



Patanjali Emergence and Impact: A Comprehensive Study of Brand Preference, Product Attributes and The Role of Ayurveda in Shaping Customer Choice

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ABSTRACT

Fast-moving goods refer to consumer items that are sold rapidly and at a low cost. Consumer packaged goods are synonymous with these things. FMCGs have a short shelf life due to strong consumer demand, particularly for items like soft drinks and confections, as well as their perishable nature, such as meat, dairy products, and baked goods.

The market for fast-moving consumer items is not only substantial in size, but also fiercely competitive due to their rapid pace of change. Within this industry, prominent corporations such as Tyson Foods, Coca-Cola, Unilever, Procter & Gamble, Nestlé, PepsiCo, and Danone fiercely compete to get a larger portion of the market.

Fast-moving consumer items and consumer packaged goods are synonymous. These items exhibit fast turnover, significant discounts, or a short shelf life. Consumer commodities that have rapid turnover are often characterized by narrow profit margins and substantial sales volumes. Soft drinks, toilet paper, and dairy products are among the commodities that fall within this category.

Over the last decade, the income of the Fast-Moving Consumer Goods (FMCG) industry in India has grown at a rate of 21.4%. The FMCG business had a significant surge in revenues, reaching US\$ 52.8 billion in 2017 and US\$ 31.6 billion in 2018.

A brand encompasses those characteristics that differentiate a seller's product or service from those of other competitors, such as names, words, designs, symbols, and other distinctive elements. In essence, a brand is the distinguishing factor that sets apart a product or service from its competitors and establishes its unique personality.

Patanjali's origins may be traced back to the early 1990s, when Acharya Balkrishna, an expert in Ayurveda and a close associate of Baba Ramdev, joined forces with Baba Ramdev to promote traditional Indian Ayurvedic remedies and yoga practices. Baba Ramdev is a renowned yoga guru. They had confidence in the efficacy of yoga and ayurveda to improve individuals' health and overall well-being.

Patanjali's primary competitors are HUL (Hindustan Unilever Limited), Dabur, and Baidyanath. Although Patanjali was already a significant competitor in the FMCG and natural products sectors, it managed to swiftly gain an advantage.

Patanjali employs a comprehensive approach. The company's internet commercials prominently showcase the healthiness and naturalness of its goods. Through its remarkable endeavors, it has garnered a substantial Instagram following.

Over the years, several individuals have voiced concern about the brand's methodical growth and substantial outlays. Several business executives highlight the opaque nature of Patanjali's investment cycle, with the primary worry being on the origin of their cash. However, Acharya Balkrishna consistently asserts that due to their remarkable progress, banks willingly provide them with loans and they get a substantial sum of money from charity contributions.

Patanjali was the Indian FMCG company that saw the most rapid expansion. Major financial institutions such as HSBC and CLSA have asserted the same statement. In FY 2010-11, the business recorded revenues of Rs 100 crore, which grew by 95-fold over the next ten years to reach Rs 9,500 crore in FY 2019-20. Between 2014 and 2017, the Haridwar-based company saw an annual growth rate of roughly 100% before the current crisis. The company's revenue saw significant growth, rising from around Rs 2,000 crore in 2014-15 to



Rs 5,000 crore in 2015-16, and subsequently more than doubling to Rs 10,000 crore in 2016-17.

1. INTRODUCTION

What Are Fast-Moving Consumer Goods (FMCG)?

Consumer products that sell quickly and for a cheap price are known as fast-moving goods. Consumer packaged products are another name for these items. Strick (2012), compares brand identity, image, and preference between cyber and offline-based retail brands. Because of strong consumer demand (such as for soft drinks and confections) or because they are perishable (such as for meat, dairy products, and baked goods), FMCGs have a short shelf life. These products are often purchased, quickly eaten, affordably priced, and widely dispersed. When they are on the store's shelf, they also experience a high rate of turnover.

The Fast-Moving Consumer Goods Industry

In their study, Chang & Liu (2009) analyze brand equity in service brands, specifically concentrating on 18 businesses from three distinct categories. The fast-moving consumer goods industry is not only extensive, but also fiercely competitive due to its rapid turnover rate. Within this industry, prominent corporations such as Tyson Foods, Coca-Cola, Unilever, Procter & Gamble, Nestlé, PepsiCo, and Danone fiercely compete to get a larger portion of the market. In order to captivate and entice people into purchasing their products, firms of this kind must focus their marketing efforts on fast-moving consumer goods. As a result, packaging plays a vital part in the manufacturing process. The logistics and distribution networks often need secondary and tertiary packaging to enhance efficiency. The unit pack, sometimes referred to as the primary packaging, plays a vital role in maintaining the product's quality and extending its shelf life. Furthermore, it provides customers with both information and sales incentives. Investing in FMCG companies often involves lower growth projections but carries less risk owing to their relatively constant profit margins, returns, and consistent dividend payouts. Fast-moving consumer goods (FMCGs) are regarded as a reliable revenue stream due to their high sales volumes. The substantial volume of sales compensates for the narrow profit margins on individual transaction.

