

# The art of brand extension

Baba Ramdev has proved that the quality of products alone counts in success

**B**aba Ramdev is a spiritual leader, best known for popularising yoga. He has a huge following. For millions of his followers Ramdev is an iconic yoga guru.

Having established a strong base, Ramdev has followed some interesting strategies. Firstly, he has been immensely successful in mass popularising his core skill – yoga. His camps have lakhs of people thronging to learn yoga. He has propagated some simple asanas like ‘Kapal Bharati’ – a breathing exercise – which has a salutary effect on a person’s health. He has also used the television effectively for those who can’t attend his camps. Focussing on his core strength, he has used the twin strategies of reaching out to massive numbers and demystifying yoga to gain a huge following.

Secondly, he has maintained high visibility. He was in the forefront of Anna Hazare’s anti-corruption movement and has never shied from airing his political views.

Thirdly, he has truly understood the art of brand extension and leveraging a brand. Celebrity endorsement is a multi-billion dollar global business and not a new concept. In India, Bollywood celebrities and star cricket players are also in huge demand for this. A few of them have even started their own brand. For example, Hrithik Roshan has started an apparel brand, called HRX and Virat Kohli has started Wrogn; but none of these have become blockbusters.

Along similar lines, Ramdev founded the Patanjali Ayurvedic Ltd, to sell Ayurvedic products. He does not own any shares in the company and his close aide, Bal Krishna, owns a majority shareholding and runs the company.

It all started a decade ago, farmers from a village near Haridwar mentioned during a conviviality with Ramdev that they were getting rid of their amla (gooseberry) trees because they made no money. Baba promised to buy their amla and started bottling and producing amla juice. The juice was taken to his yoga camps, its benefits propagated, and millions of followers in India and abroad lapped it up. Sales of this juice rocketed!

Patanjali then started making other products – hair oil, soap, cookies and toothpaste. From these humble beginnings, it is now expected to touch revenues of ₹5,000 crore in 2015-16. At this scorching pace of growth, it will easily touch ₹20,000 crore by 2020. Based on its



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strong financials, CLSA, in its report, wistfully stated, “Wish you were listed”.

Initially, Patanjali sales happened through a network of 5,000 Patanjali Chikitsalaya and Arogya Kendras. It has now tied up with big retail outlets like Big Bazar and Reliance Fresh.

Interestingly, Ramdev is always available to market these products and omnipresent in its ad campaigns. It has become a virtuous cycle – increasing number of followers feeding into increasing sales of Patanjali products. Truly, an amazing case study of brand extension – from yoga to a portfolio of 500 ayurvedic products!

Ramdev has famously threatened multinationals, saying: “We are hoping to give them a headache. Indians should consume Indian products. Why should we allow multinationals to profit at our expense?” Indeed, Patanjali is causing a few headaches to multinationals such as Hindustan Lever and Colgate Palmolive.

Other than the brand support of Ramdev, products from Patanjali have a unique proposition – good quality swadeshi products that have health benefits at competitive pricing. The atta noodles of Patanjali have been priced at ₹15 per packet, against other brands, which are priced at ₹25. And, to top it all, Ramdev has clearly mentioned that all the profits will be used to support the poor and build schools for the underprivileged. All in all, it is an unbeatable proposition!

The next stage after the success of ‘brand extension’ by Ramdev, is evolution from this extension. Patanjali has hired a leading advertising agency for a new advertising campaign featuring Sushil Kumar, Hema Malini and Shankar Mahadevan.

Patanjali plans to introduce yoga-wear, health drinks and baby-care products. Its next step is to make its products available on the e-commerce platform.

Who could have imagined that a spiritual leader would extend his brand and build a huge business? Who would have thought that a yogi would endorse a brand of noodles? Ramdev has proved that, if good quality products are made available, brand extension can, indeed, be successful. And it will not be too long before other spiritual leaders, godmen, Bollywood actors and star cricketers endorse and launch their own products, following Ramdev and the art of brand extension. ♦

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Views are personal