

CASE STUDY



प्रृथम प्रारूप

PATANJALI

OVERVIEW

- Co -founded by Acharya Balkrishna and Baba Ramdev to propagate the science of ayurved.
- Today, some of the ayurvedic products produced by PAL are a strong synergy between ancient wisdom and modern technology.
- Even though Acharya Balkrishna is the primary stakeholder of the company (94% stake)
- The main driving force behind Patanjali Ayurved is the charisma and philosophy of Baba Ramdev.

Philosophy

Rooted in Ayurveda, Yoga, and traditional Indian wellness practices. Emphasizes natural ingredients

Business Model

Directly sources ingredients from farmers, promoting local agriculture and economic independence

Brand Values

Advocates for swadeshi products and economic self-reliance. involved in social welfare programs, education

*Market Presence

Initially focused on India, but expanding globally to promote Ayurveda and Indian traditional products

Vision



Yoga as a Path to Liberation



Holistic health



Integration of Yoga into Daily Life

Mission



Rural Upliftment



Environmental Sustainability



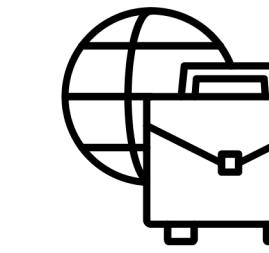
Rejuvenate ayurveda in world



Type of Company
Fast-moving consumer goods



Market Capitalisation
\$ 6.47 Billion

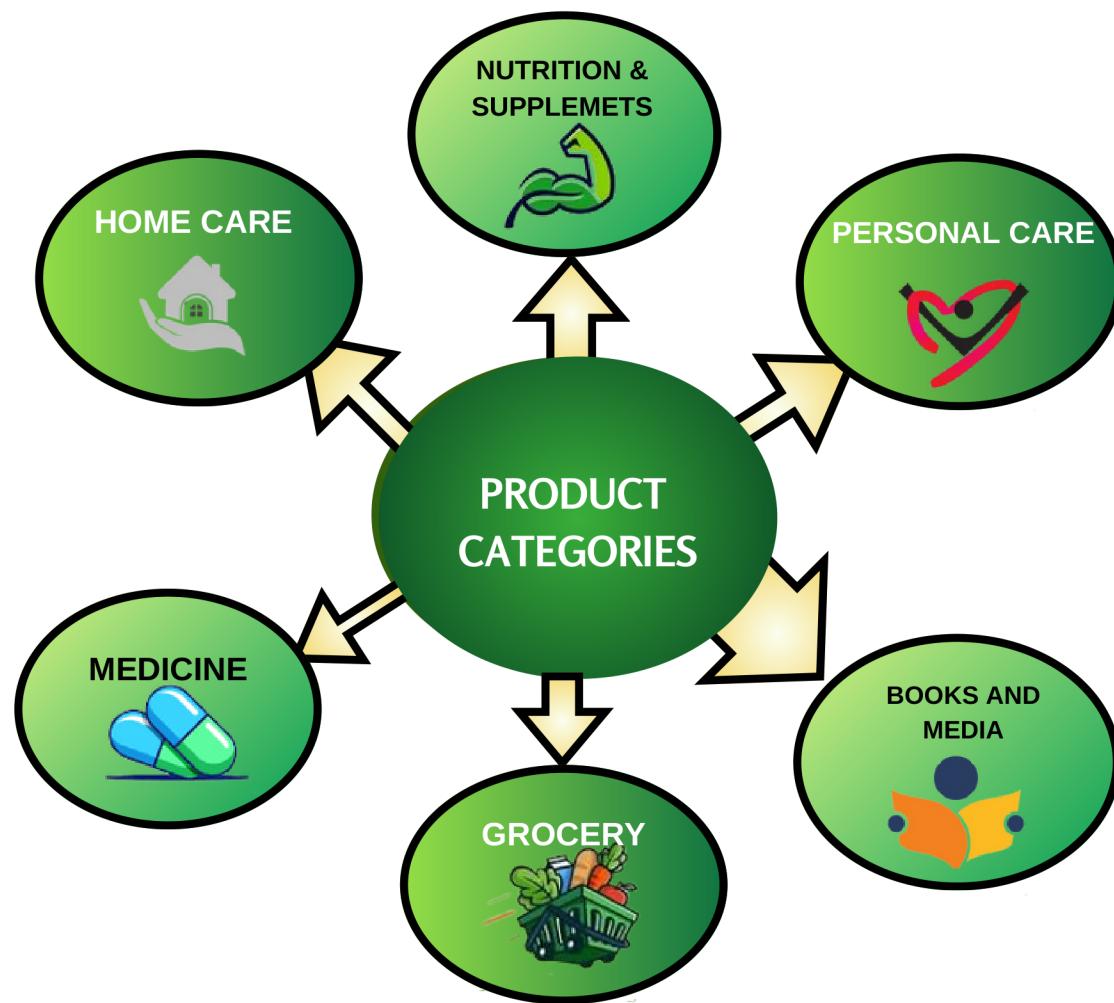


Nature of Business
Service|B2B|B2C

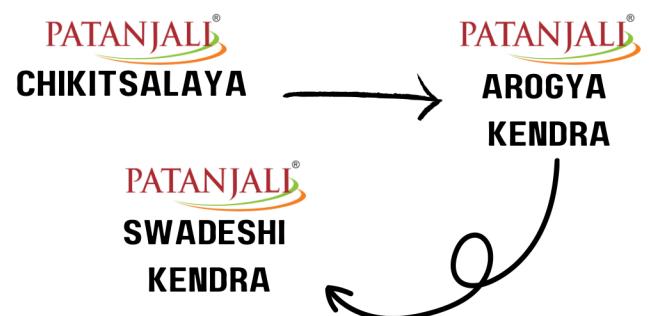


Revenue
318 billion rupees in Year 2023

PRODUCT OVERVIEW AND GROWTH ANALYSIS

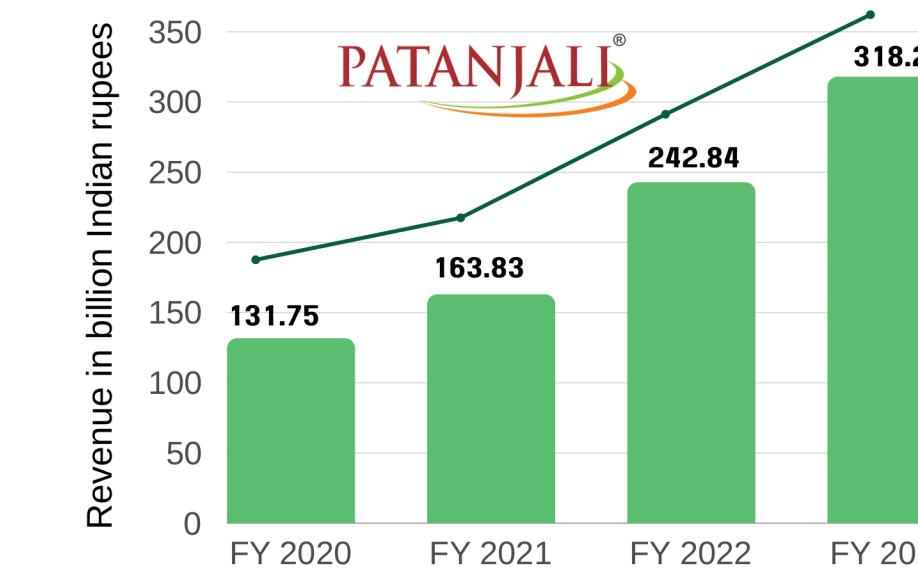


CONSUMER FUNNEL



MARKET SHARE

Food products are the leading segment, accounting for 43 percent of the total market. Personal care(22%) and Fabric care(12%)