Special Considerations

Fast-Moving Consumer Goods and Ecommerce

The popularity of internet buying is rising because it offers clients distinct advantages that are not seen in traditional physical stores. The benefits include expedited delivery of items right to the doorstep and cost efficiency. In the past, it was common to use the internet to buy items connected to vacations, entertainment, and durable products like clothing and gadgets. However, due to improvements in delivery logistics efficiency and reduced delivery times, the e-commerce sector for groceries and other consumables is seeing growth. The use of ecommerce platforms for procuring products, particularly fast-moving consumer goods (FMCGs), has seen a rise, while non-consumable categories may still exhibit a larger amount of things in terms of raw numbers. This may be ascribed to improvements in transportation efficiency.

Market size and projected growth rate:

According to Pillai & Jothi (2020), the FMCG sector is the fourth biggest section of the Indian economy. Salary growth, consumption patterns, and evolving consumer views are influencing purchase behavior in this sector. Over the last decade, the income of the Fast-Moving Consumer Goods (FMCG) industry in India has grown at a rate of 21.4%. The FMCG business had a significant surge in revenues, reaching US\$ 52.8 billion in 2017 and US\$ 31.6 billion in 2018. The FMCG industry in India is projected to grow at a Compounded Annual Growth Rate (CAGR) of 27.9%, reaching a total value of US\$103.7 billion by the year 2020. Furthermore, it is expected that the rural fast-moving consumer goods (FMCG) industry would grow at a compound annual growth rate (CAGR) of 14.6%,



reaching a value of US\$100 billion by 2020 and US\$220 billion by 2025. The urban environment dominates the FMCG sector revenue with a 55% share, while the rural environment provides 45%. Over 65% of the population in India resides in rural areas, and they allocate approximately 50% of their overall expenses towards fast-moving consumer goods (FMCG). By 2025, the predicted figure for the number of individuals purchasing consumer items online in India is 850 million.

Driving factors leading to growth rate:

- A rise in the number of women working
- Rising disposable income and per-capita spending
- A rise in customer purchasing power
- A rise in online shopping awareness
- A constant shift in consumer preferences
- Banking policies and government regulations
- A rise in interest from foreign investors.

What Is Brand Awareness?

Brand awareness, a concept used in marketing, pertains to the extent to which buyers can readily recall and identify a certain product. It is desirable for customers to have a comprehensive understanding of the brand, which should include positive perceptions of the distinctive qualities that differentiate the product from its competitors. An essential step in promoting a new product or rejuvenating a well-established brand is increasing brand awareness.

Key takeaway:

- Brand awareness refers to the familiarity of consumers with a particular product or service.
- A brand awareness campaign seeks to familiarize the public with a new or revised product and differentiate it from the competition.
- Social media has become an important new tool in brand awareness marketing.

How Brand Awareness Works

Products and services that possess a high level of brand awareness are more inclined to generate more sales. In essence, people are more predisposed to pick for a well-known brand product rather than an unfamiliar one when presented with a choice. Contemplate the beverage industry focused on carbonated beverages. Several carbonated beverages may be substituted for one another when removed from their packaging. Coca-Cola and Pepsi, the dominant players in the industry, depend on brand awareness to ensure that their goods are the preferred choice among consumers. These organizations have used advertising and marketing strategies over the years that have enhanced consumer brand awareness, leading to improved sales. Dominant corporations in a certain category may establish a competitive economic advantage by achieving higher brand awareness rates, which effectively prevent competing brands from gaining a larger market share.

Introduction

Kapoor & Chaudhary (2017), in today's complex and competitive world, Ayurveda is gaining popularity due to its therapeutic values, Patanjali Ayurveda Ltd.

Ahuja (2020), Patanjali Ayurveda Ltd., founded in 2006 by Yoga Guru Baba Ramdev, is a rapidly growing FMCG brand in India.

Background:

According to Brien (2017), classical yoga is often linked to Patanjali's Yogasūtra, although a broader collection of literature suggests a more intricate discussion in settings related to salvation.

