

## New age Branding- Case of Ramdeo Baba

**Dr. Ruby S. Chanda<sup>1</sup>,**

Associate Professor  
Sinhgad Institute of Business Administration & Research,  
Kondhwa Saswad Road, Kondhwa (Bk.), Pune 411048

**Prof. Shital Prakash Bhusare<sup>2</sup>**

Assistant Professor  
Sinhgad Institute of Business Administration & Research,  
Kondhwa Saswad Road, Kondhwa (Bk.), Pune 411048

### Abstract

Today, we are living and working in what many are deeming a third age of branding; one defined not by how a brand carries itself through external communications, but by how people experience the brands around them. It's an age shaped and formed by the ever advancing and emerging influence of technology, along with the empowerment of us as humans.

Today, as much as traditional brand experts may flinch at the prospect, the truly great brands are no longer being built on the 35th floor boardroom of an agency's 'ivory tower,' nor do they come from in-house marketing departments pushing one-directional messages built upon the singular goal of sales. This third age of branding puts the human firmly front and centre in determining a brand's real-time equity. We are the people that enable those global super brands to shine, and we allow those who fail to deliver to fall into irrelevance.

This third age of branding requires a different set of skills and thinking from those within the industry. In response to a new age of brand challenges, agencies must craft strategically robust and creative answers by defining, creating and curating moments of interaction to deliver positive experiences.

This research talks about *Patanjali* developed as cult brand over a period of time using unique positioning and customer experience. The analysis includes major points as how a brand can be evolved using traditional and new age branding techniques.

### Introduction

"Good marketing makes the company look smart. Great marketing makes the customer feel smart."  
– Joe Chernov  
Joe Chernov, the Content Marketing Leader for Hubspot, is really on to something here. It is gradually becoming rather essential for smart marketers to realise the urgency to prioritise either of the following: 1. Working towards making the company look smart 2. Or, working towards making the customer feel smart.

Every brand started somewhere; therefore, every brand has a story to tell. New age brands cater to the “Y-generation”, and this generation is rather quite inquisitive and knowledgeable. Often intricate, with many facets to introduce and flaunt, brands have plenty stories to relay over a period of time. Participating in exhibitions is often paired with various activations such as roadshows and mall displays, where brands, with the assistance of reliable suppliers, create a brand experience that can be shared in various parts of the world. Supported by accumulated research, and guided by organisational objectives, brands can identify the areas where they can increase their global footprint, acquire more clients and partners, and most importantly, where they can gain more opportunity to understand their audience.

## **Problem Background**

The society in which we live today is a brand- obsessed society. Name a product or service and the brands relating to them are inestimable so many that cannot be counted on fingers. Thus, creating, developing, implementing and maintaining successful brands are frequently at the heart of marketing strategy. (McEnally, M . and Chernatony, L. de 1999) Successful branding requires a strategic perspective (de Chernatony 1998) whereby strong brand concepts are presented and communicated to target segments resulting in favorable brand images which reflect the brand's identity (Gardner and Levy 1955, Reynolds and Gutman 1984, Kapferer 1997).

## **Objectives**

1. To understand the branding strategy adopted by Baba Ramdev
2. To study and analyze the impact of their branding strategy
3. To understand the development and growth of Cult Brand in new Age society.

