

# A Study of Cause- Related Marketing with Special Reference to Patanjali Ayurved Ltd.

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## ABSTRACT

The commonly accepted Cause-Related Marketing is a communication tool for increasing consumer loyalty and building goodwill. The expected change in a company's image because of CRM campaigns appears to depend a great deal upon how customers perceive the reasons for a company's involvement in various programs like Cause-Related initiative and the amount of help given to the cause through a company's involvement. So in order to identify the level of CRM activities followed by various institutions Patanjali Ayurved Ltd has been selected as a research study. Well defined objectives were framed, the methodology has been designed, and related data has been collected through secondary data. The finding of the study has been highlighted and an attempt is made to understand the CRM of Patanjali Ayurved Ltd.

**Keywords:** Cause-Related Marketing, Ayurved

## 1. INTRODUCTION

### Cause- Related Marketing

(CRM) Cause- Related Marketing is becoming a well-accepted marketing tactic used by various companies. CRM is one of the main marketing tools which fall under the umbrella of corporate social responsibility. It can be described as a marketing tactic which links charities or causes with the sales of a brand, product or service. The charity is mentioned in promotional campaigns and a certain cash amount is donated to the cause in accordance with unit sales or turnover. Cause- Related Marketing is a profitable activity by which charities and businesses come into partnership with each other to market an image, product or service for a common benefit. It is a marketing tool used to help deal with the social issues of the day, by day providing resources and funding, at the same time addressing important business

objectives. Examples of Cause- Related Marketing in India of Patanjali Ayurved Ltd which earn a profit for reinvestment in society they raised funds for improvising standard of living of people and boosting Indian economy in its Make in India goal which is called Swadeshi in company's language. Hence it boosts sale or company and improves its corporate image.

### History of CRM

Cause-Related Marketing nowadays has become a burning topic over the last decade, collaboration between businesses and nonprofits that result in higher levels of service or merchandise have been present over the last half-century. While many campaigns show off of being the very first cause marketing movement, there are few that stood out in history. One of the first to be called Cause-Related Marketing was American Express's campaign in 1983 to raise funds for the conservation of the

Statue of Liberty and Ellis Island (“Historic Preservation Initiatives,” 2014). In 4 months, American Express raised \$1.75 million and increased their transactional activity by 28%.

### Patanjali Ayurved Limited

Patanjali Ayurved Limited has been registered under the Companies Act, 1956 and has its registered office in Bijwasan, New Delhi and other offices in Haridwar. It has become the fastest growing Indian FMCG company till today and its growth rate has created high benchmarks for competition to copy. This company formed by Baba Ramdev (Yogi Guru) in 1997 by collaborating with a scholar of Ayurveda, Sanskrit and Vedas Acharya Balkrishna in 1990’s to manufacture Ayurvedic base medicines. Baba Ramdev focused on Yoga while Balkrishna took responsibility for spreading Ayurveda medicine. The company was formed in January 2006 as a private limited company by yoga guru Ramdev and his partner Sri Acharya Balkrishnaji. In June 2007 the company was converted into a Public Ltd. Company

The company has been started with the vision of uplifting the life of Indian farmers by locally sourcing the raw materials from them and making their lives better while at the same time providing an opportunity to the Indian masses to move towards a healthy lifestyle by promoting Ayurveda and Herbal products. Swami Ram dev as a yoga trainer who featured himself in televised programs in Aastha and Sanskaar channels and made Indians realize that they have forgotten Indian tradition and art forms-one of them being yoga. He got wide acceptance and word of mouth publicity helped him reach to a wider audience. He projected Yoga as a universal remedy for all the health problems. In its first year of operations, 2008 Patanjali generated revenue of over 60 cores the customer base of Patanjali is very huge and with each passing day, it is growing bigger. Later in 2014 Patanjali was relaunched by Baba after that, the company has not looked back. As earlier company was finding difficult to

cater to the demand of all the customers hence it has increased its channels of distribution and stretched out its reach multifold from the point when it started.

