

Green Business: A Case Study of Patanjali Products

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Abstract

Sustainable development is gaining more importance in the recent years as most of the countries are facing serious environmental problems. Achieving the growth at the cost of over exploitation of natural resources is no more favoured. On this backdrop, it is relevant to study the eco friendly businesses and their contribution to the progress of the country. Sustainable business or green business is an organization that has least negative impact on the environment, community, society and the economy. The government has been encouraging green organizations in this regard. In addition, there has been a growing demand for green products. The educated people prefer eco friendly products due to the increased awareness of environmental problems and moral responsibility. Patanjali is a well known brand for green products. Hence, a study is made on a range of products of Patanjali brand to analyse the opportunities and challenges for green businesses. The primary data would be collected from 100 consumers of Patanjali products in Shimoga and Chikkamagaluru districts. The distribution outlets would be visited to enhance the knowledge regarding the products, price, competition, customer loyalty, marketing strategies and the problems faced by the firm. The secondary data sources include journals, books and internet. In a nutshell, this paper provides an overall analysis of Patanjali products in relation to the sustainable development.

Introduction:

“There is a simple rule about the environment. If there is waste or pollution, someone along the line pays for it” -Lee Scott, Chief Executive, Wall-Mart

It is the human tendency to strive for growth. But the current development shouldn't be at the cost of sufferings of future generation. Hence, the whole world has been chanting the mantra of sustainable development. Any progress which is made keeping in view the safety of environment is well appreciated and supported. Green banking, green economy, green chemistry, green marketing, green

transportation, organic farming etc. are some of the concepts catching attention in the recent years. No business can say that it is 100% eco friendly. Each and every business has a negative impact on the environment. However, the impact can be minimized to the possible extent if some efforts are made. Green business is working on this principle. Still, it is not favoured by most of the organizations as there is additional cost involved in making the business green. On the other hand, there are lot of opportunities and benefits available for green businesses such as enhanced goodwill, government subsidies, customer loyalty, increased sales etc. After analyzing both sides of the coin, the companies must decide whether to go for green business or not. Green business is the one which aims at conducting its day to day operations keeping in view the environmental impact. Its production, marketing, distribution, waste management are eco friendly. Against this background, an attempt had been made to study a green business i.e., Patanjali products.

Review of Literature

Some of the articles were reviewed on “green” concept to get a theoretical background for the study. Consumer choices not only reflect price and quality preferences but also social and moral values as witnessed in the remarkable growth of the global market for organic and environmentally friendly products (Nina Mazar, Chen-Bo Zhong,2010).

Green marketing is a phenomenon which has developed particular important in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development (ANIRBAN SARKAR,2012).

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 (Pavan Mishra, 2010).

For today’s consumer, price difference in environment-friendly products has disappeared to be a negative factor now and promotion has become important for consumers. When companies take these into consideration and determine marketing strategies accordingly, they can reach their goals by considering needs and demands of the consumers and by responding them in the most appropriate way. Therefore, tendency to environmental-friendly product shall exhibit gradual increase (Aysel, 2012).

The above studies focus mainly on green marketing. However, there are not many studies being found on green business. Hence, to fill this research gap, a case study of Patanjali brand had been taken up.

Objectives

The major objective of the study is to know how far Patanjali products are considered as green business. In addition, the green business practices of Patanjali and consumer’s perception of the products should be explored.

Green Business Practices

Green business may be defined as, “A business functioning in a capacity where no negative impact is made on the local or global environment, the community, or the economy”.

Some of the basic features of a green business are identified as below:

1. Proper waste management: The green business limits, recycles and properly disposes waste.
2. Materials: The green business uses eco friendly, reduced, recycled materials in its operations.
3. Energy efficient building: green business makes use of green building which saves the energy.
4. Green Supplier: Working with suppliers to limit the environmental impacts is vital in green business.
5. Partnership: The green business maintains a healthy relationship with supporting organizations, NGOs who are working to create healthy environment.
6. Awareness: Green business creates awareness among stakeholders, employees about eco friendly practices and their importance.
7. Transparency: The green business maintains transparency with the customers on the business impact on the environment
8. Standards: In an eco friendly business, green standards have been complied with the maximum extent.
9. Pro active business: It is pro active in the areas of energy and water consumption, use of resources, carbon dioxide emissions etc. to reduce the adverse impact of business on environment.

