

The Business Dimension

On 23rd April 2012, Monday, Patanjali Ayurved Limited had announced its entry into the retail sector by launching 100 products to be expanded up to 800, including body care, healthcare, home care, digestive, cosmetics, toiletries and other products. The national and multinational fast moving consumer goods (FMCG) brands playing in the fast growing \$ 1 trillion Indian market (2012) have started facing intimidation from home-grown, and an absolutely 'Swadeshi' competitor.

Patanjali Ayurved Limited Chief Managing Director Acharya Balakrishna at a press conference said "Compared to other multi-national company products, these products would be cheaper by at least 30%. This difference is because all the raw materials are sourced directly from farmers and which in turn reduce overall costs. He further said that our objective is to empower people, particularly farmers economically through the promotion of these products. Profits from the venture would be used to finance initiatives like health care, rural economy and others".

Patanjali products are available only in Patanjali branded stores and arogya kendras. Now, the company will be planning to distribute products at kirana stores (Pop & Mom stores) across the country.

Swami Ramdev-promoted Patanjali Ayurved Ltd aims to reach every household with open market distribution of its products and also by selling them through one lakh swadeshi seva kendras in rural India by self-help groups & Acharaya Balkrishna asking people to use swadeshi products. Acharya Balkrishna(2012) said at present the four manufacturing units in Haridwar have a capacity to process 1,000 tonnes of raw materials, rolling out 500 products in medicine, food and cosmetics and toiletries. "We are currently processing 250-300 tonnes of raw materials for all categories of products. "He said. On the future plans, Mr. Balakrishna said there were plans to set up manufacturing units in each State with an investment of about Rs.50 to Rs.100 crore.

Already 20,000 distributors have been appointed. There are also plans to open exclusive 'Swadeshi Stores' on a franchisee model. The plan is to open one lakh stores in one year in States like Uttarakhand, Uttar Pradesh, Bihar, Jharkhand, West Bengal, Chhattisgarh, Assam, Rajasthan, Gujarat and Madhya Pradesh.

Till 2012, It also aims to expand the number of Patanjali Chikitsalayas(Clinics) Patanjali Arogya Kendras to 5,000. Patanjali Ayurveda claims a turnover of nearly Rs 400 crore from personal care products. With the new venture the turnover target is set above Rs 2000 crore.

Questions for discussion:

- Does Swami Ramdev occur to you as a real saviour or a tactful businessman? Why?
- In 2003, Aastha TV began yoga slot named 'Divya Yog' everyday, at 5am, Was it the free tele-shopping network of massive unique business plan or public health reform. Discuss the online and digital marketing strategies of Patanjali in light of above.
- What competitive Sales strategies are being adopted by company against MNC in FMCG sectors?
- Suggest a sales channel strategy for the mentioned business.



Enrollment No.....

Faculty of Management
End Sem (Odd) Examination Dec.-2018
MS5EM02 Sales and Channel Management
 Programme: MBA Branch/Specialisation: Management/Marketing

Duration: 3 Hrs.**Maximum Marks: 60**

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1
- Strategy of distribution in which seller allow certain outlets to sell its product is classified as **1**
 - Exclusive distribution
 - Inclusive distribution
 - Selective distribution
 - Intensive distribution
 - The most important objectives of ____ is to convince customers to make a purchase **1**
 - Direct marketing
 - Person selling
 - Person to person communication
 - Integrating programs
 - How profitable a given customer is over time defines your _____. **1**
 - Assessment
 - Cycle efficiency
 - Follow-up
 - Life time value
 - Selling services involves guidelines – **1**
 - Facilitation of equality assessment by customer
 - Making service intangible
 - Use of references from internal sources
 - Recognition importance of customer contact personnel
 - In marketing intermediaries, way of distribution in which few dealers distribute company's product in selective territories is classified as **1**
 - Selective distribution
 - Intensive distribution
 - Inclusive distribution
 - Exclusive distribution
 - In marketing channels, level of company selling its products through retailers and wholesalers is classified as **1**
 - One-level channel
 - Zero-level channel
 - Three-level channel
 - Two-level channel
 - The manifest conflict stage is characterized by – **1**
 - Positive Suggestions
 - Destructive Actions
 - Felt Conflict
 - Silence
 - Structural cause of conflict is- **1**
 - Latent
 - Commission
 - Geographic
 - Goals predicament
 - Advantage of digital marketing is- **1**
 - Fast
 - Cost Effective
 - Targeted
 - All of these

P.T.O.

