Advances in Economics and Business Management (AEBM)
p-ISSN: 2394-1545; e-ISSN: 2394-1553; Volume 3, Issue 2; April-June, 2016, pp. 225-231

http://www.krishisanskriti.org/Publication.html

Disruptive Marketing and Brand Building–A Case Study of Patanjali, Ayurveda Limited

Ranjita Gupta

(Marketing), ICFAI Business School, Gurgaon
E-mail: ranjita1904@gmail.com

Abstract—
Purpose: *Disruptive markets are overturning old market certainties. Most companies still follow a traditional marketing strategy that is good for existing markets, but it cannot predict the emergence of new markets. Marketers need to learn how to create markets where none exist. Due to an increasingly crowded market place consumers become stubbornly resilient to brands. Yet brand loyalty & emotional attachment have always been a goal that companies want to achieve. The case study aims to understand the tremendous success of Patanjali Ayurved Limited an FMCG company, established in 2006 and its foray into Ayurvedic, herbs, food, cosmetics & juices and touched an annual turnover of 2500 crore (US$370 million) in 2014-15.*

Research Methodology*: It is based on secondary research to trace the growth trajectory of the brand Patanjali. It will trace the genesis of this brand from humble beginnings in Baba Ramdev's ashram - a yoga guru & founder of Patanjali, in Haridwar, who works on the objective of healthy nation & character building through preaching & promoting it on Astha channel . The brand gained its strength from its founder's image on one side and fair price, organic products in its product portfolio on the other hand, that is challenging market giants like Unilever, Proctor & Gamble, Dabur, and Marico.*

Major Conclusions*: Disruptive marketing through intelligent brand differentiation is becoming an important tactic for combating competition in the hostile marketplace. Consumers often do not even notice brands that do the same thing over and over again. Thus it is imperative that companies innovate their product or service and deliver exactly what the consumers want and in a way unmatched by others. It may be possible to disrupt the market by achieving an emotional connect with the consumers could be used by organizations to build competitive advantage and a USP which they can own. Brands like Patanjali that are able to develop on an emotional attachment that consumers have with the founder and strategically designed marketing are likely to succeed in today's highly competitive marketplace. It will help academia in teaching concepts of brand strategy, disruptive marketing and marketing mix.*

Keywords*: Disruptive Marketing Brand loyalty, Brand Strategy, , Emotional attachment, Ayurveda, Indian FMCG Sector.*

1. INTRODUCTION

As competition intensifies, the interest of marketers in understanding consumers preference has become a central issue and one of the most challenging and interesting areas of research. A strong brand comprises of positive, consistent customer perceptions about a product that differentiate it from competitive offerings (Armstrong & Keller, 2008; McDonald et al, 2001). The brand acts as a guarantee of quality, increasing customers' confidence in their expectations being met (Dall'Olmo Reilly & de Chernatony, 2000). Strong brands reduce the buyer's decision making uncertainty & help firms attain an advantage over their competitors (Keller, 2008, 1993). Thus an understanding of a consumers brand choices is crucial for companies, brand managers and marketing practitioners alike (Ballantyne & Warren, 2006).

Brand differentiation is also becoming an important tactic for combating competition in a hostile marketplace (Thomas & Sekar, 2008). For years the concepts of brand building and positioning have been built around the principle of the "battle for the consumer's mind" (Reis & Trout, 2000). Using this concept, companies try to differentiate their product with points of parity and points of differences as a tool to capture the attention of consumers' (Keller & Sternthal, 2002). This is because today's consumer can be characterized as suffering from 'over choice' and choice fatigue (Ballantyne & Warren, 2006). The problem gets further magnified as the modern consumers are now living in an age of information "overload" where the crowded market place gives little room for companies to maneuver themselves and find their own space.

However marketers are also finding it increasingly difficult to differentiate their products/service offerings in the minds of the consumers, as they discover that their offerings are becoming increasing similar with lines between them becoming blurred and non-differentiable (Bitner & Booms, 1999). The challenge for the firms then becomes of how to break free from the pack so that they are able to cut through the clutter of their marketplace. It is in this context that a relatively unknown company has been able to break free from the pack and has carved out a space for itself that is giving the likes of Hindustan Unilever Limited (HUL), Proctor & Gamble (P&G) and Colgate a run for their money.

