

# Make in India saga: case study of Patangali FMCG

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## ABSTRACT

*Make in India is the concept launched by Prime Minister Mr. Narendra Modi on September 25, 2014. The objective of the scheme was to boost up domestic manufacturing industry also to attract foreign direct investment in the Indian Economy. Prime Minister felt this need to launch this concept in the wake of entrepreneurs moving out of country. Entrepreneurs move away from Indian economy for establishing business; the reason being low rating of ease in doing and establishing business. The key objective is to achieve 25% of contribution of manufacturing sector to India's GDP which is currently 15 %. The success of this concept is opening opportunities in employment generation, attracting more foreign investment and convert Indian manufacturing industry as one of the best all over the globe. For make in India concept government has recognized 25 sectors of Indian Economy, these are the sectors with highest potential to attract FDI. The sectors included are Automobiles, Food Processing, Renewable Energy, IT and BPM , Roads and Highways , Aviation, Leather , Space, Auto mobile components, Biotechnology, Media and Entertainment, Textile and Garments, Chemicals, Mining, Thermal Power, Oil and Gas, Construction, Tourism and Hospitality, Defence Manufacturing, Pharmaceuticals, Wellness, Electrical Machinery, Electronic System, Ports, Railways. India is the country of rich source of natural resources, source of skilled and unskilled labour force, educated labour force. With this advantages to its credit India boast of being preferred destination for manufacturing activities. But the flipside to this is Indian labour laws are not amended with global standards.*

*The paper focuses on studying Patangali, our very own Indian company. Patangali is an excellent example of domestic organisation success in business within shot span of time using all indigenous Material and technology hence it is the best example of Make in India.*

**Key Words:** Domestic Industry, FMCG, Growth Strategy, FDI

## Introduction

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**Objectives:**

The concept of Make in India launched, by Prime Minister Mr.Narendra Modi, to promote domestic trade and industry. The aim of this paper is to analyse the concept of Make in India. It also studies the advantages and disadvantages of Make in India as a concept and in practice. The paper focuses on finding out the different sectors which embraced the Make in India concept. The main focus of this research paper is to study and analyse Patanjali – an Indian FMCG.

**Methodology:**

The data for the present paper is collected through secondary sources. Resources such as books, reports internet are used for data collection.

**Patanjali a success story**

Patanjali Ayurveda was instituted by Baba Ramdev and Acharya Balkrishna in the year 2006. It is the fastest growing FMCG (Fast Moving consumer goods) Company in India. In last 5 years it has grown 10 times in terms of revenue. They have 4000 distributors, 10,000 stores, 100 mega- Marts. Patanjali has gone beyond this and have tied up with Future Group and Reliance Retail. The company has more than 350 products from soap to Toothpaste and from Oats to Health Drinks.

at present Patanjali Ghee is expected to touch INR 12 Billion in 2016 , it is giving nightmare to competitors. Though it has started as Ayurvedic medicine manufacturing unit, it has excellent research and development facilities, modern technology. Recently it has launched an application which will help customer to locate retail outlet and also an application for online ordering Patanjali products.

The Company is planning to increase its production capacity for which it's raising 1000 crore in loans to set up new manufacturing plants. It's mounting on the wave of success and seeping away everything which is stumbling block in its path. Patanjali products are everywhere from local Baniya to online stores like Amazon. The product quality is the best; the prices competitive and distribution channel envied by major giants in the trade.

**Patanjali product range**

Grocery and Staples	Dals and Pulses Flour Staples Edible Oil and Ghee
Ready Food	Confectionary Snacks and Breakfast Sauces and pickles Sweets
Personal Care	Face Care Body Care Hair Care Oral Care Make up Soaps and Hand wash Shaving and Grooming
Health Care	Health Drink Chawanprash Nutrition and Supplements Digestives
Household	Cleaning and Washing
Beverages	Juices and Fruit drinks Sharbat & Squash

Source: Company's website

### **Things in favoured of Patanjali success**

Loyal Customer base is one of the important things in favour of Patanjali. Baba Ramdev has over 70 million consumer base. These are the customers who believe in Ayurveda and yoga. Baba Ramdev happens to be the pioneer for yoga and Ayurveda. Patanjali follows the price sensitive strategy hence the prices of Patanjali's products are lower than the key competitors prices.

Patanjali has also managed to win over urban and rural customers. It has launched consumer household products. Ramdev Baba's anti foreign crusade had benefitted Patanjali by showing ill effects of MNCs products and clearing way for Patanjali's product range. Patanjali has loyal employee structure which mostly includes volunteers in all operation from manufacturing to selling. Most of the employees do not take regular salary. Patanjali's products are mostly sold on word to mouth publicity. It do not have heavy advertising budget barring few commercials.

### **Challenges Ahead for Patanjali**

The reason for Patanjali Brand success is quality and purity. As seen with the Patanjali Ghee (50 percent of its revenue consists of sale of Ghee). This is the indicator that customers associate Patanjali with quality and purity elements. So maintaining these core values is necessary. Moreover so when the manufacturing is outsourced to third party. Quality and purity maintaining across all products is a big challenge to Patanjali.

Patanjali uses brand extensions strategy to all its products. It is tapping on the unknown apparels, shoes, and home cleaning solutions. Its foray into new sectors such as apparels, shoes, home cleaning etc. are not directly linked to Ayurveda. It needs to ensure that loyal customers are not confused with brand extension to new categories.

It do not have sub-brands, most of the products of Patanjali are branded under Patanjali "Umbrella and then associated with generic names.

Patanjali is Image driven brand which is associated Baba Ramdev and Acharya Balkrishna. Any question on their integrity will affect the brand Patanjali.

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