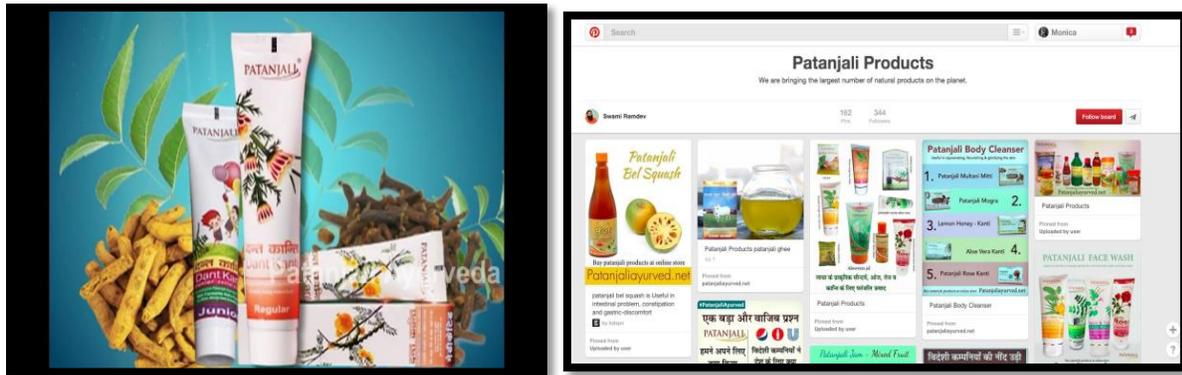
## **Conceptual Framework**

### ***Perception is Reality***

What has made executive branding so important today is the public's growing awareness that perception is reality. Author of *What's Your BQ?*, and ENP Advisory Board member , Sandra Sellani (www.EBQ100.com), uses Tiger Woods as an example: He built a career based on how he was perceived – and almost lost his career for the same reason. The public will never know the real Tiger Woods, as there are only perceptions by which to judge him. “Executives are the subject of perception – from peers, supervisors, subordinates. People will make decisions about that executive based on those perceptions whether the perceptions are right or wrong. Personal branding bridges the gap between perception and reality,” says Sellani. “By taking charge of your executive brand you *create* the perception.”

This brand of Baba Ramdev has a universal appeal, is sharing and collaborative, and the customers range hail from all age groups and regions. This Brand is a result of consistent hard work and carefully and meticulously followed strategy.

Patanjali is an Indian brand of Ayurvedic, herbal and wellness products. It has been in the news lately because of their inclusion in a “Wish You Were Listed” report by CLSA which estimates them to be bigger by revenue than Jyothy Laboratories and Emami.



Patanjali is Rs 1400 crores as per its 2014 ROC revenue filing or Rs 2500 cr for FY15 as per the CLSA report. A company with a similar product range and positioning is The Himalaya Drug Company which is also in the Rs 1500 crore turnover range and targets around 12% growth vis-avis Patanjali's stated 20% target. Himalaya is a much older company than Patanjali, founded in 1937, though it started thinking of itself as an FMCG player only as late as 2009. It has also expanded beyond pharma to wellness and personal care, has its own stores, sells online – a very similar journey in fact. In that context, Patanjali's growth is indeed commendable. (Biotique is a beauty brand also based on the Ayurveda platform but has not expanded its product range.)

The company is set to launch Power Vita as a direct competitor to brands like Bournvita. According to the company's estimates, the market size of the malted food drinks business in India is Rs 20,000 crore (although the companies currently in the category peg it at just Rs 6,000 crore). "In a few years Power Vita will become bigger than Horlicks, Bournvita and Complian," Ramdev tells this writer in his by-now familiar grandiose style.

India is today polarised in terms of competition — at one end are Unilever, Nestle and Procter & Gamble, and at the other are the likes of ITC and Emami, says brand strategist Harish Bijoor.

"Now, Ramdev promises to open up a third frontier," he reckons. Consumers are getting more and more aware and active about what they are putting into their bodies. "If Patanjali can offer valid substitutes on the backbone of ayurved, it may just work," adds Bijoor.

Santosh Desai, chief executive of Future Brands, agrees that Patanjali has a robust business model of providing a counterpoint to MNC companies. "It's a legitimate route. There are enough people who think there should be a strong counterpoint to MNCs," he says. "Ramdev is in a position to answer the aspirations of these people."

## Findings

The brand equity of Patanjali products are built around yoga and the baba who practices and preaches the discipline, explains Ashita Aggarwal Sharma, professor of marketing at SP Jain Institute of Management & Research. Consider the potential captive market Ramdev can address: some 20 crore, or almost a sixth of the Indian population, has attended a class of the Ramdev school of yoga courtesy of some 5 lakh trained yoga teachers working with Patanjali. "Once the consumer trust is obtained [via yoga], reaching them with your products becomes easier," adds Sharma.

"Consumers are somewhat unsure of the benefits of the current products in the FMCG space. It's in this gap that Ramdev has placed his Patanjali offerings."

The secret of Ramdev's success lies in decoding the new health landscape, wellness, a metaphor for life in balance for a nation caught in the grip of chronic lifestyle disorders. Even a decade back, healthcare was primarily diagnostic and therapeutic. Today prevention is the buzzword. "It's an age when no one wants to grow old, obese, sick, stressed or bored," says Bangalore-based cardiac surgeon Dr Devi Shetty. "The inner springs of the wellness industry lies in this attitude." Beauty, fitness, nutrition, rejuvenation-Ramdev's empire embraces all the sectors within the wellness market clocking Rs 27,000 crore in India.

