

**K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES & RESEARCH**  
**Vidyavihar, Mumbai- 400077**

**Program: MMM –1<sup>st</sup> year -1<sup>st</sup> Sem (Batch 2018-21)**  
**Subject: Marketing Management – I**  
**(End Term Examination)**

**Maximum Marks: 50**  
**Duration: 3 Hours**

**Date: 24/11/2018**

**Instructions**

1. **Question No. 1 is compulsory**
2. Attempt **ANY FOUR** from Question no. 2 to Question no. 6
3. Answer to each new Question to be started on a fresh page
4. Provide relevant examples wherever applicable

**QUESTION 1 Case Analysis**  
**(10 Marks)**

**Marketing Through Spirituality : Patanjali Yogpeeth :  
About Patanjali Yogpeeth - Divya Yog Mandir (Trust)**

1.1 **Patanjali Yogpeeth in Haridwar, Uttarakhand** is one of the largest Yoga institutes in India and named after the ancient Yog Guru Patanjali. The institute is a flagship project of Swami Ramdevji Maharaj and Acharya Balkrishnaji Maharaj and has been set up not only for treatment, research and development in Yoga and Ayurveda, but also for the manufacturing of ayurvedic medicines.

It is located on the Haridwar Delhi highway at Kankhal, Haridwar. Patanjali Yogpeeth is an institution for scientific research and treatment which offers treatments for all. The ambiance of Patanjali Yogpeeth is world class. It has been constructed in almost 100 acres and designed to have buildings, car parks, and a landscape to rival the best of Delhi's housing projects. A team of over 200 qualified doctors have been trained and are already attending to over 2500 patients daily.

Free consultation is being done for all patients as well as medicines are made available to economically weaker persons at concessional rates. Patanjali Yogpeeth has already brought a health revolution in the country with the integrated approach of Yoga and Ayurveda. Besides this, the boundaries of the organization have also crossed the national boundaries in USA, UK, Canada, Nepal, etc. All these Trusts are devoted day and night to propagate and implement the noble and sublime aspects of Indian culture the philosophy and teachings of Vedas, Upanisads, etc. along with Yoga and Ayurveda.

Patanjali Yogpeeth has been constructed in two phases. :

### **1.2 Patanjali Yogpeeth - Phase-I**

This is a very important part of infrastructure of Patanjali Yogpeeth and inaugurated on 6th April, 2006. The vast infrastructure includes:

- An OPD for free medical consultation to six to ten thousand patients and IPD of one thousand beds
- Facilities for test investigations of pathology, radiology, cardiology, etc. by ultra - modern machines, along with Panchkarma and Satkarma
- Yog Research Department equipped with the latest machines for establishing Yoga on the criteria of modern medicine
- Free Yoga classes by Yoga teachers (each for 1-hour duration)
- Free Ayurveda and Yoga therapeutic consultation by well - trained Vaidyas
- An elegant Yajna is performed daily on Vedic and scientific tradition.
- Panchkarma-Chikitsa, Satkarma Chikitsa, salya (surgical) Chikitsa eksara-sutra, karnabhedana, agnikarma, dental and eye treatment services available at the lowest cost
- High quality ayurvedic medicines manufactured Patanjali Pathological Laboratory and Research Centre by Divya Pharmacy is available at the lowest price
- Books, VCD/DVD, MP3 , Audio CD are also available x Facilities of library and reading room, along with a cyber cafe, are available

### **1.3 Patanjali Yogpeeth - Phase II:**

Inaugurated on 1st April, 2009, Patanjali Yogpeeth II includes following facilities:

- A huge air conditioned auditorium of 60,000 square feet has been constructed where thousands of participants can practice together yoga, pranayam, meditation, etc
- A huge Panchkarma and satkarma centre of 44,000 square feet where about 1000 persons could be benefited daily Panchkarma and Satkarma therapy
- A huge langar hall of 20,000 square feet where visitors could take free meals (Prasad) x 350 apartments for accommodating healthy, competent and dedicated senior citizens under vanaprastha ashram
- A grand museum built upon 50,000 square feet
- A sale outlet of 11,000 square feet for literature related to yoga and ayurveda
- Bharat Mata Naman Sthal where the sacred soil is collected from more than 600 districts of India has been preserved