Michael E. Raynor, (2011),"Disruptive innovation: the Southwest Airlines case revisited", Strategy & Leadership, Vol. 39 Iss 4 pp. 31 – 34, in this paper have said that the theory of disruptive innovation explains how large, successful incumbent organizations in all types of industries are toppled by much smaller start-ups. Entrants typically succeed by first developing solutions for relatively small and unattractive markets of no interest to successful incumbents. This constitutes the entrants' ‘‘foothold’’ market. Sometimes customers in these foothold markets are quite happy with inferior but much less expensive solutions; sometimes they require solutions with a vastly different performance profile. Eventually, driven by their desire to grow, the upstart entrants improve their initial offerings in ways that allow them to compete effectively for the larger, more lucrative mainstream markets. This is the entrants' ‘‘up market march ‘to capture the customers that are the incumbents' mainstay. Thus in India too, in a crowded Indian FMCG space, dominated by the HULs and ITCs, Patanjali Ayurveda Limited (PAL) has emerged as a dark horse spearheading a quiet revolution in terms of its sheer strength of consumer connect –a market-disrupting force, emerging from the hinterlands of India, posing a serious challenge to the erstwhile barons and mighty kings of the FMCG sector.

Successful organizations survive by consistently delivering on customer expectations & managing customer perceptions to fit delivery of brand promise to ride the competitive blitzkrieg. Research has also confirmed that modern consumers no longer simply buy products or services, instead they buy wonderful & emotional experiences around what is being sold. (Bremback, H. & Ekstrom, K. 2004). Brands that are able to develop an emotional and symbolic attachment with consumers, in goods & in services sector, are likely to succeed in today's highly competitive marketplace. It is thus extremely important for companies to continuously invest in innovations and disrupt the marketing strategy with the objective of catching and holding the consumers attention.

Therefore in an age of startups and an innovation-driven economy, every other company wants to ride the “disruptive marketing” bandwagon to capture the consumers mindset and wallet. What is equally true is that very few companies are able to pass the litmus test of disruption and also sustain it for the years to come. Disruptive marketing can either mean creating a new product that addresses a hitherto untapped market that is “high-end disruption” or to create a cheaper, simpler or convenient alternatives to existing products- “a low-end disruption”. Innovators of disruptive experiences tend to focus on getting emotional and social jobs done for customers rather than on the functional needs of the customer. Authors David W. NortonB. Joseph Pine II, (2009) in their article," Unique experiences: disruptive innovations offer customers more “time well spent”", Strategy & Leadership, Vol. 37 Issues 6 pp. 4 – 9 say that ‘‘in today's market, greater opportunities for growth lie in brands innovating around the emotional and social jobs that people want done and in a manner that creates experiences that provide time well spent. ’’ Here again Patanjali Ayurveda Limited (PAL) scores high on both these counts.

PAL, is a story of exhilarating and mind boggling growth. From its humble beginnings in 2006 as a pharmacy store, the company has grown into a juggernaut clocking a turnover of Rs. 20 billion in FY 2015 alone. It has a network of nearly 10,000 stores, having a wide array of products and caters to nearly all FMCG segments. In FY 2016, it is targeting Rs. 50 billion in sales, which will make its top line larger than some of the old guards like Colgate, Emami and Jyothy Labs.

2. THE GENESIS

The Patanjali saga has its genesis in the word that is synonymous with India's gift to the world- Yoga. In 2003, a relatively obscure TV channel called “Aastha TV” opened its early morning slot for Baba Ramdev. Wearing only a saffron dhoti, he would appear every morning, and demonstrate various yogic postures, their benefits, encouraging the audience to lead a healthy, simple and fit life. He soon became very popular for his free yoga lessons, his easy-to-follow breathing techniques based on his knowledge from several scriptures. In fact Baba Ramdev single-handedly revived the ancient Indian practice of Pranayam- anulom and vilom- the breathing techniques that were till then known only in limited circles. His simple earthy appearance, easy approachability helped his popularity increase in leaps and bounds. Ramdev started providing a heady cocktail of yoga, spirituality, health, Ayurveda and lifestyle to a parched Indian audience that was struggling with these very issues, especially in the fast paced metro cities in India. And millions started flocking to his ashram to savor this tonic without a second thought.

3. THE EXPANSION

While Baba was the magnet that was pulling the audience to him, his close associate and also an Ayurveda expert Acharya Balkrishna realized that this popularity wave and the sheer trust and confidence that Baba has earned can be expanded to encompass a whole range of offerings. He amalgamated the yoga guru's popularity and his knowledge of ancient Ayurveda with best of technology and started providing a whole range of medicinal products. Thus was born Patanjali Ayurveda Limited (PAL), a company set up as a small pharmacy by Baba Ramdev and Acharya Balkrishna, in 1997. Balakrishna owns 92% stake and the rest is held by an expat Indian couple. Baba Ramdev holds no stake in the company. PAL which began manufacturing medicinal products initially, slowly and steadily ventured into segments like dental care, cosmetics, and food products. The brand name Patanjali Ayurved combines the names of India's ancient herbal medicinal system of Ayurveda, and the famed yoga saint of yore, Patanjali.