COMPETITORS



Hindustan Unilever Limited

Kellogg's®

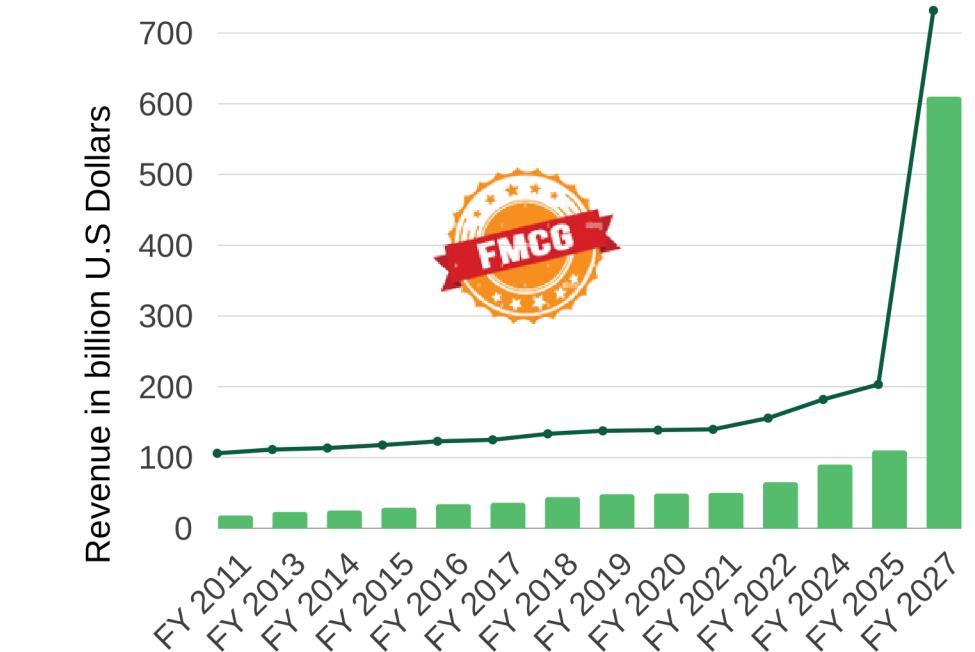


Himalaya HERBALS



COLGATE-PALMOLIVE

GROWTH





MILESTONE

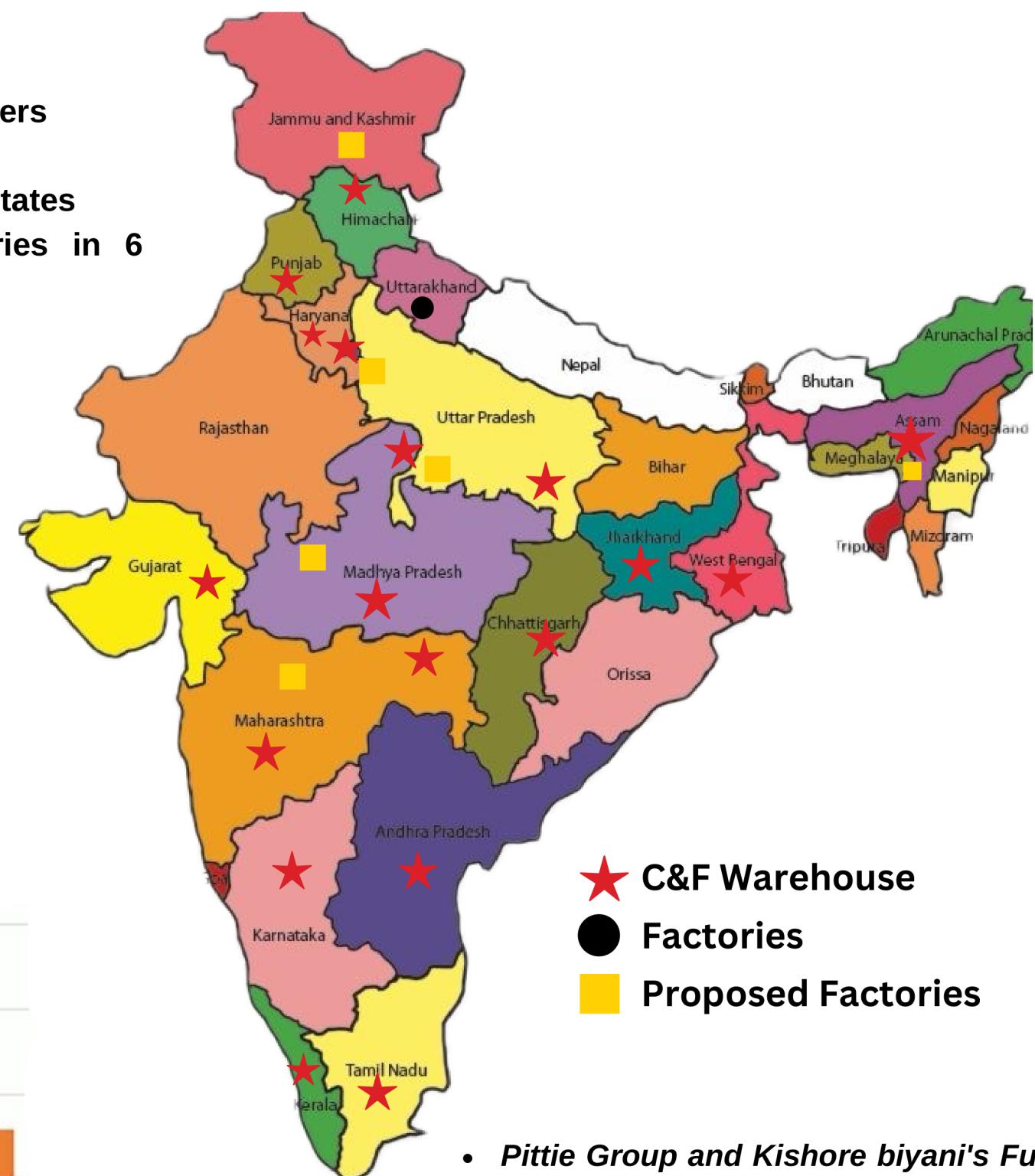
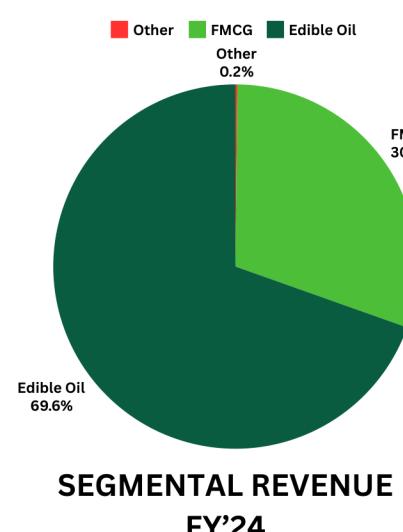
- Giant FMCG only in 5 Years
- Accomplished “Make in India Concept
- Patanjali is the first organization to have NABH recognized two hospitals along with NABL, DSIR, CPCSEA and DBT accredited state-of-art modern laboratories
- Biggest Swadeshi Movement
- Toughest Competitor in the Market for other MNC's and other Indian Companies

GRAPH OF MAJOR SALES PRODUCT



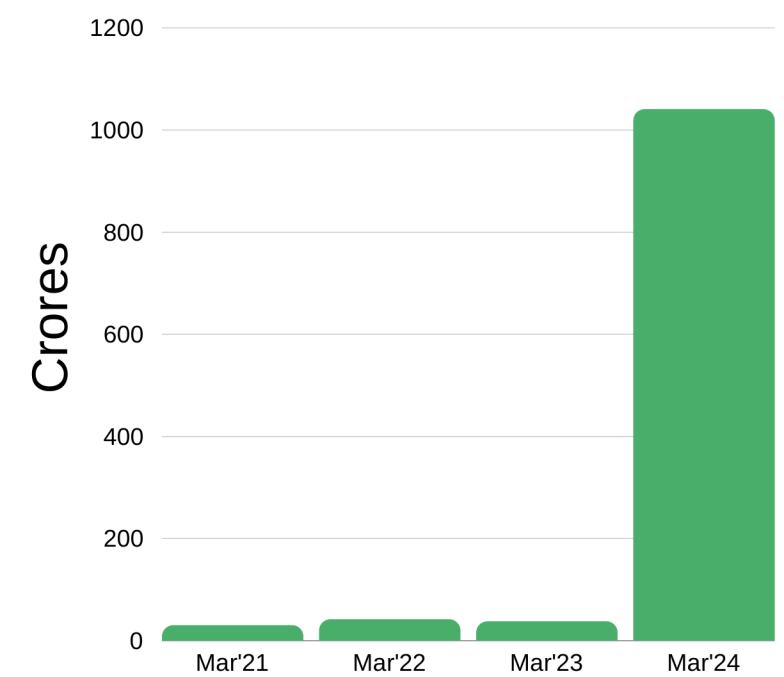
OUR PRESENCE

- 47000 retail counters
- 3500 distributors
- Warehouse in 18 states
- Proposed factories in 6 states

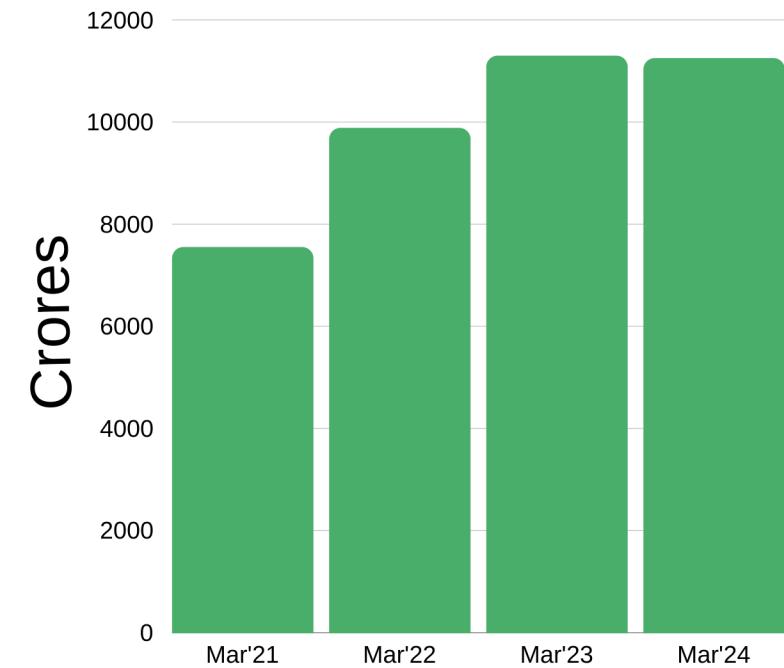


- Pittie Group and Kishore biyani's Future Group are some of its sales channel partners.
- Patanjali Ayurveda products are also available in modern trade stores including Reliance retail. Hyper city and Star Bazaar apart from online channels.

