

Is there a Difference between Product and Brand with Special Reference to Case Study on “Maharaja Agarbatti”

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Abstract: *Product is anything that can be offered to a market that might satisfy a need or a want. Product is a cluster of psychological satisfactions. – ‘George Fisk’. Brand helps people identify and connect with a particular company, product or individual. Brand is “A collection of perceptions held in the minds of the customers”- Susan Fournier. Brands possess the power to stimulate and generate associations in the minds of the people. Brands have intangible attributes. You can only share your brand experience with others. This article gives details about different concepts of Products and brands with special reference to a case study building the brand Maharaja Agarbatti ‘Incense stick’. This outlet is located Dadar West, Shivaji Park Mumbai. Initial investment done in this business was a few thousands and they focused on the strategy of re-investing their profits and growing simultaneously. They started with a small outlet and today Maharaja Agarbattis are sold at various other locations like VileParle, Andheri, Malad and Dombivli through different distributors. They have expanded their business operations. Learning outcomes through this chapter is understanding and differentiating between Products and brands and identifying brand associations for the product. All these concepts would be applied to the case Maharaja Agarbatti*

Keywords: Product and Brands, Product Life Cycle, Product Mix, Brand Association, Brand Ladder

1. Introduction

Product satisfies the need or a want of customers. It has tangible and intangible attributes that is offered for sale to satisfy the customers. It can be goods, services and ideas, experiences, people, organisation, information and so on. Product is a thing on the shelf whereas Brand is a promise in the mind. A Product is in our mind till we see and use it whereas a brand remains in our mind as associations. A product can be copied and replaced whereas a brand is Unique. A product can be copied and becomes obsolete after few years whereas brand remains timeless. This article helps the audience understand the difference between product and brand. The researcher has studied an outlet Maharaja Agarbatti and have presented the findings through a case study.

Main Chapter

Every product offered has a cost attached and is sold at a price. The price the customer needs to pay depends on the marketplace, quality of the product, the promotional activities and the segment that is targeted. Just as human have a life cycle each product goes through a life cycle from birth to death after which it either needs modification or replacement from the market. Let's understand Marketing Mix coined by E.J. McCarthy

1.1 Marketing Mix

The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. The 4Ps make up a typical marketing mix - Price, Product, Promotion and Place.

- **Product:** refers to the item actually being sold. The product must deliver a minimum level of performance; otherwise even the best work on the other elements of the marketing mix won't do any good
- **Price:** refers to the value that is put for a product. It depends on costs of production, segment targeted, ability of the market to pay, supply - demand and a host of other direct and indirect factors.
- **Place:** refers to the point of sale. In every industry, catching the eye of the consumer and making it easy for her to buy it is the main aim of a good distribution or 'place' strategy.
- **Promotion:** this refers to all the activities undertaken to make the product or service known to the user and trade. This can include advertising, word of mouth, press reports, incentives, commissions and awards to the trade and so on.

1.2 Levels of Product

Products are offered to satisfy customer needs, wants and demands. Every customer has a unique need, taste, preference from the others, today in this competitive business world every company is trying to tailor their products to satisfy each customer's needs, wants and demands. However, for many small businesses this is not attainable and profitable, so they need a way of classifying products in a structure allied to customer segments, as defined by their needs and wants. Businesses can cater to more segments at minimal cost if they organise their products as per customer need segments. Philip Kotler, an economist, devised a model that recognises customers have five levels of need, ranging from core needs to emotional

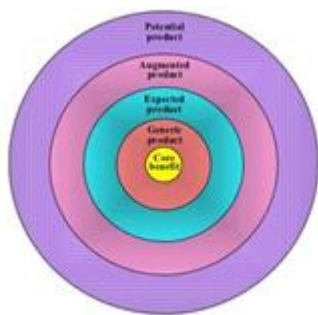
needs. The model also recognises that products are merely a means to satisfy customers' varying needs or wants. He distinguished three drivers of how customers attach value to a product:

Need: a lack of a basic requirement.