Table 1: Chronological order of Patanjali Ayurveda’s financial turnover

Year wise Growth of Patanjali Ayurved Ltd.	
Turnover in 2011-2012	453.38 crore
Turnover in 2012-2013	848.56 crore
Turnover in 2013-2014	1191.14 crore
Turnover in 2014-2015	2028.03 crore
Turnover in 2015-2016	4819.61 crore
Turnover in 2016-2017	10,561.00 crore

## 2. REVIEW OF LITERATURE

- (Kotler, 2005) According to him CRM refers to donating a level of income from the offer of particular things amid a reported time of help
- (Rani, S and Shukla 2012) conducted a study to know the trends of Patanjali products. For the purpose of above study they collected a sample of 90 consumers in Pantnagar. On the basis of above study they concluded that within a very short period of time Patanjali products captured a number of consumers. Also they found that from 2008 to 2012 there is a huge increment in number of products which is from 26 to 120. They also suggested about limitation of Patanjali products that delivery system should be improved by Patanjali Company.
- (Khanna, 2015), Customer Perception towards Brand: A Study on ‘Patanjali’, Patanjali is enjoying the advantageous position in market through spirituality element involved in its products.
- (Vyas, 2015) believes Patanjali instead of outsourcing like established, listed FMCG firms, it has flourished on a backward integration model, using large tracts of land to cultivate and run its factories. Patanjali’s revenues have more than quadrupled in the past three years. Despite undercutting competitors, PAL’s operating margin is around 20% higher than many of its peers which advertise aggressively.
- (Abneesh Roy and EDELWEISS): In their research paper on “PATANJALI

AYURVED Waiting in the wings “the researchers studied the marketing strategy of Patanjali. The study aims to know Patanjali’s key strength, apart from its superior product quality, which lies in pricing.

### 3. RESEARCH METHODOLOGY

Research Methodology is a way to systematically solve a problem. It may be understood as a science of study where research is done scientifically. It includes various steps that are generally adopted by a researcher in studying his research problem.

#### Data Collection

In this paper data is collected through secondary data from various sources like: Journals, articles, magazines, research reports and government records were explored to get the knowledge of CRM practices of the company. Web references have additionally been accomplished and goals of the review

#### Objectives

- To study the Cause-Related Marketing activities of Patanjali Ayurved Ltd.
- To understand the importance of Cause-Related Marketing in the social, economic development of society

#### Problem Statement

Less importance of cause related to which marketing is done are being compromised. Poor ethical behavior, misrepresentation, false advertising, unfair comparisons are exploiting the consumers in the market. Day to day unethical practices is ever-increasing and because of that consumer are facing a lot of confusion in decision making. The companies are not giving that much importance to Cause-Related Marketing, which is dedicated to improving the standard of living of people. The companies are using this tool just to earn more Profit. This to study help know Cause-Related Marketing and ethical practices of Patanjali Ayurved Ltd.

#### Limitation of Study

- The study covers only CRM activities of PAL.

- Only secondary data’s has been used.

### 4. DISCUSSION OF FINDINGS

- Some 40-50 kids who have lost their loved ones during Kedarnath flood in 2013. They are providing free accommodation, free food, free education and support them in every possible way. Likewise, they are doing the same for kids who were affected during Nepal Earthquake in 2015.
- The CRM activities of company Patanjali focuses on the development of farmers by making contract farming which gives them the surety for sales of their produces so that they can live their livelihood without worry of procurement, in other words, this leads to overall development of society.
- Patanjali being a Swadeshi Brand had its CRM approach on Make in India campaign which was launched by PM in 2014 and is focused on the fact that the products are made in India and made by Indian Company.

#### Importance of Cause-Related Marketing

Cause-Related Marketing is a marketing course of action that targets the social concerns of groups of consumers. It is basically a mutually beneficial collaboration between of a non-profit and a corporate firm which is collaborating in order to increase the sales and the social cause with charity motive. These CRM strategies have helped many corporations in order to enhance their representations and goodwill, strengthen ties with the employees and increase in sales and profits Cause-Related marketing (CRM) is becoming a popular marketing strategy used by brand managers, retailers and service companies to link charities or causes with the sales of a product or services. The charity is mentioned in promotional campaigns and a certain cash amount is donated to the cause in accordance with unit sales or turnover.

## 5. CONCLUSION

It is being concluded that Cause-Related Marketing is a marketing strategy that targets the social concerns of consumer groups. It is basically a mutually beneficial collaboration of a non-profit and a corporate firm which collaborates with each other in order to increase the sales and the social cause with charity motive. These CRM strategies have helped many corporations in order to enhance their representations and goodwill, strengthen ties with the employees and an increase in sales and their profits. In other words, it can be said that cause-related marketing is a marketing tool which links a product or a firm with a charity which Patanjali is doing these days. It like has actively participated in Tsunami, 2004, Bihar Floods, 2008 and Kedarnath Disaster, 2013.

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