- x. Following is one of the efficient tool for online marketing-
 (a) SEO (b) Hoardings (c) POP materials (d) Personal Selling 1
- Q.2 i. What do you mean by Socialization? 2
 ii. Define Sales Management. 2
 iii. Discuss the Role of Sales Management. 4
 OR iv. What are the steps involved in hiring a sales person? 4
- Q.3 i. Define 'Sales Territory'. Explain it with suitable examples. 3
 ii. Write down the process of evaluation of sales force. 5
 OR iii. Explain various structures of Sales organization with suitable examples. 5
- Q.4 i. What do you understand by E-Tailing. 3
 ii. Explain different types of Marketing Channels. 5
 OR iii. What are the challenges and opportunities for the organized retailing in India? 5
- Q.5 i. What do you mean by channel design? 2
 Attempt any two:
 ii. Explain channel conflicts and their types. 3
 iii. What are the methods of evaluation of channels? 3
 iv. Briefly explain the core elements of channel Information system. 3
- Q.6 Attempt any two:
 i. What are the advantages of Digital marketing? 4
 ii. Explain Digital marketing strategies. 4
 iii. Explain briefly search engine marketing strategy. 4
- Q.7 Case Study: 10

Baba's Ayurveda: A Yogic Matrix to Sustainable Business Revolution!

The New York Times called him "An Indian, who built Yoga Empire, a product and symbol of the New India, 'A yogic fusion' of Richard Simmons, Dr. Oz and Oprah Winfrey, irrepressible and bursting with Vedic wisdom."

He has taught yoga to many celebrities like including Indian film actors Amitabh Bachchan and Shilpa Shetty. He has also taught yoga in the British Parliament, at the MD Anderson Cancer Center affiliated to the University of Texas and at the seminary of Muslim clerics at Deoband in Uttar Pradesh, becoming the first ever non-Muslim to publicly address the deobandi Muslim clerics.

We all know him as **Swami Ramdev** (born as *Ramkrishna Yadav* in Haryana) the most admired, vibrant and the one who virtually mesmerize the modern genre to connect them with Indian ancient body of knowledge called *Yoga* (An ancient Hindu way of meditating and breath control) and *Ayurveda* (A system of traditional medicine native to the Indian subcontinent) . The most celebrated Guru of modern times has simultaneously used yoga camps and unconventional new age media without using traditional *Gurukul* (A type of ancient residential school in India) to reach every house hold in India.

In 2003, Aastha TV began featuring morning yoga slot. He was the host of a program named 'Divya Yog' that airs on 5 am in the morning every day. The health-conscious people from different parts of the country watch this program and have started doing yoga from the comforts of their home. Within a few years, he had gathered a huge following. A large number of people and many celebrities in India and abroad have attended his yoga camps.

The Indian people who are gradually becoming habitual of tele-shopping by now had witnessed free yoga teachings through television. These yoga shows are not merely demonstration but marked first step towards new social business revolution.

Yoga & Ayurveda: The perfect blend

Yoga is a commonly known generic term for physical, mental, and spiritual disciplines which originated in ancient India. Specifically, yoga is one of the six *āstika* ("orthodox") schools of Hindu philosophy. It is based on the Yoga Sūtras of Patañjali. Various traditions of yoga are found in Hinduism, Buddhism, Jainism and Sikhism.

Swamiji took upon himself the onerous responsibility of demystifying and popularizing Patañjali's Yoga, while Āchārya Balkrishna (Ayurvedic scholar & one of the Promoter of patanjali yogpeeth) has the task of restoring people's faith in the efficacy of Ayurvedic system of medicine. Their approach was to treat ailment and disorders in pragmatic, non-dogmatic and non-sectarian way. To operationalize their concept, they had established venture known as Patanjali Ayurveda Kendra Pvt.Ltd.

The 'B' Company: Baba's Patanjali Yogpeeth, Haridwar

Patanjali Ayurveda Kendra Pvt. Ltd. Was founded by Swami Ramdev & Ayurveda Acharya Shree Balkrishna on 27 Sept. 2007 with specific vision and mission started its operation at Swoyambhu, Katmandu, Nepal to provide holistic, natural and effective Ayurveda treatment.

The flagship project of Baba Ramdev is Patanjali Yogpeeth. Since its inauguration in 2006, it has been one of the largest centers for research on Yoga & Ayurveda in the world. He has been running yoga classes and providing Ayurvedic consultancy in the premises of the Yogpeeth. The facilities at the Yogpeeth comprise a 300-bed multi-specialty hospital, a yoga research center, a university, an Ayurvedic pharmacy and a food park.