The website of Patanjali Ayurved Ltd clearly mentions that “it is not a company. It is a *Concept* – a concept that links the rising destiny of millions of rural masses on the one hand and many more suffering the onslaught of the unhealthy urban life style on the other”. It is about economically processing farm produce into daily use consumables ranging from Ayurvedic health supplements to foods and cosmetics. The produce is picked right from the farms, thereby increasing the effective income of the farmers. The health based products are made available to a large urban population at an unmatched cost not seen by the market.

To quote from the company’s website “it is all about reinventing the traditional knowledge of Yog and Ayurved, rejuvenation of rural economy by arresting the flight of rural job seekers to the urban slums, strengthening the health grid of the nation and the world, mending the environmental imbalance……and finally fighting the tirade of western culture on Indian panorama.”

Thus it can be seen that PAL has built a strong emotional connect with the consumers based on three clear platforms - first- a “swadesi” platform, secondly- resuscitating the rural poor and their economy and finally caring for the health of all by providing the products at very affordable prices. This emotional branding is what has emerged as the strongest differentiating factor. “Emotional Branding” emerged in the late 1990’s and is establishing itself as the new paradigm for branding. It is defined as engaging the consumer on the level of senses & emotions; forging a deep, lasting, intimate emotional connection to the brand that transcends material satisfaction; it involves creating a holistic experience that delivers an emotional fulfillment so that the customer develops a special bond with and a unique trust in the brand. (Gobe, 2001). “Emotional Branding says that branding strategies should be more about mindshare and “emotions share”, rather than market share. (Gobe,2001, op.cit). According to Gobe, Emotional Branding is a dynamic cocktail of anthropology, imagination, sensory experiences and a visionary approach to change. A unique trust, commitment to product or institution, the pride a consumer feels upon receiving a wonderful gift of a brand they love - these feelings are at the core of emotional branding. A brand is thus is like a bridge between the company and the consumers (Travis, 2000). The reason why companies seek this “commitment to product or institution” from the customers’ is because of the direct relationship it has in building customer loyalty. According to Crosby & Johnson (2005) emotions are integral to customer loyalty. Strong emotions towards a product/service can build high barriers to competition. While rational benefits are easily copied by competition, emotional bonds are more difficult to break. Simms (2006) has identified that customers’ emotional loyalty is much stronger than what companies believe. According to McKenna (2005) true loyalty is created through an emotional bond and through the heart, not the wallet.”Emotional bonds can only be established through people and not products.” And it is these emotional bonds that PAL has been able to forge with its vast customer base in India. PAL thus combines an amalgam of superior quality products at a fair price while making strong emotional bonds with the consumers as the company further pledges that “getting our patients rid of their diseases is again too limited a goal for us to seek. A holistic approach to improvement in the quality of life of all beings, world over, is the purpose behind our being”.

The advantage it has is that once a consumer buys into the ayurveda philosophy, it's not restricted to just one product. With acceptance comes extension as consumers end up buying many categories simultaneously — a phenomenon not seen with other FMCG companies where individual categories gain or lose a consumer to competition. The company assures the consumers that getting rid the food of the pollutants, poisonous pesticides and chemical fertilizers are their goal and commitment. Thus they are always striving to achieve this by providing consumers with eatables that are cultivated using organic, natural manures and pest repellents.

Another factor that is strongly in Patanjali's favor is its objective is to make products available to the consumer at the most reasonable price, and therefore most of its products come at a substantial discount to existing alternatives. The price differential itself may be enough for some consumers to make the shift and for those in the low income class to become loyal customers of the given product category. For example, Chyawanprash, one of Dabur’s flagship products is nearly 25% more expensive than that of Patanjali’s. Similarly, Patanjali Honey is priced at 43% lower than Dabur’s.

This is possible for PAL as it remains perhaps the only company in the FMCG space that didn’t spend or rely on advertising for its scalability. Using an intelligent combination of strong word of mouth (WOM) publicity and powerful endorsements by Baba Ramdev via his yoga camps, PAL has been able to achieve an unprecedented scale and growth to the extent that it is now making global & domestic rivals sweat. Coming out of nowhere, Patanjali Ayurved is now India’s fastest-growing consumer products brand and established domestic and global competitors like HUL, Colgate, Nestle, Dabur, Emami and Marico are unnerved by the rocketing sales of its wide range of ayurvedic, nature based staples, nutrition, cosmetics and personal care products of this company. An exclusive store network proved a winning strategy. There are nearly 10,000 consumer touch points as “Chikitsalayas” (Dispensaries) and “Aarogya kendras” (Health centers). These are operated by third party vendors as exclusive Patanjali stores. Brokerage house CLSA’s analysts Vivek Maheshwari and Bhavesh Shah put Patanjali Ayurved in their annual “Wish you were listed” roll last week, saying its topline exceeded that of listed firms like Jyothy Labs and Emami Ltd.

