” category protected of central paramilitary forces.

**Products**

Patanjali Ayurved produces products in the categories of personal care and food. The company manufactures 444 products including 45 types of cosmetic products and 30 types of food products. According to Patanjali, all the products manufactured by Patanjali are made from Ayurveda and natural components. Patanjali Ayurvedic manufacturing division has over 300 medicines for treating a range of ailments and body conditions, from common cold to chronic paralysis.

Patanjali launched instant noodles on 15 November 2015. Food Safety and Standards Authority of India slapped a notice on the company as neither Patanjali nor Aayush, which are the two brand names under which Patanjali got licenses, have got any approval for manufacturing instant noodles. In 2016, Patanjali has announced to enter the textile manufacturing centre. The company is reported to manufacture not only traditional clothes such as Kurta and Payjama but also popular western clothes such as jeans.

On November 5, 2016, Patanjali announced that it will set up a new manufacturing plant Patanjali Herbal and Mega Food Park in Balipara, Assam by investing ₹1,200 crore (US$180 million) with the manufacturing capacity of 1,000,000 tonnes (2.2×109 lb) of goods per year. The new plant will be the largest facility of Patanjali in India and will be operational by March 2017. Patanjali already has around 50 manufacturing units across.

**Sales & Distribution**

Patanjali Ayurved sells through nearly 4,700 retail outlets as of May 2016. Patanjali also sells its products online and is planning to open outlets at railway stations and airports. Patanjali Ayurveda has tied up with Pittie Group and Kishore Biyani’s Future Group on 9 October 2015. As per the tie-up with Future Group, all the consumer products of Patanjali will be available for the direct sale in Future Group outlets. Patanjali Ayurveda products are also available in modern trade stores including Reliance retail, Hyper city and Star Bazaar apart from online channels Patanjali Ayurved, co-founded by yoga guru Ramdev, is targeting Rs.10,000-crore revenue in 2016-17, after sales grew 150 per cent in the previous financial year to Rs.5,000 crore. Patanjali Ayurved has also started its FMCG expansion in form of dealership and distributorship channels across the country and expects wider growth in overseas distribution as well.

**SUCCESS STORY OF PATANJALI – HOW PATANJALI AYURVEDA LTD. ACHIEVED THE MAGIC NUMBERS OF TURNOVER**

Yoga guru Ramdev posed yoga as a cure of many health challenges, he started teaching yoga to Indian audience through TV channels Sanskar, Astha etc., and it takes few years when you can see his influence in majority of the people and With the Word of mouth publicity boosting the reach due to these benefits. Many people started claiming that they had been cured using Babaji’s Yogic methods. Although Patanjali have an excellent gear up but, if they want to compete with the brands like P&G and Hindustan Unilever, they need to establish themselves with a unique positioning.

![Fig. 1 – Revenue break-up since 2011 to 2015 in Crore](Image Source: Internet –Livemint.com)
FUNCTIONAL STRUCTURE OF PATANJALI AYURVED LTD.
Swami Ramdev’s medicines are manufactured in branches well equipped with modern equipment’s mostly in Haridwar and other places, certified by the international standards GMP, GLP & ISO 9001. Swami Ramdev also has a botanical garden near Patanjali YogPeeth where the herbs and medicinal plants are grown. Here research is carried out on rare herbs and they are grown here by putting in great efforts. Under Swami Ramdev’s guidance an industrial unit is also established called Patanjali Ayurved Limited which produces pure and high quality minerals and plants products through scientific methods. Swami Ramdevji and Acharya Balkrishna ji have tried to combine the ancient knowledge with ultramodern technology. Swami Ramdev is working towards the goal of establishing the ayurvedic products at par with the international standards and to make it known across the world. To encourage the use of Ayurvedic medicine and amongst Swami Ramdev’s revolutionary thoughts, one is that the farmers of India should adopt the cultivation of medicinal herbs and plants along with fruits and vegetables.

Patanjali Ayurveda Ltd. is a company that functions like all other companies under the regulations of the company law affairs, yet is constantly striving for nation building more than the profit accumulation.

Bases of Structure of PAL
Superior Quality and Fair Price: this is one of the objects of PAL to provide better quality in very affordable prices.

A holistic approach: A holistic approach to improvement in the quality of life of all beings, world over, is the purpose behind PAL.

Fertilizers: Getting rid the food PAL consume of the pollutants in the form of poisonous pesticides and chemical fertilizers that PAL farmers use, is a goal that we strive to achieve by providing people the eatables that are cultivated in organic and natural manures and pest repellents.

Basic Principles of product development at Patanjali Ayurveda Ltd.
1) Competitive pricing
2) Purity of raw materials used
3) Innovation.
4) Minimum Profit

The reason for Patanjali’s success is the thrift in practices. “Our profit margins are miniscule because the main aim is NOT to make profit,” says Ramdev.” Profiting from patients is against the philosophy of Ayurveda, so we aim at minimum profit from our health products. PAL input costs are low because we source directly from farmers, avoiding middlemen

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The 3 principles vital for growth:
The organization conducts its business on the following 3 main principles:

(1) Providing world-class products to consumers (making sure the company does not add any preservatives or uses natural preservatives as far as possible).

(2) Producing products in the most cost-effective manner so that the products are priced very reasonably.

(3) Whatever profits the company earns are ploughed back into business so that it can invest the same for launch of new products, cost effectiveness or further capacity expansion.

FUTURE PROSPECTUS OF PATANJALI
Rural Push:
Rural market accounts for over 70% of India’s 1.21 billion population but contributes only 9% in the FMCG Industry. Thus increasing distribution and support infrastructure in rural areas is a key area where the it needs to focus.

Increment in Research and Development:
FMCG brands would need to concentrate on R&D and advancement as a method for development. In this period of extraordinary rivalry, organizations that keep on doing great would be the ones that have a culture that elevates utilizing client bits of knowledge to make either the up and coming era of items or now and again, new item classes. Along these lines Patanjali would need to contribute a great
deal of capital and exertion into huge innovative work of more up to date item classifications.

**Focus on Exports:**
Patanjali has to a great extent centered to take into account the residential market. Trades in this manner stay to be a low division of the aggregate deals. It is in this way basic to concentrate on sending out items utilizing Indian operations as sourcing center for the same.

**LIMITATIONS OF THE STUDY**
As the research have done through the secondary data where research, data, facts, information have already provided either on books, reports, news papers, websites etc. Facts and figures are not directly gathered from the company so that information or data may vary from the real facts. And time constrain has prohibited from going deep into the subject due to time constraints study is restricted to limited places/cities only.

**CONCLUSION**
On the bases of the findings of the study it can be concluded that Patanjali products have gained significant place in the market and captured quite a huge lot of consumers within a short period of time. Patanjali Ayurvedic Kendra Private Limited has started in Pantnagar with 26 products of medicinal, food and cosmetic category. Shortage of products on Patanjali Ayurvedic Kendra was the major limitation reported by the consumers. Consumers suggested that Patanjali should provide detail information about their products. The delivery system should be improved coupled with regular delivery of products. The need for more and clear advertisement along with promotional camp supported with medical advice to consumers was felt in order to improve consumer acceptability.

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