INVESTMENTS



TOTAL ASSETS



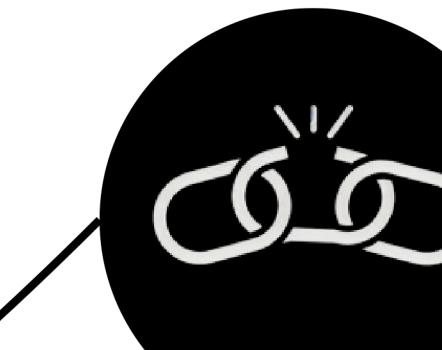
SWOT ANALYSIS OF PATANJALI®



01

STRENGTHS

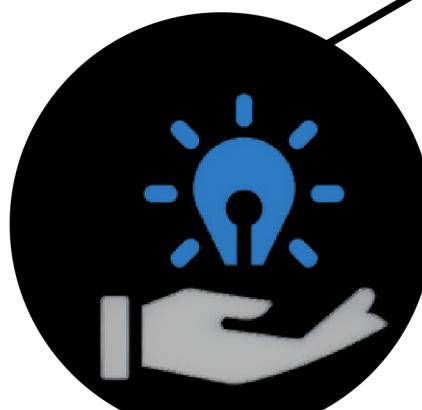
- Strong Ayurvedic Heritage
- Wide Product Range
- Cost-Effective Pricing
- Brand Recognition and Trust
- Strong Distribution Channels



02

WEAKNESS

- Limited International Presence
- Dependency on Founder Personalities
- Quality Control Challenges
- Limited marketing and Pricing Strategies
- Potential Dependence on Domestic Market



03

OPPORTUNITIES

- Rising Demand for Natural and Ayurvedic Products
- International Market Expansion
- Diversification into new Product Segments
- Digital transformation and e-commerce
- Focus on research and development



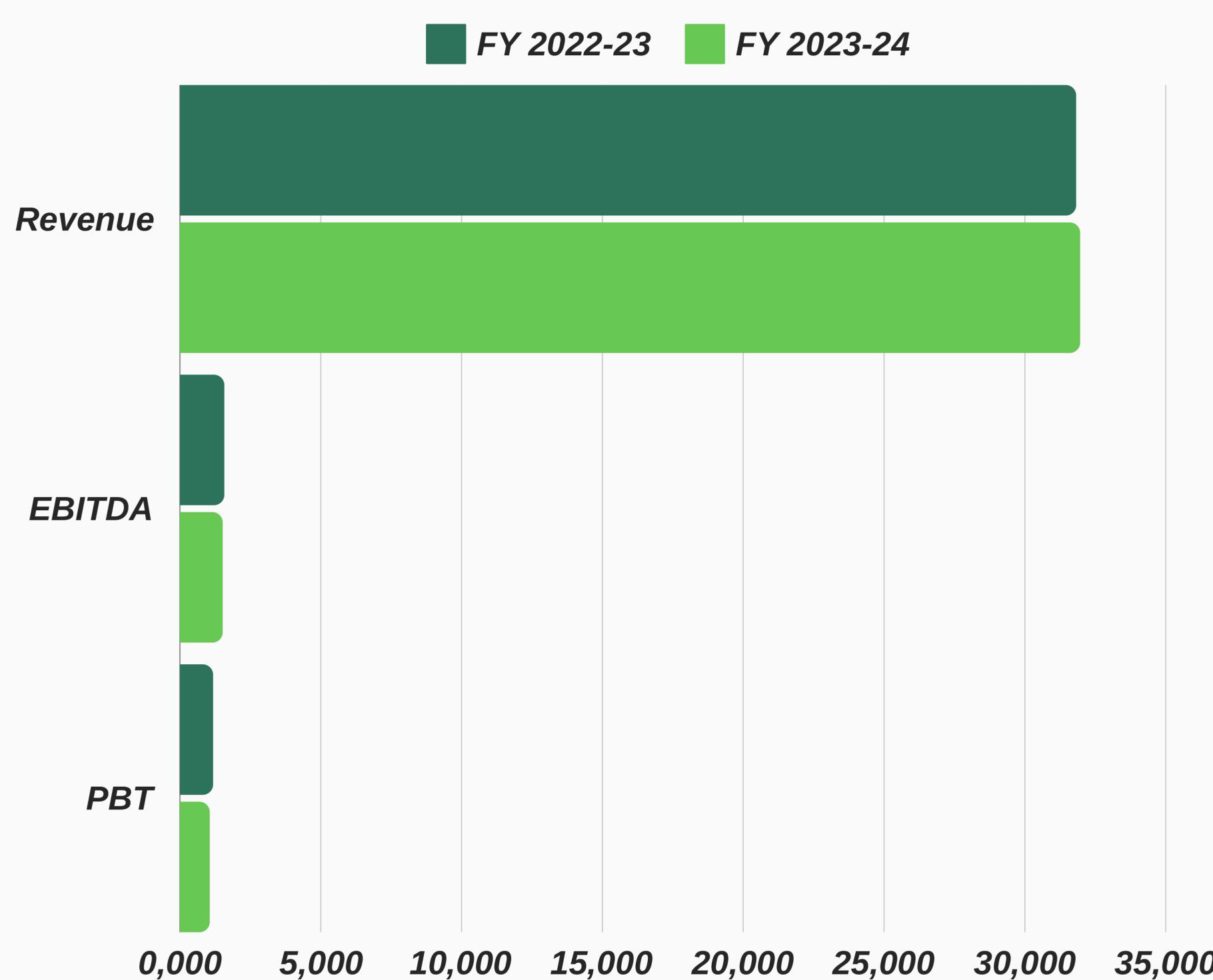
04

THREATS

- Intense Competition
- Regulatory Challenges
- Counterfeit and Imitation Products
- Supply chain disruption
- Economic Fluctuation