4. EMERGENCE OF A MARKET DISRUPTER FORCE

Philippe Silberzahn and Phillip A Cartwright, in their article “Acting to see: when disruptive times call for disruptive marketing”, (EBF issue 29. Summer 2007) say that "disruptive"markets, are overturning old market certainties.

Traditional marketing is very good at helping companie to sell to existing markets, but it cannot predict the emergence of new markets. Marketers thus need to learn how to create markets where none currently exist.

Patanjali's vast food range consists of interesting concoctions such as an almond mix, a rose sherbet and a gooseberry juice. With a variety of items such as an aloe vera gel and a jasmine soap, it could well turn into an Indian version of Body Shop, the global natural beauty products maker. Patanjali sells cornflakes and muesli in a category led by Kellogg's, an almond health drink in a segment dominated by Mondelez International's Bournvita and an anti-wrinkle cream that could compete with P&G's anti-ageing product, Olay. One of its top sellers is a toothpaste called Dant Kanti (tooth shine in Hindi) which is a potential rival to Unilever's Pepsodent.

"Big companies in their boardrooms are now discussing Patanjali and chalking out a strategy to fight with us," Ramdev is quoted as saying in a recent interview. Having already built up scale via non conventional distribution, it now has the funds to make a big push towards traditional distribution. Distributors are more than willing to stock PAL products looking at their traction with consumers. The company expanded its reach from 200 Patanjali outlets in 2014 to 5,000 franchise stores currently in 2016 and launched more than two dozen mainstream FMCG products as none of the existing herbal players catered to categories such as noodles, oats and detergents. "Patanjali has registered a near-80 per cent growth in penetration, which is about 5 percentage points on an absolute level, in one year," said K Ramakrishnan, general manager, IMRB Kantar Worldpanel.

As the Patanjali brand continues to make headway into the consumer market, large multinationals that previously were complacent sitting on handsome margins for a long time, have now been forced to stand up and take notice. Market leader Colgate is already sensing a tectonic shift in the oral healthcare segment with the runaway success of PAL's "Dant kanti" toothpaste". With a close intersection in categories with Dabur, this company too is likely to face the music. According to a report by IIFL Institutional Equities, Patanjali is likely to touch a net turnover of Rs. 200 billionn by FY2020, resulting in a 1-1.5% impact on sales CAGR for the sector. The highest market shares of Patanjali are likely to be in the categories of Ayurvedic Medicine (35%), Honey (35%), Ghee (33%), and Chyawanprash (30%), the report adds.

PAL maintains high profit margins on several of its products, thanks to the phenomenally low overheads compared to the competition. Neither does PAL hire management professionals with fat pay checks, nor did it spend much on distribution until recently, operating solely through exclusive shops. No wonder, the company has managed to maintain lower prices despite the pressure of inflationary trends on its popular products. Yet this company has single handedly made the market leaders sweat. It is a classic case of a David bringing down the "Goliath's "of FMCG industry through a brilliant combination of pricing at one end and building a strong brand at the other, to create a market disruptive juggernaut that refuses to slow down.

Patanjali has grabbed share from non-Ayurvedic companies. While the growth of Ayurvedic brands in the face wash category increased to 50 per cent from 36 per cent earlier, the growth of non-Ayurvedic brands eased to 16 per cent from 21 per cent a year ago. The share of market leader Himalaya remained unchanged at 35 per cent as Patanjali gained 7 per cent share. In shampoos, sales of Ayurvedic brands more than doubled to 194 per cent, while for multinational companies, it declined to 15 per cent from 21 per cent earlier. Categories such as chyawanprash, amla and aloe vera juice saw growth double to 42 per cent, with Dabur retaining its 53 per cent market share. "This unusual phenomenon of consumer products market disruption is rare as brand erosion or loyalty for well-established brands generally doesn't happen so quickly," said Devendra Chawla, president, food and FMCG, at Future Group.