### **2.1 Marketing Strategy of Patanjali Yogpeeth :**

Targeting Masses through Pranayam and Yoga is the key here. No one can help admiring the simplicity of the techniques for practicing the different pranayam (controlled breathing) which His Holiness Swami Ramdev Ji Maharaj has evolved and has been teaching to the common mass in India. One finds the methods taught by Swamiji very simple for any lay person to pick up and follow. It is the simplicity in the technique that is making Pranayam a part of life to common man. Pranayam were there in text books for long time but, no one from the common mass in India did have access to it for the techniques of practicing them were very complex. There were also some words of caution attached to such instructions that any deviation from the practicing techniques would cause immense harm to a person. This gave birth to an idea that Pranayam

should never be attempted to be practiced individually and should only be practiced in the guidance and vigil of a trained Yoga teacher (Guru). Such rigid rules, complexity in practicing techniques and above all the caution that, any deviation in the practicing techniques would cause immense harm to the person, took Pranayam far away from common mass and was finally lost and buried. No one dared to practice such an art which would cause harm to them if there is even a slightest of deviation in the technique. Swamiji has done a tremendous job in breaking this concept of fear in common mass about the harm caused by Pranayam. His Holiness has devised very simple techniques for practicing the Pranayam which are very easily picked up by any common man just by watching the T.V. His Holiness Swamiji has also assured the common mass that Pranayam can never cause harm to any person attempting to practice individually. Swamiji has exhumed the Indian ancestral science of Pranayam from the grave of darkness, fear and monopoly of a few and presented it in its simplest form for the welfare of the mankind. Swamiji has removed the veil of darkness and the mystery of Pranayam is unfolding itself to the common mass in India.

## **2.2 Positioning of Patanjali Yogpeeth :**

The activities, through which Patanjali Yogpeeth wants to project its image in the minds of people, are categorized into following four categories:

- **Ascetic Lifestyle (Sadhna)** : Sadhna is the main aim of any spiritual organization. Baba Ramdev is influenced by the ideology of Maharshi Dayanand Saraswati, who laid great importance on yoga and pranayam. To promote Sadhna, great emphasis is laid down on yoga and pranayam. Various methods, like organizing Yog Shivirs (camps), broadcasting through TV channels, making CDs and DVDs of yoga, etc., are adopted to promote yoga and pranayam. Holistic approach to yoga is adopted which includes Gnanyog, Dhyanyog, Bhaktiyog and Rajyog. Swamiji wants to see country becoming Yogic India.
- **Education (Shiksha)** : Patanjali Yogpeeth is trying to establish traditional system of teaching which incorporates education with Indian culture that will take care of nation's economic, social and spiritual needs, and to work in tandem with such institutions already existing. The main motive behind all the activities is character building, moral boosting and knowledge of culture, awakening of national pride, equitable society, arrangement of study and teaching of Veda, Upanishad, etc., for the welfare of world. Various initiatives taken in this regard include establishment of Patanjali Ayurved College, University of Patanjali, Gurukul at Rewari and many other institutes. All the initiatives work towards integration of knowledge and wisdom.
- **Health (Swasthya)** : Health Revolution is one of the founding objectives of Patanjali family. Patanjali is trying to promote Ayurveda system of Medicine and practice ancient Indian Treatment system which includes Panchkarma, Naturopathy, Yajna therapy etc. To achieve this, various medicines are prepared by Patanjali under Patanjali Ayurved, Divya Pharmacy etc. Patanjali Food and Herbal Park is established to provide pure and herbal products to people. Patanjali Chikitsalayas and Patanjali Arogya Kendra are established in various cities across the country to make Ayurvedic medicines available to the people.
- **Entrepreneurship (Swawlamban)** : Patanjali aims at promoting indigenous entrepreneurship among the people and to reduce the dependence on the west. Patanjali Food and Herbal of the country Park is established to bring about agricultural revolution in the country which gives farmers best price for their produce. Various self- help groups

are also constituted to promote indigenous entrepreneurship. All the se activities combined leads to Spiritual entrepreneurship

**3.1 Marketing Mix:**

In order to know exactly the reason for success of Baba Ramdev, it is imperative to throw some light on the marketing mix rudiments. To be a successful marketer it is important that all the marketing mix elements have to be fine tuned to support and strengthen brand personality.