PROBLEM STATEMENT

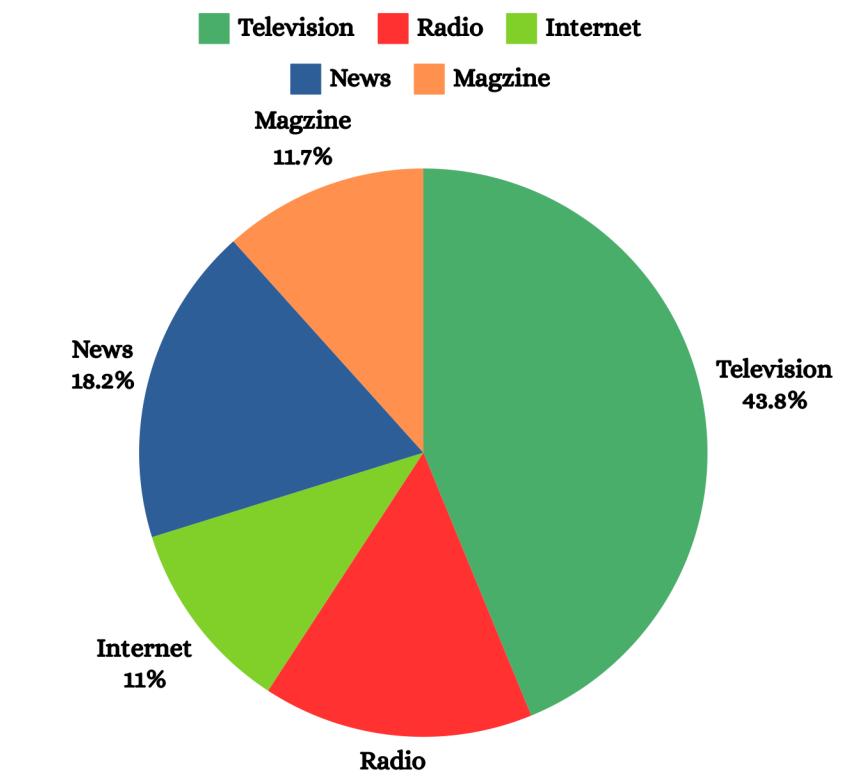
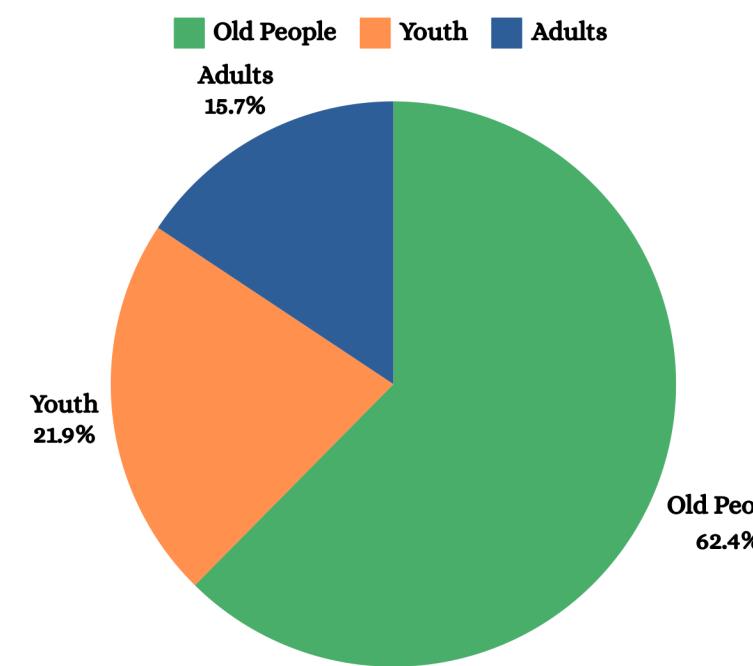
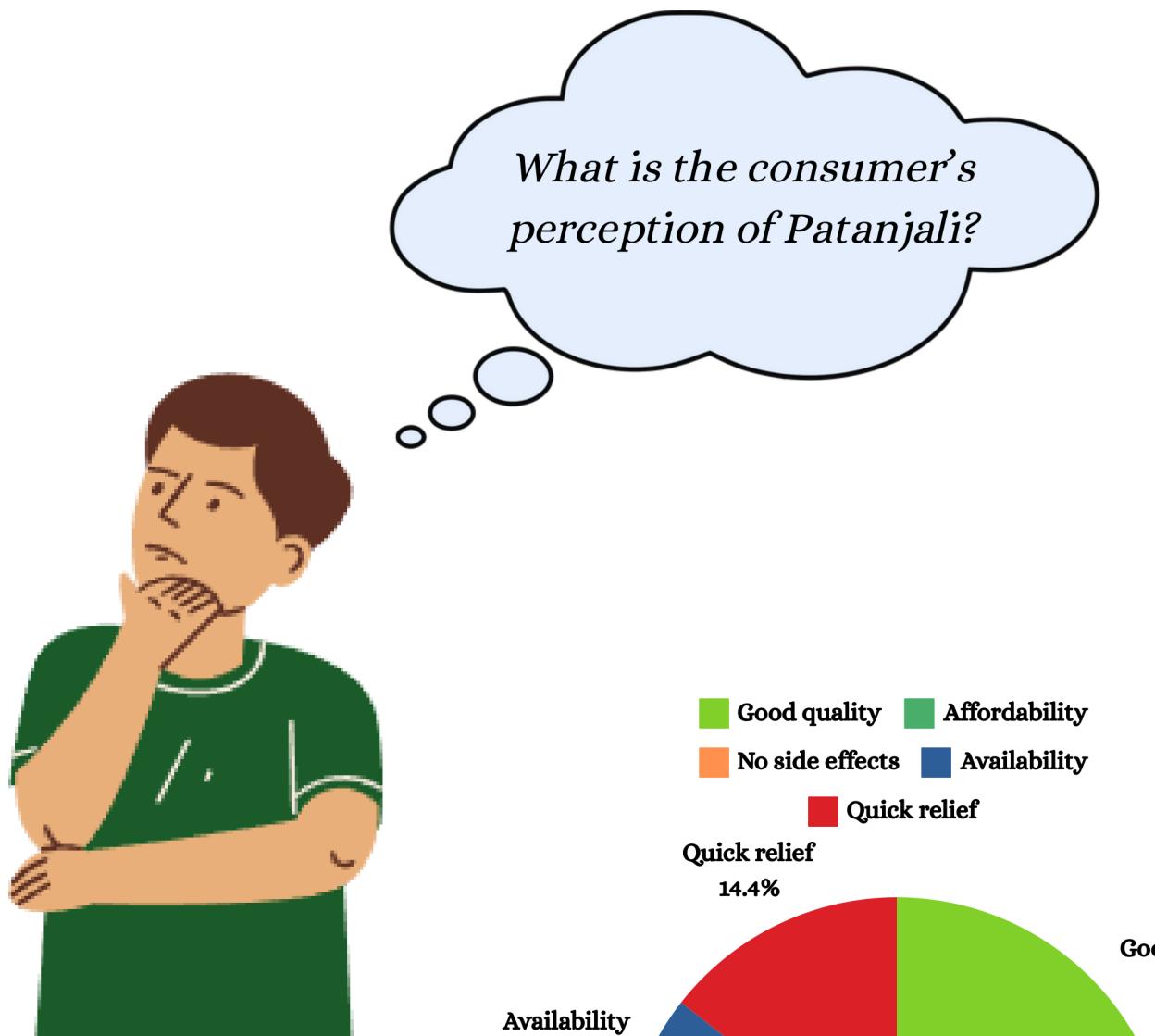
How Patanjali should address the glaring lack of growth from FY 2022-23 to FY 2023-24 despite a heavy expansion in their product line.



Major issues behind the stagnation of patanjali's growth in FY 2022-23 to 2023-24:

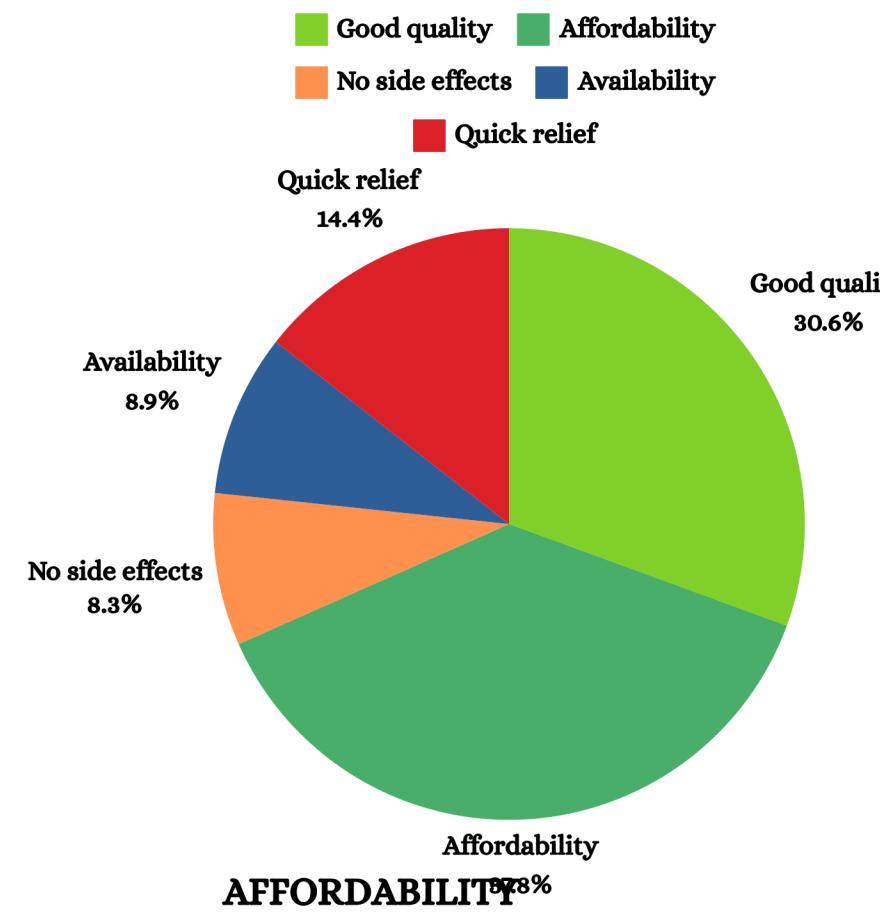
- 1) Lack of proper distribution system and long term contracts with transporters, which affects the product delivery as well as leads to higher cost of transportation.
- 2) Misleading advertisements and concerns about declining product quality due to overexpansion of the brand umbrella, which lead to a loss of consumer trust.
- 3) Ineffective inventory management system coupled with a not potent enough replenishment cycle, which leads to frequent stockouts thereby hindering possible sales.