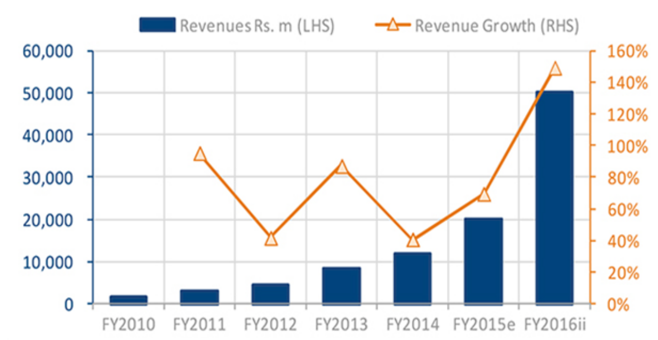
Patanjali attributes its success to consumer shift from non-Ayurvedic brands owned by multinationals to Indian herbal companies. Its products are on average 15-20 per cent cheaper than the competition and several rival companies have been running offers and promotions to compete with them. "Other Ayurvedic companies are coming up with good quality products at even cheaper prices, which is ultimately doing good. The country is huge and the FMCG market is so large that we may not be able to provide for everyone," said Acharya Balkrishna, managing director at Patanjali Ayurved, adding that the company has almost met its sales target of Rs 5,000 crore for the financial year ending March 2016, more than double the revenue of Rs 2,000 crore in 2014-15. Hindustan Unilever's net sales increased 10 per cent to more than Rs 30,000 crore in the previous financial year and Colgate-Palmolive (India) sales rose 12 per cent to Rs 3,955 crore.

Patanjali Ayurved has garnered a 4.5% market share in the toothpaste segment, a report by Kotak Institutional Equities said. In comparison, in the last one year, Colgate Palmolive, the sector leader, has lost its market share by 60 basis points (100 basis points = 1 percentage point) to 57.3%. In an attempt to boost market share, Patanjali Ayurved is beefing up its main toothpaste brand, Danta Kanti, with variants like medicated, advance and junior.

After Colgate's October-December 2015 quarter results, several brokerages have flagged competition from Patanjali Ayurved as a threat to MNC giants in the toothpaste segment. Prabhudas Lilladher, a domestic brokerage house, cut Colgate's earnings estimates for the next three years by 4-10% because of the threat from Patanjali Ayurved. Toothpastes and noodles are not the only segments which excite Patanjali Ayurved as it is also taking on MNCs like Glaxo SmithKline Consumer, Mondelez and Johnson & Johnson by launching its own health food drinks and baby care products.

In a recent report on the Indian consumer segment, Deutsche Bank analysts Manoj Menon and Gaurav Bhatia said that emergence of Patanjali Ayurved as a serious player in the segment as it gains scale and market share, "its competitors, such as Colgate (toothpaste), Britannia, ITC (biscuits, dairy), Dabur (Honey, chywanprash), Nestle (Maggi, packaged foods) etc., will be starting to take notice of the strong growth delivered by Patanjali and its expansion into new categories." In a report, Edelweiss had said Patanjali's PowerVita will provide competition to all health food drink companies like Mondelez and GSK Consumer.

Patanjali Revenue Growth Has been Strong en Strong



Source: Company, IIFL Research

It is surprising that though a company like Dabur too was in the same space as PAL, yet Dabur has not been able to taste the kind of success that PAL has achieved in a shorter period of its existence. Given PAL's significant price discounts vis-à-vis competitor brands, sooner than later the competition will have to eventually reduce prices to lock horns with the PAL challenge. These competitors will definitely have to come back with a counter strategy given that fact that market shares have to be protected at all costs, and it is much more expensive to winning back lost customers compared to winning back lost margins. Moreover, each company, for each category, and each brand, will now have to evaluate how many customers are value-seeking and how many are steadfastly loyal (keen to remain associated with a given brand and product attribute). Brands with more customers of the latter kind are less likely to drop prices in response to PAL. What this means is that most FMCG companies will have to up the ante in giving consumers a compulsive reason to consume their brand.

Homegrown FMCG major Dabur is readying a strategy to take on Baba Ramdev's Patanjali that has disrupted India's Ayurveda and naturals market with a battery of consumer products. After FMCG giant Hindustan Unilever (HUL) showed aggression in the category by reviving its old Ayurveda brand Ayush and acquiring new ones in December last year, Dabur is in the process of modernizing its Ayurveda portfolio and introducing new products at the same time.