**3.2 Product strategy :** Pranayam and Yoga: A Package for Various Diseases Swami Ramdev's Divya Medicines are claimed to be one hundred percent natural, made from potent herbs available in the Himalayas, with no or very little side effects.

They have proven extremely effective for combating all forms of sickness and disease. Along with these medicines, Swamiji recommends patients to also adopt the practice of pranayam, which will strengthen the immune system and quicken the healing process. Ramdev Baba opines that pranayam and yoga are the complete Ancient Indian Therapy, which is a Medical Science in itself that cures any physical or mental medical condition completely, without any side effects. Swami Ramdev has proved and declared on Indian and International TV Channels, pranayam and yoga is the complete natural cure for all physical and mental ailments. But if medicines are required they are also available and these packages of medicines are available at a very low cost. The medicines can cure all the diseases from a simple cold to cancer. In a bid to promote ayurveda, Swami Ramdev's Trust has tied up with 600 qualified ayurvedic practitioners who are offering treatment to masses for a variety of diseases, some of them termed incurable by the modern system.

**3.2.1 FMCG Products :**

Patanjali has also introduced FMCG products to diversify in the market. Indian FMCG market is a market which has a very wide range of customers. There are many competitors in all the categories and although they all have similar products available at almost similar prices, Patanjali is trying to prove it different through their marketing strategies. However, entry to this business is easy (low entry barriers) and this fact has been utilized very efficiently to result in combined benefit for both Patanjali and the consumers.

**Table-1:**

<b>Products</b>	<b>Brands of Patanjali</b>	<b>Some of the competitive brands</b>
Sharbat/ Squash	Amla, Bel, Brahmi, Gulab, Keshar Badam, Orange, Nimbu, Mango	Kissan Squash, Rooh-afza, Minute Maid, Rasna J
Juice	AloeVera, Anar, Amla, orange	Real, Priyagold, Godrej and Kissan Juices
Jam	Apple ,Pineapple and Mix Fruit Jam	Kissan, SIL, Tops, Druk
Salt	Saindha Namak	Tata, Annapurna
Chyawanaprash Sada, Special Chyawanaprash Dabur, Baidyanath, Zandu kesari	Sada	Dabur, Baidyanath, Zandu kesari Jiwan
Flour	Arogya Atta	Ashirwaad, Annapurna
Candy	Amla Anardana	Dabur,Hazmola
Washing powder	Ujjwal	Arial, Surf –excel. Tide,

As seen from the above Table the advantage with all these products is that , these are made of natural products and don't have any side effects at all. But as there are so many players existing in the market, Patanjali products have a tough competition to face with.

**4.1 Pricing Strategy:** Developing an effective pricing strategy remains the most important and difficult part of the marketing process. As far as the pricing of FMCG products is concerned, the pricing strategy is a mix of skimming and penetration. Some products are costly than other competitive brands and some are cheap. But, in case of pranayam and yoga, Baba Ramdev's uses a penetration strategy and cost is very less. He urges people not to lose hope or suffer and depend on expensive treatments. The diseases for which Indian population spend much more in hospitals, pranayam and yoga treat all the ailments completely without costly medicines, operations or surgery. It is amazing, but it is claimed to be true that this is the cheapest and the only complete cure to most of the so called incurable diseases like Diabetes, Cancer, HIV and AIDS too.

#### **5.1 Sales and Distribution :**

Patanjali follows various modes of distribution for their products. They provide sale of products through their website with online payment facility. These products can be procured through post also by sending the required amount through demand draft etc.

Patanjali has opened “Patanjali Chikitsalayas” and “Patanjali Arogya Kendra” in almost all the cities of the country from where all the Patanjali products can be procured easily. A Patanjali trained Ayurvedic doctor also sits in every Patanjali Chikitsalaya from whom consultation can be obtained regarding various medicines.

Patanjali herbal products are also available at Post offices across the country. A shop is established for sale of products wherever a yoga camp is organized. Patanjali has prepared disease specific CDs which they sell through their various outlets.

