

# An Emergence into Green Marketing in India: A Case Study of Patanjali Ayurved Ltd.

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## ABSTRACT

Green marketing is one of the most emerging and a challenging phenomenon which has paved up in the current modern marketing. Especially for the FMCG companies it is one of the most significant concept to be exploited and especially the post Covid-19. This concept has enabled for the re-marketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. As a result of this businesses have increased their rate of targeting consumers who are concerned about the environment. The Patanjali Ayurved Ltd. (PAL) in India is the prominent organization to evolve itself as a best 'Green Marketer' and leveraged the same opportunity. This paper demonstrates the challenges with present and future scenario of 'Green Marketing' in India. Furthermore, this paper highlights the 'Green Marketing' strategies of PAL in India as its revolutionary emergence and strong foothold in the Indian market by consistently offering the natural and herbal products.

**Key Words:** - Green Marketing, Natural & Herbal, Environmentally safe, Patanjali Ayurved Ltd.

## I. INTRODUCTION

Green marketing is the marketing of products that are presumed to be environmentally safe and completely natural with herbal in nature.. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Green marketers are required to undertake the distinctive marketing strategies and long term sustainable orientation for fully exploiting the marketing. However, defining

green marketing is not a simple task where several meanings intersect and contradict each other, so "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. In India, Patanjali Ayurved Ltd.(PAL) has created an immense value and foothold in sustainable green marketing impact through its consistent offering of natural and herbal products, especially in FMCG category. This descriptive and exploratory study highlighted the overall impact of PAL to leverage the 'Green Marketing' impact in Indian context.

## II. BRIEF LITERATURE REVIEW

Pride and Ferrell (2013) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

Polonsky (2014) defines green marketing as .all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

Elkington (2014) defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from

threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

According to the Joel Makeover (2020) (a writer, speaker and strategist on clean technology and green marketing), green marketing faces a lot of challenges because of lack of standards and public consensus to what constitutes "Green". The green marketing has evolved over a period of time.

According to Peattie (2021), the evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.

### III. OBJECTIVES

- To understand the underlying challenges with present and future scenario of 'Green Marketing' in India.
- To analyze the 'Patanjali Ayurved Ltd (PAL)' as a revolution in emergence of 'Green Marketing' in India.

### IV. RESEARCH METHODOLOGY

This study is based on descriptive research design which is qualitative in nature. The secondary data related to the specific keywords like 'Green Marketing', 'Patanjali Ayurveda Ltd.', 'Emergence of Green Marketing in India', 'Herbal & Natural' etc. have been explored through the google search. Eventually, the online content and research papers (reputed journals) content is synthesized to arrive at the desired results and conclusion. The analysis has been divided into two parts as the first part is related to the conceptual understanding of 'Green Marketing' and later one is related to the emergence, marketing strategies and competitive roadmap of PAL underlying the 'Green Marketing' foothold in Indian context.

### V. DATA ANALYSIS & FINDINGS

#### 5.1 Green Marketing

##### 1.1.1 Challenges in Green Marketing:

- **Need for Standardization:** It is found that only 5% of the marketing messages from "Green" campaigns are entirely true and there is a lack of standardization to authenticate

these claims. There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing, the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

- **New Concept:** Indian literate and urban consumer is getting more aware about the merits of Green products. However, it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will Contact Number (Self/Father's)take a lot of time and effort. By India's Ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects, the consumer is already aware and will be inclined to accept the green products.
- **Patience and Perseverance:** The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period.
- **Avoiding Green Myopia:** The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. Do this right, and motivate consumers to switch brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. In addition, if the green products are priced very high then again it will lose its market acceptability.

##### 1.1.2 Present and Future Trends in Green Marketing in India:

Globally, the organizations perceive 'Green Marketing' as an opportunity to achieve its objectives. They have realized that consumers prefer products that do not harm the natural environment as also the human health. Firms

marketing such green products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives. Organizations believe they have a moral obligation to be more socially responsible. This is in keeping with the philosophy of CSR which has been successfully adopted by many business houses to improve their corporate image. Firms in this situation can take two approaches:

- Use the fact that they are environmentally responsible as a marketing tool.
- Become responsible without prompting this fact.