CONSUMER PERSONA

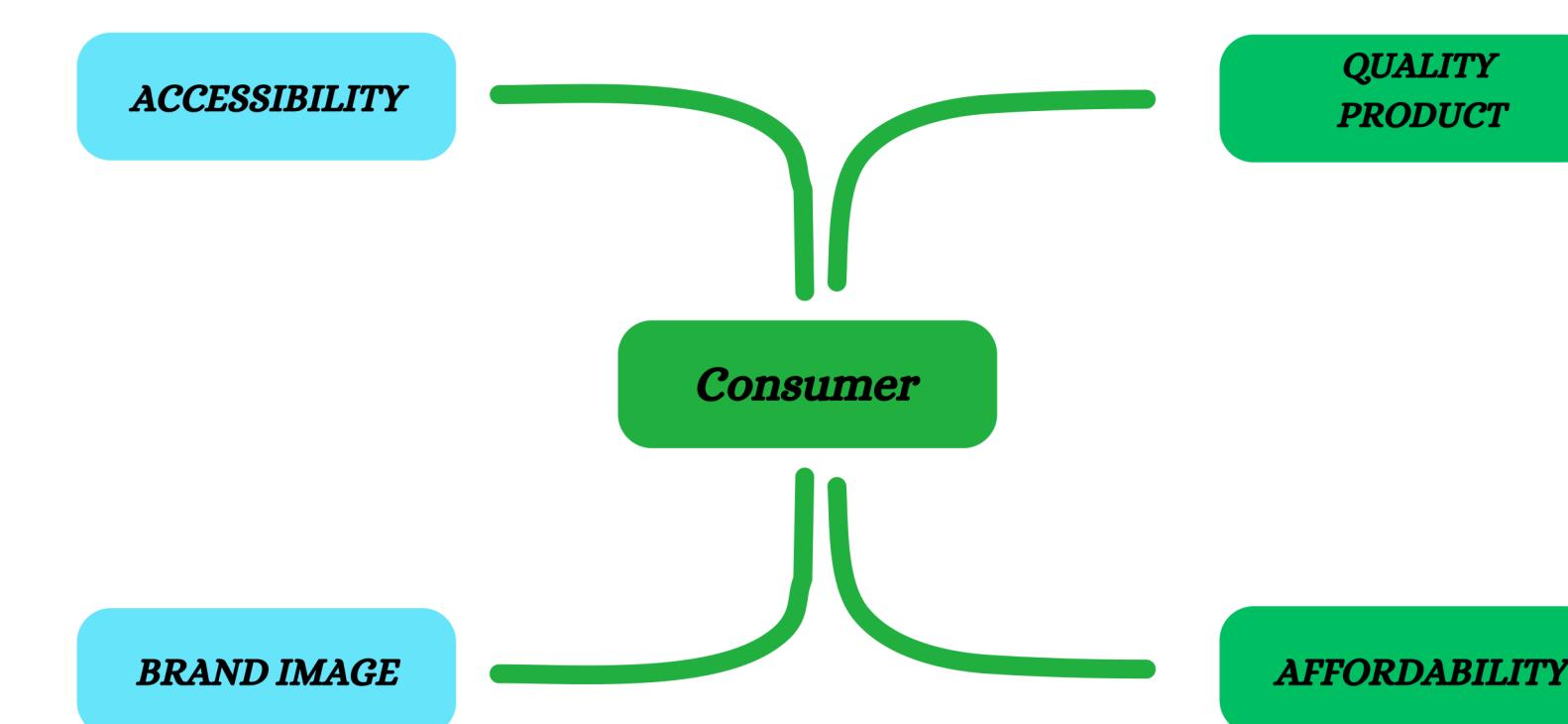


Patanjali's Consumer Demographic

Major means of advertisement

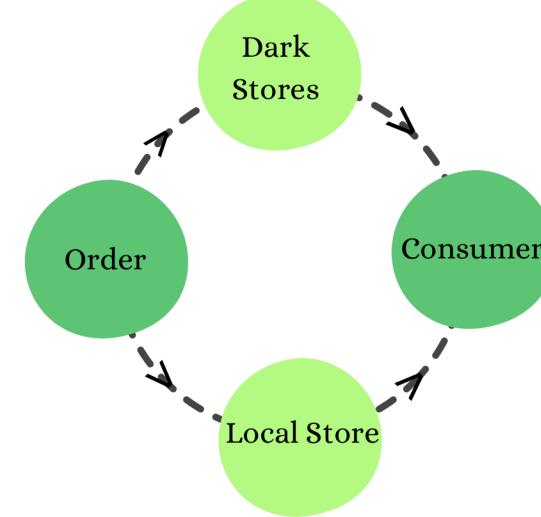


Major Consumer Expectations From Patanjali



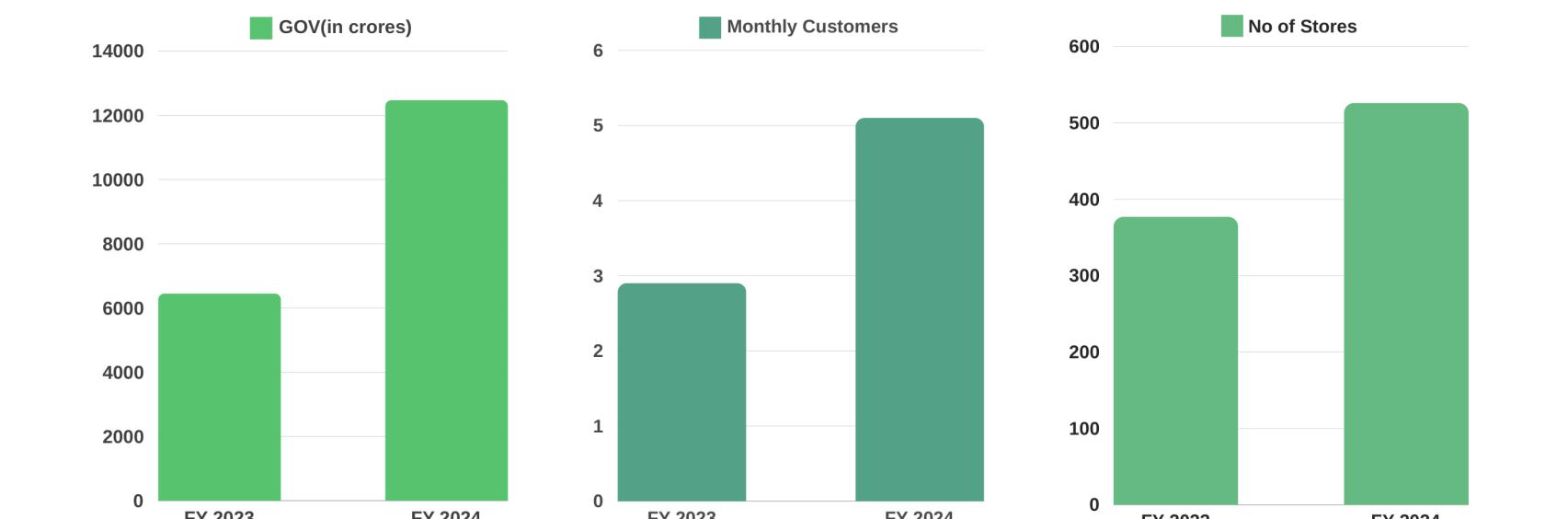
ADDRESSING DELIVERY DEFICIENCIES WITH EXEMPLARY PARADIGM

Blinkit's supply chain:



How Blinkit does it:

One of the major reasons behind Blinkit's recent growth has been the establishment of 'Dark stores' which effectively removed the dependence on local retailers and helped in speeding up the process via efficient inventory management.



Exponential growth of Blinkit since Zomato acquisition in 2022.

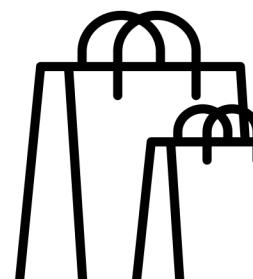
Their major challenges are:

Lack of a proper delivery system to connect the dark stores to outlets.

Irregular supply from production source to inventory.

Irregular inventory and demand management leading to stockouts.

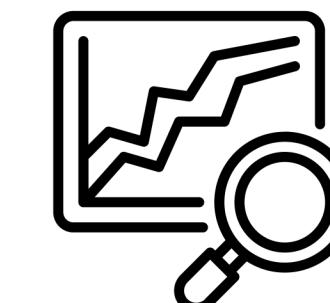
Improper communication with outlets delaying restockings.



As a regional storage center for the goods in order to help in easier distribution and inventory management.



As a wholesale outlet for customers to get products directly from producer avoiding any concerns of adulteration.



As a replenishment site for shipping out goods to retail stores much faster helping in curtailing stockouts.