#### **6.1 Supply Chain Management:**

The Patanjali Mega Food Park (PMFP) has been envisaged to help in creation of enabling infrastructure for food processing and a comprehensive ‘farm-to-plate’ supply chain system. The initiative aims to seek maximum value addition by backward as well as forward integration between the farmers, factory and the market. It can be said that the supply chain doesn't have any intermediary in between but rather it's a direct from supplier to producer to consumer. This also helps in reducing the cost because it avoids the unnecessary commission cost and other related charges of the intermediaries

#### **7.1 Promotional Strategy :**

Baba Ramdev's live yoga classes became a passion. And it all began in the year 2002 when Sanskar television channel started airing Baba Ramdev's yogic classes; overnight, Baba Ramdev became a sensation he had hundreds of followers who morphed into thousands. Then Sanskar channel's rival Astha channel signed him. In two years time he was a hit and with him also the channel benefited. His TV shows have the largest TRP. Today, he is one of the biggest draws on Indian television. He can be seen not only on religious channels like Aastha, but also news and features channels like Aaj Tak, India TV and Sahara One. Millions around the country follow his

programmes religiously and use Ayurvedic medicines prescribed by him. There was an eight-month waiting period before one could see Ramdev; he was being booked that far ahead by television channels for his live yoga classes each morning. His yoga sessions were beamed live into 170 countries. Also, Baba Ramdev's pack i.e., one DVD, two Video CDs, three books on yoga, pranayam and herbal remedies, and Magazines are available. This set of four promotional materials with a Research Oriented Monthly Magazine of Yog, Spiritualism, Ayurveda, Culture and Tradition-Yog Sandesh available in 5 languages can do much to lure customers. Even healthy people are following his yoga pranayam regimen, as available in his DVDs, VCDs, Books and magazines etc., to keep fit. Baba Ramdev has got the pulse of the basic needs of people which is not only limited to food, clothing and shelter but also includes a healthy life style, and has managed to fine tune his offerings to suit the needs of all. He has mastered the art of mass customization and practices the art dexterously so much so that each individual feels that he is talking to him individually

Broadly speaking, the promotional marketing strategy of Patanjali Yogpeeth includes the following:

- The most important promotional activity involves yoga campaign by Baba Ramdev and the Patanjali trust.
- Advertising through business journals and newspapers in India and abroad with the help of an advertising agency.
- The company has established a web site in the internet. This will ensure international visibility and marketing.
- Group regularly interacts to industry and business associations.
- Group also has interaction with foreign embassies/trade counsels in India.
- They are also bringing out attractive brochures and other literature with the help of advertising agency

### **Conclusion:**

Most of the people believe in doing good and become spiritual. It has also been found in the past that spirituality affects the buying behavior of the people (Standifer et al., 2010). Spiritual gurus make use of up to date media to stay connected to their devotees and also impact their consumption behavior (Warrier, 2003). As far as Patanjali Yogpeeth is concerned, Baba Ramdevji has also influenced life of many with pranayam and yoga, though this influence is for welfare of people. Therefore, within a very short span of time, Patanjali has made a huge success and become well known not only at national but also at international level. Swami Ramdevji has emphasized on pranayam and yoga dimensions of spirituality to target the mass population worldwide. Patanjali Yogpeeth is fully utilizing this spiritual competitive advantage, created by Swami Ramdevji, to sell its own products in the market. Patanjali Yogpeeth is not only selling its ayurvedic medicines, but also diversifying itself through selling of FMCG products. Moreover, the organization is engaged in various good activities which are of great benefit to the society. It is trying to imbibe good character in masses with good health through yoga and ayurveda.

Hence, it can be said that Patanjali Yogpeeth has succeeded in creating a positive image through spirituality and using it to sell the products in the market.

## **Exhibit 1**

### **SWOT analysis of Patanjali Yogpeeth :**

The SWOT Analysis of the Patanjali Yogpeeth is explained as follows.