To start with, the Burman family-led company with sales of around Rs 7,800 crore, will beef up its women's healthcare range and follow it up with product launches in health and babycare segments. At that include its bestseller Chyawanprash, contribute around 40% to Dabur's sales. Going forward, the company expects it to rise. "As a first step, we are introducing our traditional Ayurvedic post-natal health tonic Dashmularishta and the menstrual pain relief tonic Ashokarishta in fruit flavours," said Ramarao Dhamija, Dabur India category head of mother and child care. "This will bridge the gap between health and taste. We will launch these in modern formats, " he said. Industry experts said this is part of Dabur's plans to make Ayurvedic remedies relevant to the modern-day consumer.

HUL too seems to have sniffed an opportunity in the Ayurveda and naturals space. It has brought back its Ayurveda brand Lever Ayush and re-launched it as a premium brand in September 2015. Two months later, it acquired Mosons Group's flagship brand 'Indulekha' for Rs 330 crore. "We are excited by the strong equity that the brand enjoys among consumers and see an opportunity in leveraging its 'naturals' and therapeutic positioning," said Sanjiv Mehta, CEO & MD of HUL. HUL had a Rs 5,000 crore in sales in 2015

5. THE WAY FORWARD

While specific global brands may not yet be impacted by Patanjali's products, the company's niche range is set to shift the sales hierarchy in India. The company currently sells through a network of thousands of its Swadeshi stores, many of which are franchisee-run. In October 2015, Patanjali formed a marketing partnership with Future Group, which will offer over 300 of its products in 77 categories through stores such as Big Bazaar in about 250 cities. Four months after partnering with Future Group, the country's largest retailer, Patanjali products have already captured a 7-12 percent share in categories such as detergents, toothpastes, soaps and shampoos at Big Bazaar & Nilgiri stores. In food products including oats, noodles and honey, the share gains are 7-37 percent according to Dunnhumby, a UK-based research company that has tied up with Future Group for data science. Patanjali products were purchased by about 21 per cent of Future Group shoppers in January 2016 compared with 2 per cent in October 2015. "While Ayurveda brands were always there, the entire category has now arrived with a bang, thanks to heightened awareness benefiting the overall ecosystem,"

Chawla said.

"There is a great demand for their interesting range of products," said Biyani whose group is targeting 10 billion rupees in sales from Patanjali products this year. To compare, Biyani's group sells 13 billion rupees worth of Unilever products annually. "I believe Patanjali will hit 50 billion rupees in revenues this year, double it next year and in the next two-three years, become a Top Three Indian consumer products brand," said Biyani.

Bangalore homemaker Neha Gupta is a recent convert and started using Patanjali's aloe vera gel and honey on friends' recommendations. "The products are really good and very reasonably priced compared with other brands," said Gupta. In Mumbai, Laxmikant Sharma whose agency distributes 260 Patanjali food and beverage products in the up-market Bandra and its neighborhood, said he expected his business to double revenues next year. "Customers love the products and we are always short of supply," said Sharma who estimated the supply shortfall at 30-40%.

The company is now aiming to uproot Nestle's prime brand and category leader, Maggi noodles from its 'numero uno' status in the snacks segment, with Patanjali's Atta noodles being offered at 36% discount to the Maggi's atta version. The story of how Patanjali got into noodle making is fascinating and a compliment to the power of the social media, to say the least. The company never had any plans of venturing seriously into this space. When the Maggi controversy broke out some social media post that spoke of Patanjali entering this space, went viral. When this news spread like a forest fire through the Facebooks, Twitters and Whatsapps of the world, Balkrishna proposed the idea to the management which was duly approved.

The Patanjali instant noodles brand projects itself as wholesome and reasonably priced. Even as Nestle is looking to re-launch its *"do minute"* (Hindi for two minutes) Maggi by the year-end, the PAL brand is publicizing its tagline *"jhat pat pakao, befikr khao"* (Cook in a jiffy, eat without a worry) and positioning its product as healthy, lead and MSG free.

6. THE CHALLENGES AHEAD

It is estimated that by FY 2020, PAL would be able to garner double-digit market share in 10 of the 25 categories. However, the company would have to counter a few challenges on the way. The first is brand loyalty. Will it emerge as a key force strong enough to make consumers switch their long-standing affinities with other brands? PAL does have the advantage of a single brand that could enable brand equity seamlessly spread from one product to another. The larger issue before the company would be to chart the best route to traverse the trade supply chain. Until now, their voyage has been rather simple – goods from the factory went to a distributor and then directly to the exclusive store network.

Now that PAL wants to boost sales phenomenally, it will have to rapidly grow distribution coverage. No wonder, it targets to make its products available in 2 million stores by the end of 2016 as against the current 0.2 million stores. This leap would make the supply chain exceedingly complex, especially for a company like PAL which does not have systems to track secondary sales, nor a large and disciplined sales force.