Then there is his winning marketing strategy. "Consumers no longer buy products and services but experience," What led to the phenomenal success of his marketing strategy is mass customisation of an ancient Indian therapy, pranayama or breathing techniques. His unique selling proposition has always been the claim that it's suitable for all and can cure even incurable diseases without medicine-but if medicines are needed they are also available at his pharmacy and at a lower cost. While other pharma companies invest money on advertising, marketing and medical representatives, Ramdev spends nothing on these. If every business needs a well-managed distribution channel to reach the customer's doorstep, Ramdev manages a supply chain based on word-of-mouth. Today, a franchise network of 709 Patanjali chikitsalayas and 825 arogya kendras dot the country, adding an estimated Rs 90 crore to the coffers every year. "There has been no hardsell. But he is such a brand that people automatically buy his medicines," says Dave

It was television that magically transformed Ramdev into a brand and yoga into a media extravaganza. Images of Ramdev churning his stomach, balancing on hands or wrapping his legs around his neck thrilled viewers, as did his constant refrain, "Don't go in for medication. It's breathing that keeps you alive." First on Sanskar television channel in 2002 and then on Aastha channel, Ramdev's yoga classes turned him into a sensation overnight.

## Financial Growth

When reports came out that Patanjali Ayurved Ltd (PAL), promoted by yoga guru Baba Ramdev, had recorded gross revenues of ` 2,500 crore (around \$380 million USD) in fiscal 2015.

While Ramdev focused on yoga, Balkrishna developed Ayurveda medicines. Gradually, PAL started manufacturing food items and cosmetics, and today, has its headquarters and manufacturing unit at the 100-acre Patanjali Food and Herbal Park at Haridwar, Uttarakhand, employing 6,500 people.

The gross revenue figures for FY15, `2,500, were no flash in the pan. PAL had registered turnovers of `1,200 crore in FY 14, `850 crore in FY13, and `450 crore in FY12, according to figures from the Registrar of Companies quoted by websites. The 2015 figure compares with Emami's `2,217 crore and Jyothy Laboratories' `1,481 crore (much older companies, founded in 1974 and 1983, respectively).

"The company targets to achieve revenue of ` 5,000 - 6,000 crore in FY16 itself. Growth is being driven by the company's largest-selling product, cow's ghee (expected to be ` 1,200 crore in FY16) followed by Dant Kanti and Kesh Kanti. Patanjali also has a robust pipeline of new products, which will help achieve its target. Besides Patanjali Noodles, the new launches pipeline includes Dant

Kanti Advance, Sugar free Chyawanprash, PowerVita, Seabuck thorn dietary supplement and powdered hair dye," the Edelweiss report says.

## Discussion

Looking at Brand Resonance Pyramid of *Patanjali*

**Brand Judgement** : Customer own feelings and opinions regarding Patanjali can be seen easily with thousands waking up before dawn to watch him on television or lining up for his yoga boot camp. : Differentiated product that appeals to the Indian belief in Ayurveda/natural remedies/'hand' medicine.

**Brand Feeling** : Customers emotional responses and reaction with respect to brand

While startups in India are only waking up to the expansive opportunity of reaching hyperlocal market, with the help of regional languages, Baba Ramdev has a firm grip on his biggest market. His Facebook posts alternate between Hindi and English, reaching out to the Hindi speaking population, the largest homogenous set in the country, estimated to be about 12mn people.

**Brand Resonance** : Relationship customer share with brand and how much they feel they are in sync with .In a country of 1+ bn population, 70% of which lives in rural and semi-urban areas, the reach and availability of foreign and MNC brands is limited, and the price points are beyond affordability. The Patanjali range of products, made completely in India and offered at low prices is the need of the hour. According to a study, "The national and multinational fast moving consumer goods (FMCG) brands playing in the fast growing \$ 1 trillion Indian market (2012) have started facing intimidation from home-grown, and an absolutely 'Swadeshi' competitor.

## Brand Elements of Patanjali

While it may not have a flat, minimal design, high resolution photos, icons, and a pretty UX, the Patanjali website has been in existence since 2011- a time when ecommerce in India had just started finding its feet spearheaded by the likes Flipkart, Amazon and Myntra.Patanjali has piggy backed not only the awareness of Baba Ramdev but it is built on the brand strength, firstly of Yoga and its proponent, Baba Ramdev, and of Ayurveda.