Indian Governmental bodies are also forcing firms to become more responsible. In most cases the government forces the firm to adopt policy which protects the interests of the consumers. It does so in following ways:

- Reduce production of harmful goods or by products
- Modify consumer and industry's use and/or consumption of harmful goods; or
- Ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

In the present scenario, even the competitors' environmental activities pressure firms to change their 'Green Marketing' activities in order to achieve the best results. Finally, firms change over to transformational green marketing and as a result it percolates entire industry for:

- Developing a technology for reducing waste and sells it to other firms.
- A complete waste recycling

Hence for the future, there are many lessons to be learnt to avoid green marketing myopia, the short version of all this is that in coming years effective green marketing requires applying good marketing principles to make green products desirable for consumers. The question that remains, however, is, what is green marketing's future above the future? Business scholars have viewed it as a "fringe" topic, given that environmentalism's acceptance of limits and conservation does not mesh well with marketing's traditional axioms of "give customer what they want" and "sell as much as you can".

### 5.2 Emergence of 'Patanjali Ayurveda Ltd. (PAL)' in India for 'Green Marketing':

PAL started as a small pharmacy in Haridwar, a small town in the state of Uttarakhand, India, in the year 1997. Formally, it registered itself as Patanjali Ayurved Kendra Private Limited in Nepal in 2006 (Patanjali Ayurved, 2018). In the same year, it registered as a private limited company in India also, with the name 'Patanjali Ayurved Limited' – PAL and sold over 800 products in more than 25 categories (Anand, 2016). It had more than 28 factories with more than 20,000 franchisees spread across India. PAL majorly focussed on herbal consumer items and wellness category products. It planned to keep expanding its herbal portfolio across many more products such as dairy, health food drinks and baby care products (Bureau, 2015). PAL was present in almost all fast-moving consumer goods (FMCG) product lines (see Table 1). The popularity of PAL brands was giving a tough time to companies such as HUL, P&G, Colgate–Palmolive, Nestle, ITC, GCPL and Dabur India Limited. PAL even without any film or cricket celebrity endorsement had been successful in attracting new customers.

**Table 1.** PAL Verticals

Natural Healthcare Products	Natural Food Products	Ayurvedic Medicine	Herbal Home Care	Natural Personal Care	Patanjali Publication
Digestives	Biscuits and cookies	Kwath	Agarbatti	Skin care	MP3
Chyawanprash	Spices	Disease Packages	Dish wash bar	Dental care	VCD
Ghee	Candy	Vati	Hawan samagri	Hair care	DVD
Health drinks	Herbal tea	Bhasma		Body care	Books
Pot	Jam	Churna		Toiletries	Audio CD
Health and wellness	Murabba	Guggul		Eye care	
Badam pak	Soan papdi	Parpati/Ras		Shishu care	
Honey	Natural sugar	Pishti		Shaving cream	
Fruit juice	Broken cereals	Arishta			
	Dalia	Asava			
	Gram flour	Syrup			

(Besan)	Godhan Ark
Pickle	Oil
Mustard oil	Lep
Corn flakes	Balm
Dal pulses	Inhaler
Rice	Tablets
Noodles	
Oats	
Papad	
Namkeen	
Bura	

Source: <https://www.patanjaliayurved.net/>

### 5.2.1 Five P's of PAL for Green Marketing in India:

- **Product:** PAL followed three philosophies when it introduced any product in the market. These included Swadeshi (manufactured in India) products, Ayurvedic products (Herbal) (no chemicals, preservatives, etc.) and products with value proposition around wellness and nutrition. This approach is entirely different as compared to competitive brands. PAL has leveraged this philosophy to win the trust of customers. In all its advertisements, PAL consistently has been highlighting its herbal (non-chemical) content and being totally green products (naturally obtained).
- **Pricing:** PAL claims that its sole objective is to make green products and make them available to the masses at a reasonable price. Most of the products barring Ghee and hair oil are priced 10–30 per cent cheaper than the closest competitor product. However, in certain categories due to increase in raw material cost and a need for higher margin, PAL has increased the prices. The price of a 100 g tube toothpaste has gone up from ₹28 to ₹40, similarly for anti-dandruff shampoo prices had gone up from ₹85 to ₹95. Nonetheless, products are still cheaper as compared to close competitors even after this increase. The price differential itself has acted as a strong reason to attract additional consumers, especially from the lower income group to opt for its products, thereby increasing sales.
- **Place:** PAL started its operations by selling products through its franchise stores. Still, a large part of revenue came from its exclusive distribution network, which includes Swadeshi Kendra (non-medicinal stores), Patanjali Arogya Kendra (health and wellness centre) and Patanjali Chikitsalaya (clinic with Ayurvedic medical practitioner). These retail outlets sold PAL products, medicines and allied products. The doctors at Patanjali Chikitsalaya

did not charge any consultation fee from the patients visiting them. However, the herbal medicines prescribed by them were exclusively available at PAL retail outlet attached with Patanjali Chikitsalaya. The doctors received a monthly salary of ₹20,000–₹40,000 from the respective retail franchise owner where a particular Patanjali Chikitsalaya was located.