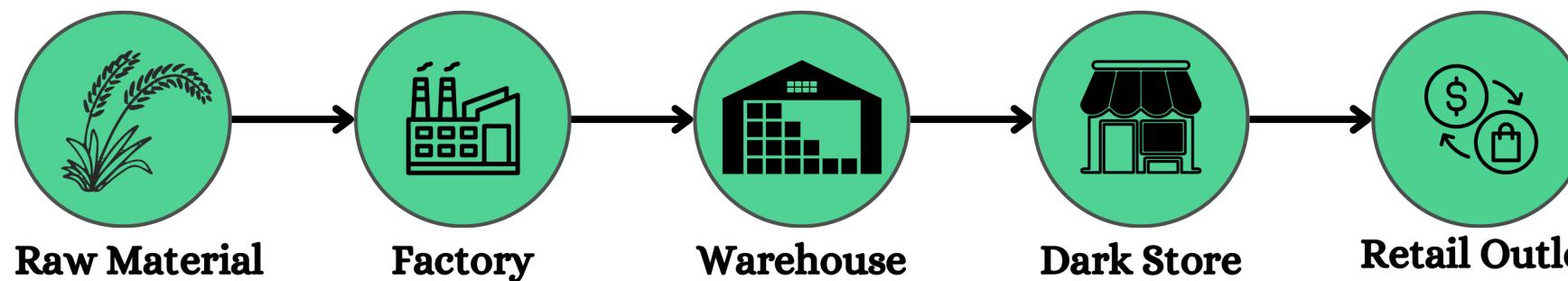
Real-time data can inform stocking decisions ensuring that the most in-demand items are readily available.

How Patanjali can maintain its supply and distribution chain:

Patanjali can implement the idea of dark stores for multiple purposes including:

INCEPTING B2C SERVICES WITH GROWING B2B OPPORTUNITY

1) Integration of dark stores into delivery system:



The major issue patanjali faces is the lack of coherence in the delivery system between farms to outlets due to improper demand management and distribution systems.

The proposed solution includes:

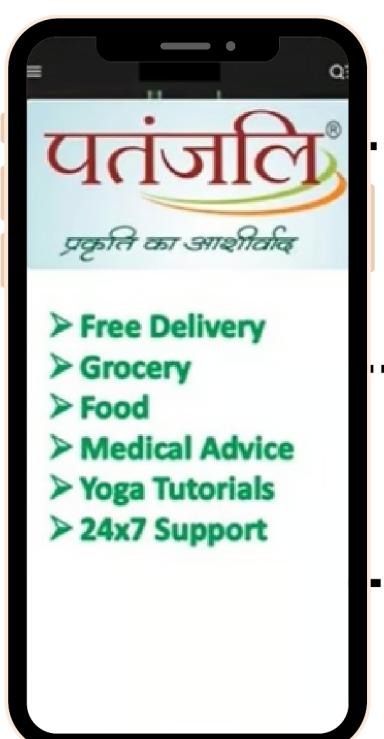
- Create an exclusive B2B app for retail outlet owners to report stockouts immediately.

Establish long term contracts with delivery partners to complete deliveries between any 2 locations in the supply chain

ERP systems to track real time stock levels and forecasting of demand.

2) Enhancement of the Ecommerce app:

The Ecommerce app can be enhanced to achieve the following advancements



-----*Wider reach and brand engagement*

- *Convenient to use option*
 - *Option of loyalty programs/personalised recommendations*

-----*Better logistics and management*

- *Streamlined ordering process*
 - *Better inventory management*

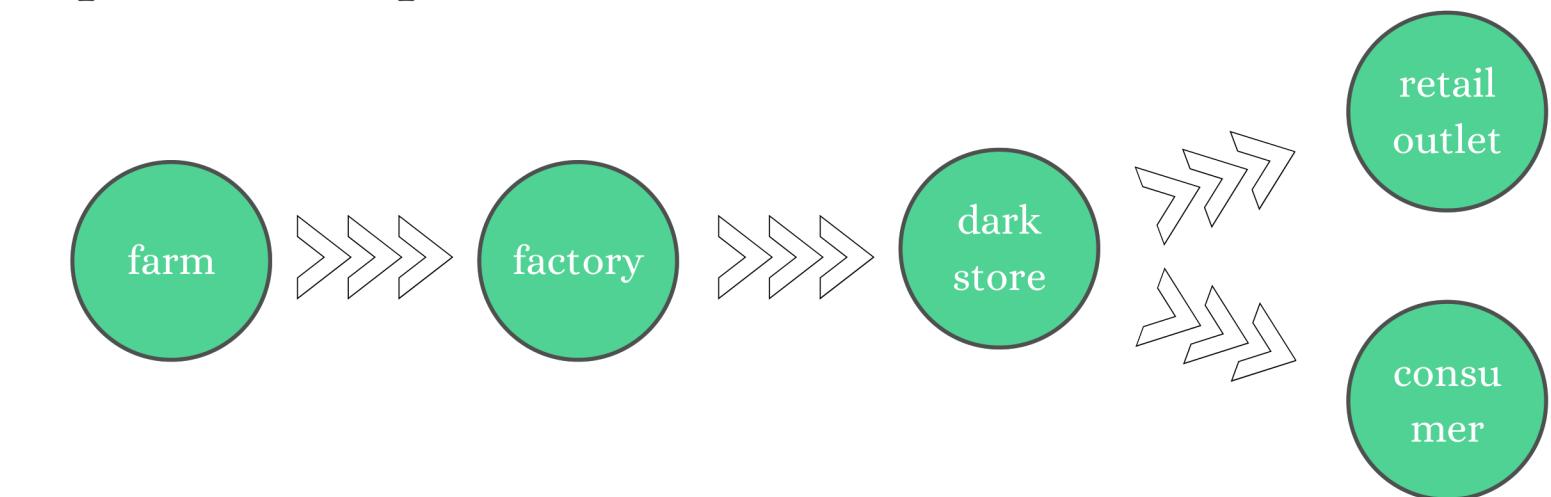
-----Valuable consumer data

- *Helps understand consumer preferences and expectation*
 - *Allows better demand forecasting using ERP systems to distribute stock location wise*

How Patanjali Parivahan can be the way out:

Patanjali Parivahan is a sub brand of Patanjali which specializes in warehousing and transporting with over a 1000 active vehicles in their fleet which ironically are the things majorly lacking in the main brand's supply chain.

Proposed incorporation



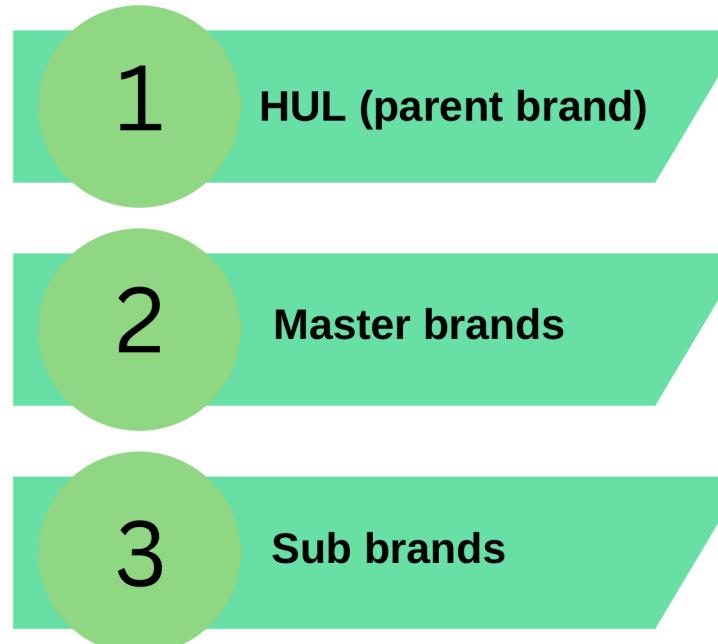
Parivahan would become the singularized distribution agency across the supply chain with the agents being distributed according to demand.

Advantages of incorporating Parivahan into the supply chain:



DIVERSIFICATION OF SUB BRANDS FOR GREATER REACH

Hindustan Unilever's Brand Structure:



None of the brands are advertised as associated with HUL

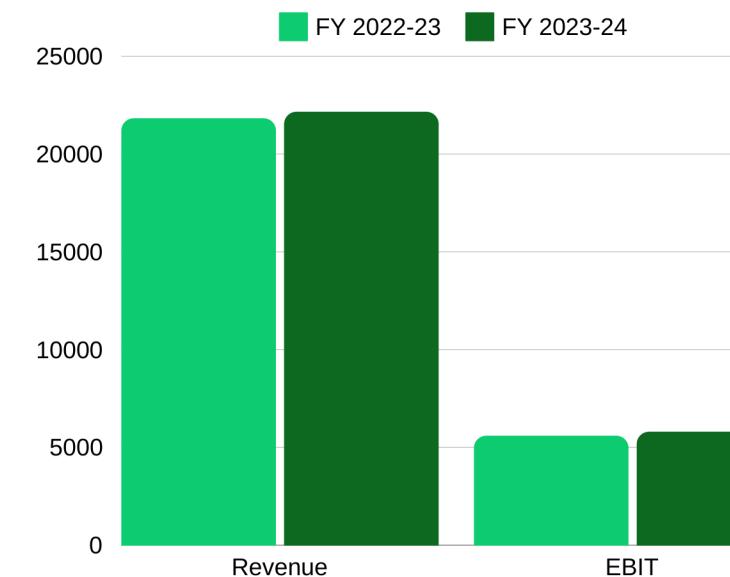
All are independent of each other.