Patanjali YogPeeth has acquired a Scottish Island for about £2 million which will also serve as the Patanjali Yog Peeth's base overseas, where *yoga* will be taught. This project will be run by Patanjali Yogpeeth UK Trust. They also have plans to set up a wellness retreat there. In September 2012 Harvard university of USA came forward to introduce yoga and Ayurved subjects in their university in collaboration with Swami Ramdevji and his aid Acharya Balkrishna in wake of the dreadful diseases getting cured by Swamiji's Pranayam (Yoga technique for breath control) and his Ayurved medicines.

The SBUs: Swadeshi Matrics

Patanjail Ayurveda kendra Pvt. Ltd. was registered with company registrar's office, Government of Nepal in 2006. It's a sole distributor of the various units of Divya Yog Mandir (Trust) Haridwar, India. Its Products can broadly be categorized into three main ranges- Medicinal Value Products (Ayurved & Herbs); Food Products (food and Juices); Cosmetic product.

Marking Scheme

MS5EM02 Sales and Channel Management

Q.1	<p>i. Strategy of distribution in which seller allow certain outlets to sell its product is classified as 1</p> <p>(a) Exclusive distribution</p> <p>ii. The most important objectives of ___ is to convince customers to make : purchase. 1</p> <p>(b) Person selling</p> <p>iii. How profitable a given customer is over time defines your _____. 1</p> <p>(d) Life time value</p> <p>iv. Selling services involves guidelines – 1</p> <p>(a) Facilitation of equality assessment by customer</p> <p>(d) Recognition importance of customer contact personnel</p> <p>v. In marketing intermediaries, way of distribution in which few dealers distribute company’s product in selective territories is classified as: 1</p> <p>(d) Exclusive distribution</p> <p>vi. In marketing channels, level of company selling its products through retailers and wholesalers is classified as 1</p> <p>(d) Two-level channel</p> <p>vii. The manifest conflict stage is characterized by – 1</p> <p>(b) Destructive Actions</p> <p>viii. Structural cause of conflict is- 1</p> <p>(d) Goals predicament</p> <p>ix. Advantage of digital marketing is- 1</p> <p>(d) All of these</p> <p>x. Following is one of the efficient tool for online marketing- 1</p> <p>(a) SEO</p>			
Q.2	<p>i. Definition of Socialization 2</p> <p>ii. Definition of Sales Management. 2</p> <p>iii. Role of Sales Management 1 mark for each 4</p> <p style="text-align: center;">(1 mark * 4)</p>			
OR	<p>iv. Steps involved in hiring a sales person 4</p>			
Q.3	<p>i. Definition of ‘Sales Territory’ 3</p> <p>Examples 1 mark</p> <p>ii. Process of evaluation of sales force. 5</p>			
OR	<p>iii. Any two structures of Sales organization 5</p> <p>2 marks for each (2 mark *2) 4 marks</p> <p>Examples.0.5 mark for each (0.5 mark * 2) 1 mark</p>			
Q.4	<p>i. Three concept and significance E-Tailing.1 mark for each 3</p> <p style="text-align: center;">(1 mark * 3)</p>			
	<p>ii. Any five types of Marketing Channels. 5</p> <p>1 mark for each (1 mark *5)</p>			
OR	<p>iii. Challenges 5</p> <p>Opportunities 2.5 marks</p>			
Q.5	<p>i. Definition of channel design 2</p> <p>Attempt any two:</p> <p>ii. Channel conflicts 3</p> <p>Their types. 1 mark</p> <p>2 marks</p> <p>iii. Any two methods of evaluation of channels 3</p> <p>1.5 marks for each (1.5 marks *2)</p> <p>iv. Any three core elements of channel Information system. 3</p> <p>1 mark for each (1 mark *3)</p>			
Q.6	<p>Attempt any two:</p> <p>i. Any four advantages of Digital marketing 4</p> <p>1 mark for each (1 mark *4)</p> <p>ii. Any two Digital marketing strategies. 4</p> <p>2 marks for each (2 marks * 2)</p> <p>iii. Search engine marketing strategy. 4</p>			
Q.7	<p>Case Study: 10</p> <p>The Business Dimension</p> <p>Questions for discussion: 2.5 marks for each (2.5 marks * 4)</p> <p>(a) Does Swami Ramdev occur to you as a real saviour or a tactful businessman? Why?</p> <p>(b) In 2003,Aastha TV began yoga slot named 'Divya Yog' everyday, at 5am ,Was it the free tele-shopping network of massive unique business plan or public health reform .Discuss the online and digital marketing strategies of Patanjali in light of above.</p> <p>(c) What competitive Sales strategies are being adopted by company against MNC in FMCG sectors?</p> <p>(d) Suggest a sales channel strategy for the mentioned business.</p>			