The second most important question that PAL needs to address soon is the brands strong linkages to its founder Baba Ramdev. Humans are mortal but brands are timeless. Given the fact that the brand is closely inter-twined with the Baba and has been riding on his popularity, the company will soon have to ensure that this popularity and strong emotional connect does not wane after the Baba is no more. Worldwide it has been seen that the strongest brands have survived the volatility of the markets and have succeeded over generations due to their ability to span generations with ease and remain contemporary to the consumer. Thus brands like Coca Cola, BMW, Raymond's and Cadbury's to name a few have the ability to defy time. And it is this strength of timelessness that PAL has to understand and build upon soon.

7. TO CONCLUDE

Firms are increasingly recognizing that brands are among their most valuable assets (Madden et al. 2006; Simon and Sullivan 1993) and are, therefore, intensifying the level of resources directed toward building them. At least partially in response, academics are also intensifying the attention directed toward understanding the meaning and value of brands and the process of branding (Berry 2000; Keller 1993; Schouten et al. 2007). This development in the branding literature, together with a more general evolution in academic marketing thought, is causing marketing scholars to rethink the logic of brand and branding.

Notwithstanding the trajectory that PAL treads in future, it undoubtedly is an exciting development. Its central theme of "swadeshi" produce has resonated very well with consumers, and more important, its quality benchmark is firmly established. A market-disrupting force has emerged from the hinterlands of India that has shaken the foundations of the well established players in the FMCG sector- global and domestic. As of now at least, PAL rivals are frantically looking for a soothing balm to calm their frayed nerves. Perhaps they can rush to the nearest Patanjali store for a magic potion. Unlike global and domestic consumer firms, Patanjali has welcomed touring analysts and potential business collaborators to its factories in Haridwar in India's northern Uttarakhand state. Again, unlike its rivals, Patanjali Ayurved has not yet spent a dime on marketing or advertising, and its products currently sell on word-of-mouth. But this could change soon.

Now with hostile market conditions and mushrooming competition, the company is relying on a blitzkrieg of advertising campaigns directed at end-consumers. It has hired actor Hema Malini to endorse its biscuits and has also increasing its visibility on mainstream television channels. According to BARC, Patanjali became one of the top three most advertised brands on television in late January 2016. "The (Patanjali) products have the right to succeed, especially in ayurvedic categories such as chyawanprash, honey and ghee," said Britannia's Berry, who has been tracking Ramdev's biscuits closely.

Given the aggression and rapid-fire pace of its all-around strides, many of its well-known peers already seem overwhelmed with this "swadesi" movement, which doesn't look like receding anytime soon. However the key question that remains to be answered is whether PAL will be able to sustain this fast paced growth and handle the complexities of a widespread supply chain without compromising on its quality and brand promise.

Thus while incumbent companies are adept at incremental innovation, continuously improving existing lines of products in terms of cost, quality and performance, they tend to perform poorly when major changes occur in their environment. They fail to introduce radical innovations in response to this "disruption" of the environment, and end up ceding their leadership to new entrants. Sony has been the leader in consumer electronics for years, rightly celebrated as the ultimate innovator. The Japanese company was marrying content and electronics long before it became fashionable. Yet it is Apple that is dominating the market for MP3 piayers with its iPod.

REFERENCES

[1] Ballantyne, Ronnie; Warren, Annie; Nobbs, Karinina. (2006).” The evolution of brand choice,” Palgrave Macmillan. Brand Management Vol13, No. 4/5, pp.339-352

[2] Bitner M.J, Booms, B.H. and Tetreault, M.S. (1981)” The service encounter: Diagnosing favorable and unfavorable incidents”, Journal of Marketing, Vol.54, pp.71-84

[3] Brembeck, Helene. Ekstrom, Karin M. (Eds)(2004)”Elusive Consumption”, Journal of Consumer Policy, Vol. 27, No.4, pp.500-500. Book published by Berg Publishers, Oxford/New York

[4] Bitner, M. J., Booms, B. H., and Mohr, L. A. (1999). Critical Service Encounters: The Employee Viewpoint. Journal of Marketing, 58(4), 95–106.

[5] Bitner M.J, Booms, B.H. and Tetreault, M.S. (1981)” The service encounter: Diagnosing favorable and unfavorable incidents”, Journal of Marketing, Vol.54, pp.71-84

[6] Berry, Leaonard. (2000), "Cultivating Service Brand Equity", Journal of the Academy of Marketing Science,January 2000 vol. 28 no. pp.128-137

[7] Crosby Lawrence A.,Johnson Sheree L. "The Three M’s of Customer Loyalty -Understanding customers involves measuring, modeling, and managing", Marketing Management.American Markeiting Association, May/Jun2005, Vol. 14 Issue 3, p14-15.