- **Promotion:** FMCG companies formulated different branding strategies for different demographic regions. PAL followed mass marketing approach. It sold all its products under one umbrella brand of 'Patanjali'. Every product, whether a shampoo or an incense stick, carried the same brand. Traditionally, umbrella (single) brand was not preferred by organizations as target customers were spread across various demographics, and branding issues (if any) in one product line would have affected other product lines. Many companies, therefore, considered umbrella branding a risky proposition.
- **Packaging:** PAL had invested in modernizing the processes of quality control and packaging. The product packaging had a barcode and a hologram similar to the products of its close competitors. However, it ensured that the packages looked simple. It went well with their core philosophy of simplicity. Looking at the growth of PAL and its related packaging requirements, the top packaging companies like Manjushree Technopack had set up a packaging plant in Haridwar, the base location of PAL (Chatterjee, 2016).

### 5.2.2 'Green Marketing' strategy of PAL in India:

- Effective waste management techniques have been adopted in all the spheres so that the waste is kept to its minimum level.
- The containers of the products are bought back and reused so that the optimum usage of materials is possible.

- Renewable energy sources are used by the firm in all its operations.
- Usage of solar energy to the maximum level would make the firm to reduce the electricity bills in the long run and even it is eco friendly.
- In the production centers was made ritual to conserves water.
- Efficient water usage, recycling, rain water harvesting techniques are adopted by the firm.
- As the organization is already using eco friendly battery vehicles inside the premises of the production centre, it is easy for the firm to increase the usage of these vehicles wherever possible.
- Public transport is opted for the delivery of products.
- Production units are disseminated throughout the country to reap the geographical benefits.
- Green house gas emissions are managed in a scientific way so that the organization can satisfy environmental standards.
- ISO-9001 and WHO-GMP certification are maintained by the firm. Further, the firm is certified from reputed agencies that are into the field of sustainable development.
- Green conferences, melas and exhibitions are arranged in order to create awareness of Patanjali products and make some offers on the spot.
- Research has been also conducted to discover the ways to recycle and produce new eco friendly products.
- The maximum operations are computerized so that there is minimal usage of paper. In addition, recycled pager is used in the day to day activities as well.

The PAL has created green atmosphere in its production and distribution centres all across. The holistic green and naturalist impact has given the customers and employees a fresh feel. The activities which are conducted by the firm in the name of 'Corporate Social Responsibility' always focus on environmental protection and green savvy production.

### 5.2.3 Rivalry for PAL related to Green Marketing in India:

There was turbulence in the FMCG industry due to the price points with which PAL had launched its herbal products. PAL team had the challenging task of consistently creating and sustaining green value for its customers. There was a distinct shift in consumer preferences towards herbal products. This shift had forced the

organization to invest more in herbal products. Colgate, Nestle, Dabur, Emami, Himalaya and HUL werereworking their strategies and expanding their product portfolios with herbal ingredients to meet Baba Ramdev's home-grown challenge. In the race to grab market share, HUL, the largest FMCG firm in India, which had revived its Ayush brand recently, had created, with herbal ingredients, a range of products such as hair care, skin care, oral care and personal wash (soaps) in collaboration with Arya Vaidya Pharmacy. HUL was also trying to add some novelty to its products. For example, Ayush freshness gel, Ayush cardamom toothpaste had cardamom (elaichi), which eliminated bad odour and gave fresh breath, Ayush natural fairness saffron soap had saffron (kesar), which is known for its healing properties and Ayush anti-dandruff fenugreek shampoo had fenugreek (methi) that has medicinal properties. American oral care giant Colgate has been pushing aggressively in the market its Colgate Neem Active Salt toothpaste, which contained traditional Indian teeth cleansers neem and salt, to take on Dant Kanti. Among the players in the FMCG market, two strategies were quite popular. One, the established players taking Ayurveda seriously, choosing to take on PAL FMCG head-on and secondly multinational corporations, which normally liked to keep their portfolio as international as possible, have realized that it might not be the right strategy: to beat PAL, they have to be alike. However, historically all the green and herbal products had 'trust' issues, which had a direct impact on sales. The public perception of the organization, its promoters and its product also had a direct impact on the 'trust' factor.

## VI. CONCLUSION

It can be concluded that not only in India, but globally PAL's blistering pace of growth over the past few years, had left rival packaged goods companies terrified and had sent them to their drawing boards for devising new competitive strategies to defend themselves in the market. Hence, this is the right time to select "Green Marketing" globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally

harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment.

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