The history of Patanjali delves into the trajectory and growth of Patanjali Ayurved Limited, a prominent conglomerate in the Indian consumer goods industry. Patanjali, established by Baba Ramdev and Acharya Balkrishna, specializes in a diverse array of products including food, cosmetics, personal care items, and herbal treatments. Patanjali has emerged as a key



contender in the Indian market. Patanjali's origins may be traced back to the early 1990s, when Acharya Balkrishna, an expert in Ayurveda and a close associate of Baba Ramdev, joined forces with Baba Ramdev to promote traditional Indian Ayurvedic remedies and yoga practices. Baba Ramdev is a renowned yoga guru. They had confidence in the efficacy of yoga and ayurveda to improve individuals' health and overall well-being.

Baba Ramdev and Acharya Balkrishna first popularized the benefits of Ayurvedic practices and products via yoga camps and lectures. They garnered a substantial number of followers, and several individuals showed keen interest in the herbal and natural approach to well-being. In 2006, the duo officially established Patanjali Ayurved Limited as a consumer goods company in order to reach a larger group of people with their ideas. The name "Patanjali" was inspired by the ancient sage Patanjali, who made significant contributions to yoga and Ayurveda. The first product portfolio of the firm consisted of herbal remedies, organic personal care products, and food items. Patanjali's emphasis on using natural and herbal ingredients, together with traditional manufacturing techniques, played a crucial role in its rapid growth. Baba Ramdev's immense renown as a yoga instructor and his regular television appearances have greatly bolstered the marketing of Patanjali products. In order to cultivate a loyal customer base, the firm heavily relied on the promotion of its services via recommendations and its association with yoga retreats and Ayurvedic seminars. Patanjali expanded their product range by introducing other items like as ghee, honey, toothpaste, shampoo, detergent, and several other consumer goods. The brand's prominence may be attributed to its competitive pricing, focus on Indian traditional knowledge, and strong emphasis on swadeshi (indigenous) products, which effectively appealed to purchasers with a patriotic mindset. Patanjali Ayurved Limited faced several challenges and obstacles throughout its rapid growth and success. The accuracy of the claims on the effectiveness of the items and their components was questioned. Furthermore, as the firm grew, it faced increasing resistance from prominent corporations and market rivals. Patanjali has successfully overcome challenges and achieved growth, resulting in an expansion of its market presence in the Indian consumer goods sector. As of my last research in September 2021, Patanjali Ayurved Limited remained a prominent player in the Indian FMCG sector, with widespread distribution of its products throughout the country.

Patanjali forced MNC competitors to make Ayurveda Products

When Patanjali's sales in the Indian FMCG market reached Rs. 10,000 crore, particularly in the FY16–17, other FMCG companies including Colgate, Nestle, Dabur, and Hindustan Unilever were compelled to focus quickly on Ayurveda-related items.

1. "Due to Baba Ramdev Patanjali's revival, Colgate-Palmolive's (India) market share fell from 57% in FY14–15 to 53% in FY17–18. In order to compete with Baba Ramdev Dant Kranti, they were compelled to introduce Vedshakti, an Ayurvedic toothpaste.
2. To compete with Baba Ramdev's Patanjali, Hindustan Unilever (HUL), a large consumer products company, has introduced herbal and natural supplements. However, following 2016–17, Baba Ramdev struggled to maintain product quality and raised prices, which had a negative impact on sales. Additionally, the other MNC behemoths made several adjustments to their product lineup in accordance with Ayurvedic principles, which enabled them to reclaim lost market share. Because of this, Patanjali, whose sales were expected to treble from FY16 to FY20 to over Rs. 20,000 crore, only made Rs. 9000 crore in sales.

The Indian FMCG firm with the quickest growth was Patanjali. Global brokerages like HSBC and CLSA have made the same claim. The firm had sales of Rs 100 crore in FY 2010–11, which increased by 95 times over the following ten years to reach Rs 9,500 crore in FY 2019–20.

The Haridwar company had expanded at a rate of approximately 100% per year between 2014 and 2017 before to the present crisis. The business also increased its revenue from



around Rs 2,000 crore in 2014–15 to Rs 5,000 crore in 2015–16, and then it more than doubled to Rs 10,000 crore in 2016–17.

OBJECTIVES OF THE STUDY

1. To explore the historical background and emergence of Patanjali.
2. To study Brand Preference for Patanjali Products
3. To study the Product attributes of Patanjali.
4. To examine the impact of Patanjali's products on consumer preferences.
5. To investigate the role of Ayurveda and natural ingredients in Patanjali's product offerings.
6. To identify the challenges and future prospects for Patanjali.

CONCLUSION

The study's findings emphasize a significant change in customer perception by underscoring the strong connection that customers establish between the brand quality and health benefits of Patanjali FMCG products. The firm has effectively established itself as a proponent of organic goods and Ayurvedic principles, resulting in a significant shift in client views. This modification signifies an increasing awareness and inclination towards buying healthier options in the market.