[8] Dall’Olmo Riley, F. de Chernatony, L. (2000),”The service brand as relationship builder”, British Journal of Management, Vol.2, No.1, pp 137-150

[9] David W. Norton, B. Joseph Pine II, (2009),"Unique experiences: disruptive innovations offer customers more “time well spent”", Strategy & Leadership, Vol. 37 Iss 6 pp. 4 - 9

[10] Gobe Marc (2001), “Emotional Branding: A New Paradigm for Connecting Brands to People”, Allworth Communications Inc.

[11] Keller, K.L. (2008) “Strategic Brand Management”, Prentice Hall, New Jersey –Edition 2008

[12] Keller, K.L. (1993). “Conceptualizing, measuring, and managing customer based brand equity”. Journal of Marketing, Vol. 57, No.1, pp.1-22.

[13] Keller, K.L. Sternthal, B. Tybout, A. (2002) "Three Questions You Need to Ask About Your Brand”, Harvard Business Review,Vol.80, No.9, pp.80-86

[14] Keller, K.L. (1993). “Conceptualizing, measuring, and managing customer based brand equity”. Journal of Marketing, Vol. 57, No.1, pp.1-22.

[15] Madden, Thomas J. Fehle, Frank. Fournier, Susan. (2006) "Brands Matter: An Empirical Demonstration of the Creation of Shareholder Value through Branding", Journal of the Academy of Marketing Science, Vol. 34, Issue 2, pp.224-235,

[16] McDonald, M.H.B, de Chernatony, L. and Harris, F. (2001), “Corporate marketing and service brands: moving beyond the fast moving consumer goods model”, European Journal of Marketing, Vol.35, No.3/4, pp.335-352

[17] McKenna Terry (2005), “The Price of Loyalty: Creating Emotional Bonds”, National Petroleum News, Vol. 97, No. 3, p. 15.

[18] Reis, Al. Trout, Jack. (2000) “Positioning: The Battle for your Mind”. McGraw Hill, 20th Anniversary Edition

[19] Schouten, John W. James H. McAlexander. (1995), “Subcultures of Consumption: An Ethnography of the New Bikers,” Journal of Consumer Research, Vol.22, pp.43-61.

[20] Silberzahn Philippe and Cartwright Phillip A Cartwright,” Acting to see: when disruptive times call for disruptive marketing” EBF issue 29. Summer 2007

[21] Simms Jane (2006), “Playing with Emotions”, Director, Vol. 59, No. 12, p. 22.

[22] Simon, Carol J.; Sullivan, Mary W. (1993)"The Measurement and Determinants of Brand Equity: A Financial Approach". Marketing Science, Vol.12, Issue.1, pp. 28-52

[23] Thomas, B.J., & Sekar, P.C. (2008), “Measurement and validity of Jennifer Aakers’brand personality scale for Colgate brand”. Vikalpa, Vol.33, No.3, pp. 49-61.

[24] Travis Daryl (2000), “Emotional Branding: How Successful Brands Gain the Irrational Edge”, Prima Ventures Publishing, Roseville, CA.

[25] http://www.forbes.com/sites/saritharai/2015/10/15/an-indian-yoga-gurus-consumer-products-brand-patanjali-is-making-global-and-domestic-rivals-sweat/Oct 15, 2015

[26] http://patanjaliayurved.org

[27] http://economictimes.indiatimes.com/industry/cons-products/fmcg/patanjali-ayurved-injects-new-life-into-herbal-market-helps-rivals-sell-more-personal-care-products/articleshow/51098124.cms- Sagar Malviya & Neha Tyagi, ET Bureau | Feb 23, 2016, 06.50 AM IST

[28] http://timesofindia.indiatimes.com/business/india-business/Dabur-plans-to-counter-Patanjali/articleshow/50431387.cms?- John Sarkar | TNN | Jan 4, 2016, 02.12 AM IST

[29] http://articles.economictimes.indiatimes.com/2015-12-28/news/69356627_1_products-sunil-duggal-consumer-goods-space-Ratna Bhushan, ET Bureau Dec 28, 2015, 10.28AM IST

[30] http://www.indiainfoline.com/article/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291_1.html -Subhkirti Sinha , India Infoline News Service | Mumbai | January 13, 2016 11:02 IST

[31] http://timesofindia.indiatimes.com/business/india-business/Patanjali-eats-into-Colgates-toothpaste-market-share/articleshow/50764540.cms-Partha Sinha | TNN | Jan 29, 2016, 02.38 AM IST