Green Business Model

Any business which claims as green must make an attempt to reduce the negative impact of its business on the environment.

Measures taken by Green Business



Patanjali as a Green Business

Patanjali brand is growing at a tremendous speed by combining the swadeshi, spiritual and green concepts. Founded by Baba Ramdev and Acharya Balakrishna in 1997, the firm started with medicinal products. Gradually, it diversified its activities to food and cosmetics. Now, it has been gaining popularity with 2000 crores of annual turnovers.

Patanjali brand has been following green practices such as chemical free products, usage of renewable energy, recycling the waste and producing the by-products such as dish wash bars. Field experiments are given more importance on organic farming technology. Biogas plant was started recently. Herbal gardens have been cultivated. More importantly, the products are free from hazardous chemicals. Three stages in the quality control ensure toxic free output. The expired products are smashed without any second thought. Even for the preservatives, the firm uses the natural ingredients such as citric acid to

the limit possible. The mechanised form of production results in reduction in the waste. The battery charged vehicles are used inside the premises at Haridwar production plant.

Research Methodology

The primary data were collected from 100 consumers of Patanjali products in Shimoga and Chikkamagaluru districts. The Patanjali distribution outlets were visited to enhance the knowledge regarding the products, price, competition, customer loyalty, marketing strategies and the problems faced by the firm. The secondary data sources include journals, books and internet. In a nutshell, this paper provides an overall analysis of Patanjali products in relation to the sustainable development.

Findings and Recommendations

The primary data were collected from the consumers of Patanjali products with the help of questionnaires.

Demographic structure of the research

Age Group (Years)	Monthly Income(Amount in `)												Total
	0-10,000			10,000-20,000			20,000-30,000			30,000 & above			
	M	F	T	M	F	T	M	F	T	M	F	T	
0-20	6	0	6	0	1	1	0	0	0	0	0	0	7
20-30	4	4	8	7	4	11	5	3	8	2	1	3	30
30-40	2	2	4	2	0	2	1	1	2	5	8	12	21
40 & above	2	8	10	4	1	5	4	4	8	16	3	19	42
Total	14	14	28	13	6	19	10	8	18	23	12	34	100

Source: Field survey

The demographics show that 51% of the respondents are female. 42% of the people fall in the age group of 40 years and above followed by 30% who are of the age of 20-30 years. 34 % of the respondents have the decent earning of `30,000 and above in a month followed by 28% of people with the income of `10,000 and below.

Only 50% of the people think that even they are responsible for environmental pollution. 99% respondents said that they try to reduce the pollution within their limits.98% of them prefer green products. All the respondents selected for this survey are users of Patanjali products. A large majority (73%) of the people came to know about the products from friends and family and 12% from retail

outlets. Only 2% of the respondents opted for on line mode of purchasing. Almost 78% respondents use the products for less than 3years. 54% of the respondents use the products due to good quality and freshness while 41% prefer them due to its chemical free contents.74% of the respondents replaced the reputed brands with Patanjali in their day to day life. About 52% would like to be 100% Patanjali consumer.

Product used by the consumers and their satisfaction level:

Product Usage and Satisfaction Level

Products	Usage rate	Satisfaction level
Grocery products	76%	100%
Medicinal products	54%	100%
Homecare products	49%	100%
Personal Care Products	71%	100%

Source: Field survey

Likert’s five point scale was used to study the perception and opinion of the respondents on Patanjali product.