Do not affect each other's growth even in the same sectors.

Major brands under HUL



BPC sector results



What HUL has managed with this system



Continuous growth despite multiple brands in same sectors



Avoiding intermixing of brand identities via individual advertisements

How Patanjali can incorporate this model:

ADVANTAGES OF THIS SYSTEM



Independent brand identities



Room for innovation and flexibility



Minimized brand dilution



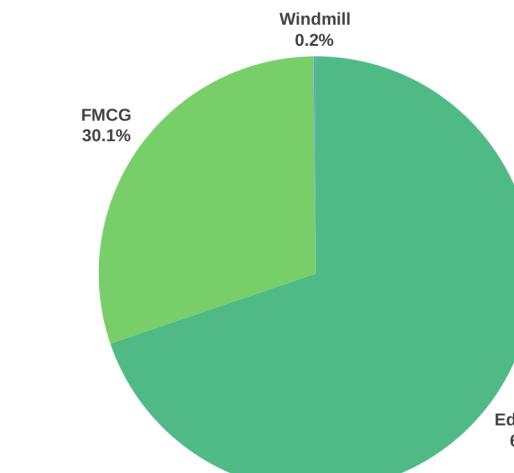
Possibility of appealing to various price points

PATANJALI'S MAJOR SUB BRANDS



Hindered by the association with the Patanjali name

SECTOR WISE SHARE IN FY 2023-24



Mahakosh and Sunrich- Edible oil Independent sub brands

Major share of revenue comes from this brand

REVITALIZING A BRAND'S IMAGE AND ESTABLISHING A STRONG FOOTHOLD IN TIER 2,3 & RURAL AREAS

CRISES TURNS INTO OPPORTUNITY

Maggi, in the face of daunting allegations, exhibited an exemplary resilience reminiscent of a phoenix rising resplendently from the ashes.

EXCLUSIVE AVAILABILITY

EXCLUSIVE NESTLE MAGGIE TIED UP WITH SNAPDEAL WITH EXCLUSIVE "MAGGI WELCOME KIT"

TELEVISION COMMERCIALS

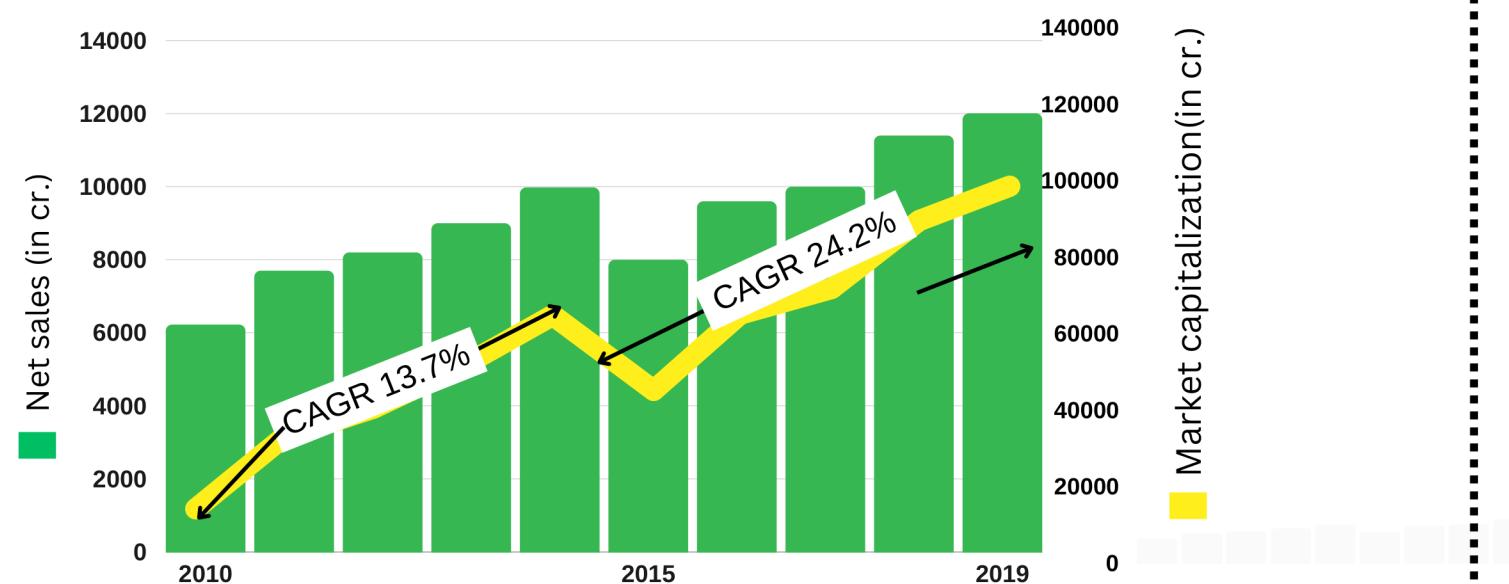


EMOTIONAL TOUCH

"AB AA BHI JAO. MISS YOU YAAR"
"I MISS YOU YAAR. COME BACK, MAN."

MULTI-CHANNEL PROMOTION

SOCIAL MEDIA INTERACTION WAS DONE AND NEW COMMERCIALS WERE AIRED



PIVOTAL STRATEGIES TO FOSTER THE BRAND

Expansion to new markets

- Building Infrastructure
- Targeted Campaigns
- Wellness Camps

Partnering with health and wellness influencers who resonate with the brand's ethos helps tap into niche markets and build authentic connections.

Penetrating existing market

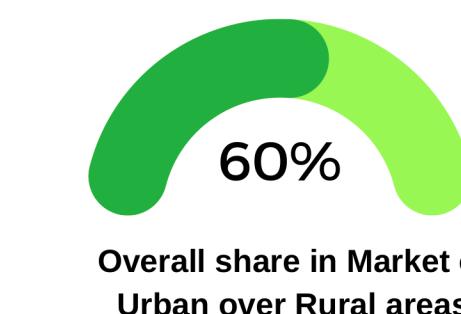
- Local Tie ups
- Exclusive Products With brands
- Distribution chain replenishment

The company's extensive distribution network, including its own retail outlets and partnerships with traditional retail channels.

Market Campaigning and Community Building

- Social Media Campaigns
- Public relation Activities
- Brand message
- Community redressal app

Capturing untapped market and Expanding in Tier-3 & Rural areas



Providing complimentary checkups and medical services to cultivate a positive brand image



Advocating for Ayurveda and yoga to rejuvenate public perception and vigilance



Establishing retail outlets to enhance product accessibility and stimulate economic growth

BUILDING A MORE VERSATILE AND ROBUST BRAND REDUCING RELIANCE ON PRIMARY FACE AND AUGMENTATION IN NEW MARKETS



Strategy to diversify brand image beyond the face of Baba Ramdev

Brand Ambassadors

Introduce new brand ambassadors including celebrities and experts from different fields like fitness, wellness

Focus on Product Benefits

Shifting marketing campaigns to highlight the specific benefits and unique qualities of their products

Social Media Engagement

Leverage social media platforms to create interactive and engaging content that involve users

"Commerce Endeavour"

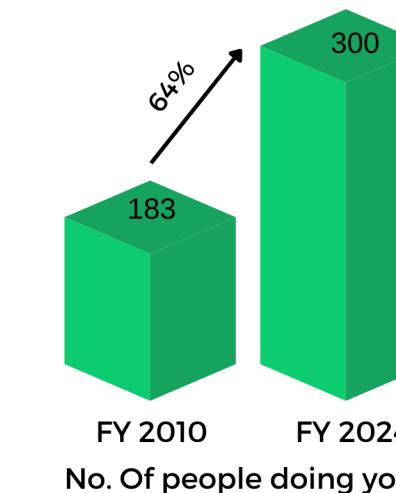
Patanjali can initiate movements such as "Swadeshi" or "Made in India" campaign that has been instrumental in connecting with nationalistic

Global Expansion

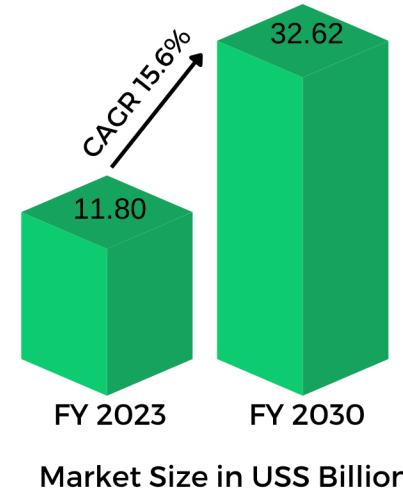
Patanjali primarily focused on the Indian market but had a modest international presence

Patanjali tied up with Amazon to sell products through its e-commerce portal in nine countries, including the USA, UK and Japan.