An important discovery from the research is the impressive ability of Patanjali to establish brand recognition and foster trust. The brand's strong association with renowned yoga instructor Baba Ramdev and its steadfast commitment to safeguarding ancient wisdom have significantly contributed to the establishment of this trust. These strategic measures have increased customer loyalty to the brand and enhanced consumer trust.

The research provides a more comprehensive analysis of the effectiveness of Patanjali's marketing and communication strategies. The company has successfully connected with people on an emotional level by basing its commercials on cultural values and moral ideas. Educational campaigns and peer-to-peer interaction have played a significant role in dispelling misunderstandings and cultivating positive perceptions about Patanjali products.

The research highlights the essential role that social norms and cultural factors play in shaping consumer choices. Patanjali's FMCG items seamlessly integrate into consumers' daily routines and get social validation, so promoting wider acceptance and generating a positive feedback loop that enhances the brand's visibility.

However, despite these positive trends, certain challenges are on the horizon. Notable challenges continue in the form of evolving regulatory regulations, intense competition from established FMCG companies, and the continuous need for consistent product innovation. These challenges emphasize the crucial need for the brand to consistently be flexible and create comprehensive strategic plans that can effectively navigate the complexities of the evolving market environment.

The objective of this research is to assess the management of fast-moving consumer goods (FMCG) distribution, brand preferences, and specific strategies used by FMCG companies in rural regions. Fast-moving consumer goods (FMCG) firms such as Hindustan Unilever, P&G, and Patanjali are seeing significant worldwide growth. A survey conducted in India revealed that the primary determinants driving buyers to purchase Patanjali goods are their superior quality and natural composition. Most respondents indicated a strong inclination to purchase and endorse Patanjali goods, indicating their long-term viability in the Kerala market. Patanjali Ayurveda Ltd., established in 2006 by Yoga Guru Baba Ramdev, is a rapidly expanding Fast-Moving Consumer Goods (FMCG) company in India. By using a distinctive brand strategy and implementing a well-crafted marketing mix, the firm has seen rapid growth. An analysis was conducted on the brand's business strategy, strategic choices, and customer perception of Ayurvedic goods. The research also examined the difficulties encountered and potential opportunities for the brand in the future.

This chapter provides a comprehensive overview of the study methods, methodology, design, instrument development, sampling strategy, and data collecting. The subject of



Patanjali is studied using the research technique of analysis to determine its impact. The title of this paper is "Patanjali". The primary objective of this research is to assess the effects of using Patanjali products in several domains such as homecare, personal care, and nutrition care. The researcher has extensively examined the vast body of literature on the impact of using Patanjali products in areas such as homecare, personal care, and nutrition care. This review aimed to discover several factors that may boost the efficiency and efficacy of this study.

Science mapping visually illustrates the interconnections among different elements of study. This section emphasizes the co-occurrence network diagram of author keywords and sources, as well as the co-citation analysis of authors and sources.

Biblioshiny was used to build a word-cloud visualization illustrating the prevailing phrases employed by writers. The writers selected the analytical unit of "authors keywords" themselves. The phrases "brand preference" and "Patanjali" were the most often used keywords among the top 50 authors in the database. The VOS viewer was used to create a co-word network map for the purpose of detecting the simultaneous occurrence of distinct phrases. Out of 1255 terms, a threshold of five occurrences was set, resulting in 215 keywords that satisfied this criterion.

The research also examines the production methods, logistics management, and primary resources used in the creation of the study's products or services. Baba Ramdev and Acharya Balkrishna established the Ayurvedic and herbal products enterprise Patanjali in 2006. The influence of many writers and influential persons who have authored analytical studies on Patanjali's brand preferences and their effect on consumer preferences has significantly contributed to Patanjali's appeal.

The research also examines the evolution of writers' output over time, analyzing patterns and influences that impact it. The countries in which the authors are physically present are referred to as the countries of the corresponding authors. These countries often have a significant impact on the manner in which the research project is carried out.

Patanjali's journey from a small Ayurvedic pharmacy to a prominent participant in India's FMCG sector has been remarkable. Patanjali has thrived and significantly impacted the lives of millions of consumers worldwide via deliberate growth, innovation, and a commitment to excellence and sustainability.

This research utilizes a co-occurrence network to analyze patterns of co-occurrence among certain items in the dataset. Co-occurrence network analysis is a valuable method for examining extensive datasets since it reveals connections and interrelationships. Collaboration networks, characterized by the connection of individuals, companies, or organizations, are crucial in today's linked society. The objective of these networks is to use collective intelligence to enhance problem-solving and foster creativity. They do this by enabling the transfer of information, the sharing of resources, and the exchange of expertise.

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