## The reasons for Patanjali's accelerated growth in a 4P framework are:

**Product:** Differentiated product that appeals to the Indian belief in Ayurveda/natural remedies/'hand' medicine

**Price:** Discounted at 20 – 30% compared to competition. Low cost pack sizes – health juice sachets start at Rs 5, making their product accessible to many

**Place:** Distribution through Ayurvedic pharmacies which further strengthens their health proposition. They have a franchisee based distribution strategy, though going by the complaints on complaintsboard.in they struggle with stocking and quality of sales staff. The recently announced tie-up with Future Group tie-up will definitely further enlarge Patanjali's retail footprint and make it easily available to shoppers. Tie-ups with online retailers such as bigbasket.com not only give them access to a growing middle class base but also reduce their cost of distribution and display.

**Positioning** : Strong positioning on Ayurveda and health consistently reinforced by its 'brand ambassador'.

## **The Future:**

Patanjali has now announced the launch of noodles. In my view, though it may become a volume contributor, it is a bad product choice because by no stretch does it fit in with the Indian heritage and however pure, instant noodles, can't be said to be healthy. Food is a logical area of expansion, but I would have expected product lines more in keeping with their ethos eg chapatis, pickles, curd, healthful beverages. Noodles would be a first step in the downhill path of brand dilution.

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 step up innovations, particularly in the herbal and ayurvedic space (distribution strength will come handy) to counter competition.

Its key strength, apart from its superior product quality, Edelweiss says, lies in pricing. The company's products are priced at around 15% - 30% discount to competition, which makes it an attractive proposition for consumers. Moreover, it is able to offer such discounts primarily because of having negligible A&P (advertising & promotion) spend versus other consumer companies that have A&P spends ranging from 12-18%, as a percentage of sales.

Earlier in August 2015, global brokerage and research house CLSA pegged Patanjali Ayurved to be the most diversified FMCG player in India and bigger than listed players like Jyothy Labs and Emami.

The Indian market is growing enough that there is space for both the MNCs and home grown biggies – as companies like Wipro and Godrej and Marico have shown. Moreover, if India is able to transform itself into a soft power brands like Patanjali will do well in affluent countries in the health food and natural remedies segment.

## **References:**

1. Chernatony, Leslie de (1998), "Developing on effective brand strategy. In C. Egan and M. Thomas (ed), The Chartered Institute of Marketing Handbook of Strategic Marketing, Oxford: Butterworth Heinemann
2. Coal Capital under Baba Spell, HT: Dhanbad-Bokaro Live, Hindustan Times, 30<sup>th</sup> March 2007, pg 1
3. Competitive Advantage: Creating and Sustaining Superior Performance by Michael E. Porter, Free Press, 1998 (1985)
4. Datta Damayanti(2007), 'The Karma Chameleon', India today,1 October, 2007, pg79-81
5. Gardner, Burleigh B. and Sidney J. Levy (1955), "The Product and the Brand." Harvard Business Review, 33, (March-April), 33-9.
6. Golf Ground turns into a Fortress', HT: Dhanbad-Bokaro Live, Hindustan Times, 30<sup>th</sup> March 2007, pg 1
7. Kapferer, Jean-Noel (1997), Strategic Brand Management: Creating and Sustaining Brand Equity Long Term, Kogan Page, London.
8. Kumar Anil, (2007), 'Baba Rains Blessings As Doc Yields To Yoga Salve' HT: Dhn-bokaro live,Hindustan Times, 31<sup>st</sup> March 2007, pg 1

9. McEnally, M and Chernatony, L. de (1999) "The Evolving Nature of Branding: Consumer and Managerial Considerations", Academy of Marketing Science Review Volume 1999 No. 02 Available: <http://www.amsreview.org/articles/mcenally02-1999.pdf> accessed on 23.05-08.

10. Pranayam pierces jail bars HT: Dhn-bokaro live, Hindustan Times, 31<sup>st</sup> March 2007, pg 1

11. Ramdev Swami(2007), 'Imagine The India That Can Be', HT: Dhn-bokaro live,Hindustan Times, 9 th October 2007, pg 1-2

12. Reynolds, Thomas J. and Jonathan Gutman (1984), "Advertising as Image Management", Journal of Advertising Research, 24, (February-March), 27-38.