Yoga Growth



Potential Market



Advertisements



Campaigns & Challenges

Initiating health challenges, like yoga challenges and wellness campaigns engage the audience and promote a healthy lifestyle & Patanjali products



Celebrity Endorsements

Collaborations with celebrities like wrestler Sushil Kumar and actress Hema Malini help reach a wider audience and build credibility



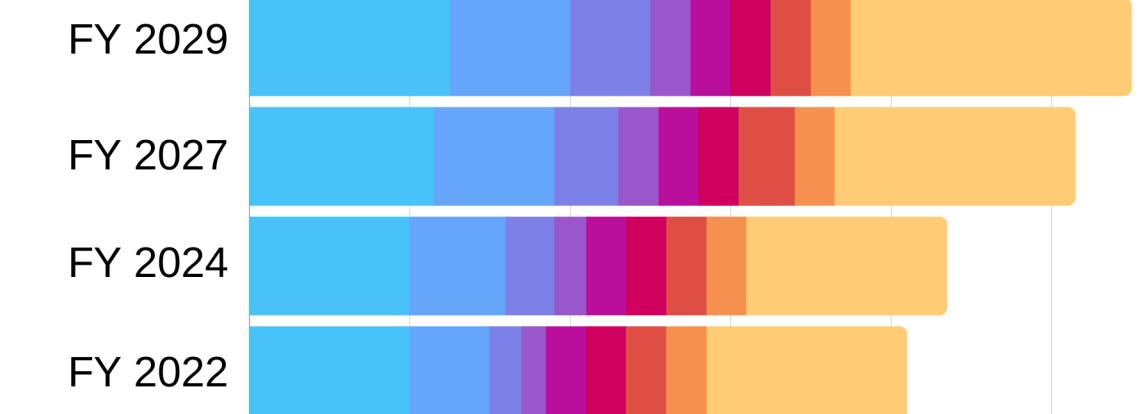
Customer Interaction

Prompt responses to customer queries and feedback on social media platforms help maintain a positive brand image and build trust



User-Generated Content

Encouraging customers to share their experiences with Patanjali products using specific hashtags helps build a community of loyal customers



Thank
You

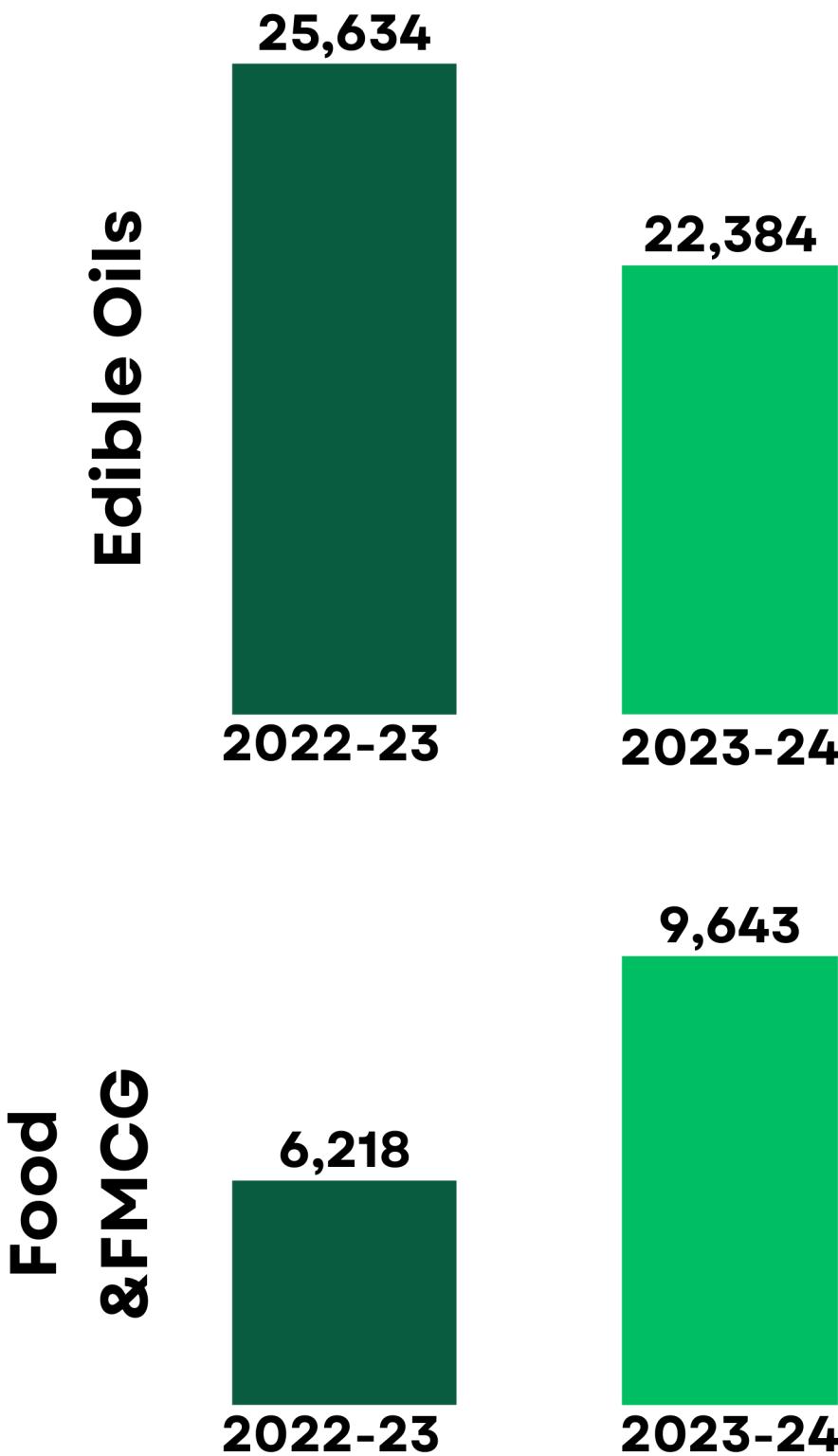


PATANJALI

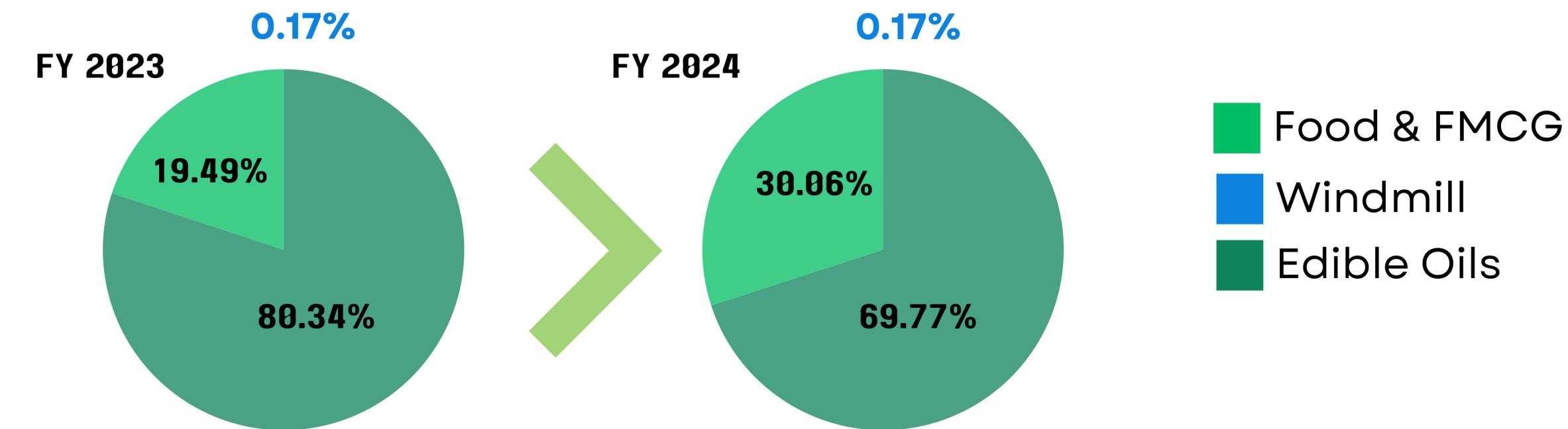
MADHAV
CHANAKYA
HARDIK

Appendix

Annual Revenue (Amount in crores)



Increasing share of Food & FMCG with stable margin



	FY 22	FY 23
Net Profit for the Period	765.15	886.44
Total Income from Operations	31,721	31,524
Basic EPS	21.14	24.54