#### **Strengths:**

- Natural products without any kind of side effects
- Innovative use of spirituality
- Presence of established distribution networks in urban areas
- Solid base and image of the trust
- Social Responsibility to make people healthy

#### **Weaknesses:**

- Strong competitors and availability of substitute products
- Low exports levels
- High price of some products
- Absence of established distribution networks in rural areas
- Very less promotional activities

#### **Opportunities:**

- Large domestic market – over a billion populations
- Untapped rural market
- Changing lifestyles and rising income levels, i.e. increasing per capita income of consumers
- Export potential and tax and duty benefits for setting exports units

#### **Threats:**

- Political interference
- Controversy created by other groups regarding Patanjali products
- Removal of import restrictions resulting in replacing of domestic brands
- Temporary Slowdown in Economy can have an impact on FMCG Industry

### **Questions On Case Study :**

Q1. Using Ansoff Matrix please chalk out the growth strategy for Patanjali group. **(4 marks)**

Q2. Examine the product/market strategy of the Patanjali group and overall service offering and then explain the key elements of diversification strategy for Patanjali group. Would you say Patanjali Yogpeeth is diversifying itself from ayurvedic medicine to FMCG products or from FMCG to ayurvedic medicines. Please back up your stance with reasoning **.(4marks)**

Q3. Based on the above product information and the SWOT analysis rate the Patanjali Atta on the scale of 1 to 5 (1 being very bad and 5 being very good) Vis-à-vis ITC's Asshirwaad and justify your ratings. **(2 marks)**

**QUESTION 2**

**(10 Marks)**

)

Attempt **ANY ONE** from the following:

- a) Explain the Consumer buying process for Mobile phone handset.
- b) Explain the B2B buying process with respect to identification of knowledge partner for IT solution for your company.

**QUESTION 3**

**(10 Marks)**

Attempt **ANY ONE** from the following:

- a) What are the four stages in product life cycle (PLC) and what are the different marketing strategies will you use in each of these stage . Please give one example to explain the PLC concept and the associated marketing strategies in each of the stages.
- b) Customer Lifetime Value (CLV) : In this example, the firm acquires 100 customers with an acquisition cost per customer of \$40. Therefore, in year 0, it spends \$4,000. Some of these customers defect each year. The present value of the profits is given . Using the information please calculate total CLV and the net CLV per customer. Also explain the concept of CLV and why it is important to marketers.

TABLE 5.3 A Hypothetical Example to Illustrate CLV Calculations											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Number of Customers	100	90	80	72	60	48	34	23	12	6	2
Revenue per Customer		100	110	120	125	130	135	140	142	143	145
Variable Cost per Customer		70	72	75	76	78	79	80	81	82	83
Margin per Customer		30	38	45	49	52	56	60	61	61	62
Acquisition Cost per Customer	40										
Total Cost or Profit	-4,000	2,700	3,040	3,240	2,940	2,496	1,904	1,380	732	366	124
Present Value	-4,000	2,454.55	2,512.40	2,434.26	2,008.06	1,549.82	1,074.76	708.16	341.48	155.22	47.81

**QUESTION 4**

**(10**

**Marks)**

Identify POP's & POD's with respect to the industry and the competition for **ANY TWO** of the following: Explain with a diagram

- a) Starbucks

- b) Samsung Galaxy
- c) BMW
- d) Skoda Rapid

**QUESTION 5 : ANSWER ANY ONE  
Marks)**

**(10**

	Relative Weight	Product A Score	Product B Score
Superior Product	0.4	0.8	0.8
High Performance to cost ratio	0.3	0.6	0.7
High Marketing Support	0.2	0.14	0.18
Lack of strong competition	0.1	0.05	0.02

**Rating Scale : .00-.30=poor, .31-.60=good, .61-.70=Vgood and accept. >.70=Excellent and accept.**

- a) Which of the product will you accept after calculating the product ratings. Please indicate the different strategies that you will use to market the chosen new product to back up your decision.
- b) Why the new products fail? Please cite all the reasons and explain two recent product failures in India along with reasons for failure .

**QUESTION 6  
Marks)**

**(10**

Write Short notes on ANY TWO:

- a) Alternative approaches to brand positioning with an example from Indian market
- b) Behavioral Segmentation and Psychographic segmentation. Explain the key tools that are used in each one of them.
- c) Need, Want and Demand concepts along with an example.
- d) Brand positioning using service differentiation or personnel differentiation and associated example .

**\*\*\*\*\* End of Paper\*\*\*\*\***