Opinion of respondents:

1. Quality- 96 % of consumers is satisfied with the quality of Patanjali products.
2. Features-94% said that the features of Patanjali products are satisfactory.
3. Variety-86% has the opinion that Patanjali is known for its variety of products.
4. Quantity-78% agreed that there is no shortage of quantity such as underweight.
5. Packaging-83% said the packaging is eco friendly.
6. Price-72% agreed that the price range is reasonable
7. Advertisement-82% agreed that Patanjali products should focus on advertisement. to withstand the competition.
8. Location-63% opined that the location of Patanjali products’ outlets is convenient. 14% disagreed with that.
9. Shopkeeper’s attitude-80% of the respondents is satisfied with the attitude of shopkeepers.
10. Eco friendly-87% agreed that Patanjali products are eco friendly
11. Competition-66% agreed that Patanjali brand is strong enough to compete with well established MNC brands
12. Future-83% said that Patanjali products have the bright future.

From the above, it is clear that a large majority of consumers of Patanjali products are satisfied with the quality, features and variety. The products are said to be good even in quantity. No shortage in quantity might be the result of effective quality control systems adopted by the organization. There is a hope that Patanjali brand would be a well known and most preferred brand in the international markets. However, it is not free from limitations. First and foremost, there is lack of effective and attractive advertisements. Hence, most of the people who may prefer these products don't come under the sphere of its market. Therefore, efforts should be made to create awareness about the products. The marketing strategy which was mainly based on word of mouth advertisement needs to be updated to suit the present market demands. Efforts should be made to improve customer loyalty. The products should be made available everywhere as the HUL's FMCG. The distribution channels need to be strengthened in such a way that the products can be reached even to the remote, interior areas. Inventory should be managed effectively so that the supply doesn't fall short. Further, the products should be available even in smaller quantities as it is profitable to concentrate the bottom of pyramid. There are some issues in the case of on line purchase such as spoilt product, delay in delivery, non receipt of goods, non response to the complaints, damaged containers etc. Some action must be taken on time to address the customer grievances. Customer care centres should be set up as the business has been growing at tremendous speed.

Recommendations

As green business is concerned with eco friendly practices, care should be taken in the entire process starting from the production till the consumption. In this regard, Patanjali should adopt certain measures so that the green practices of the firm could be enhanced. Some of them are:

- Effective waste management techniques should be adopted in all the spheres so that the waste is kept to its minimum level. The containers of the products should be bought back and reused so that the optimum usage of materials is possible.
- Renewable energy sources should be 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 centres it should be made ritual to conserves water. Efficient water usage, recycling, rain water harvesting techniques should be adopted by the firm.
- As the organization is already using eco friendly battery vehicles inside the premises of the production centre, it would be easy for the firm to increase the usage of these vehicles wherever possible. Public transport should be opted for the delivery of products.
- Production units should be disseminated throughout the country to reap the geographical benefits.
- Green house gas emissions should be managed in a scientific way so that the organization can satisfy environmental standards.
- ISO-9001 and WHO-GMP certification should be maintained by the firm. Further, it should get certificates from reputed agencies that are into the field of sustainable development.

- Green melas and exhibitions should be arranged in order to create awareness of Patanjali products and make some offers on the spot.
- It should conduct research to discover the ways to recycle and produce new products.
- Most of the operations should be computerised so that there is minimal usage of paper. In addition, recycled paper should be used in the day to day activities.
- The Firm should create green atmosphere in its production and distribution centres. The greenery would give the customers and employees a fresh feel.
- The activities which are conducted by the firm in the name of Corporate Social Responsibility should focus environmental protection.
- The young generation must be attracted towards green products.

Conclusion

Patanjali brand has shown a glorious past and is expected a promising future. There are numerous positive developments occurring in the business. Recently, there is a tie up with Future group for the distribution of products. This ensures availability of better market for the products. Further, the noodle space in the market which was vacant after the magi controversy has been occupied by Patanjali in the form of atta noodles. Patanjali brand is considered as green by large majority of the people. The products are known for their chemical free feature. Further, the business has been adopting eco friendly practices in its activities. However, there is a large scope for increasing the proportion of green in the business. If it has put some efforts, not only the products but also the entire business process can have least negative impact on the environment.

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