Want: a specific requirement of products to satisfy a need.

Demand: a set of wants plus the desire and ability to pay for the product.

Customers will choose a product based on their perceived value of it. If a customer experiences the actual use of a product matching the perceived value at the time of the purchase it is called Satisfaction. A customer is satisfied only if the actual value is the same or exceeds the perceived value. Kotler attributed five levels to products ^(1,2)



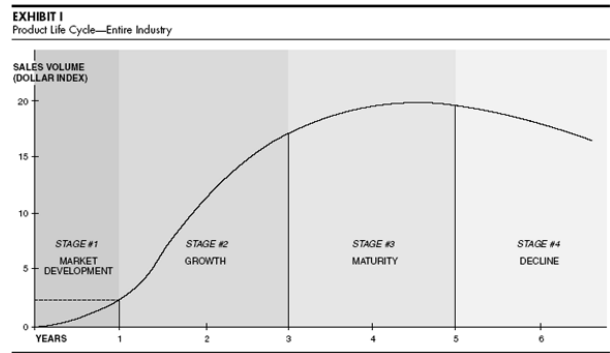
Five Product Levels

Table (1.2): Levels of Product model of Philip Kotler

Levels	Meaning
Core	Consumers need or want that is satisfied by consuming a product or a service
Basic or Generic	Product or service containing attributes that are essential to function
Expected	Set of characteristics customers expect the product or service should have while purchasing it
Augmented	Additional features, characteristics and benefits attached to a product or service that differentiates it from its competitors
Potential	All augmentation and transformation a product might undergo in future.

1.3 Product Life Cycle

Just as humans have a life cycle every product pass through certain recognizable stages. A product life cycle is the span of time from a product first being introduced to consumers until it is detached from the market. This concept was coined by Theodore Levitt in the year 1965 and has been successfully used by so many companies till date. A product's life cycle is usually broken down into four stages; introduction, growth, maturity, and decline.



- 1) **Market Development:** Product is first introduced into the market even before there is a proved demand for it. The product has been fully proved out technically in all respects. The marketer invests in advertising and marketing to make consumers aware of the product and its benefits. Sales are low and move along slowly.
- 2) **Growth:** Demand begins to quicken and the size of the total market expands rapidly. At this stage the product successfully navigates through the market introduction and has entered the growth stage of the life cycle. As there is an increase demand, the marketer should promote an increase in production. Competitors have entered the market at this stage. Product pricing and availability in the market become important factors to continue driving sales
- 3) **Maturity:** Demand for the product grows but for some products marketers may need to inject new blood. At this point a product is established in the market and so the cost of producing and marketing the existing product will weaken. As the product life cycle reaches this mature stage there are the beginnings of market saturation. Retailers will not seek to promote your product as they may have done in stage one, but will instead become order takers.
- 4) **Decline:** Eventually, as competition continues to rise, with other companies seeking to rival your success with additional product features or lower prices, so the marketer will have to decide if the product has to be taken out from the market. The product will go into decline. Decline can also be caused by new innovations that replace your existing product. Consumers may also turn away from a product in favour of a new product in the market. Marketers can reverse the decline products in some instances with styles and fashions coming back and interesting customers. ^(1,3)

1.4 Product Mix

A **product mix** is also called as a Product Assortment. It sells all the product lines and items a particular seller offers for sale to the buyers. Product mix is the composite of products offered by a Firm.

It consists of the following:

- 1) **Product line:** A group of related products all marketed under a single brand name that is sold by the same company
- 2) **Product width:** Product width refers to how many product lines the company holds/carries.
- 3) **Product length:** The total number of the products in the mix divided by the number of lines a product carries.

- 4) **Product Depth:** Product depth refers to the variants of a product that a company offers within a product line.
- 5) **Product Consistency:** Product consistency refers to how closely related product lines are to each other in the mix. Product consistency is in reference to the use, production and distribution channels.

2. Brands

A brand is a ‘Strategic Asset’- Nirmalya Kumar. Every brand has a value attached to it. Brand Value Proposition is Functional+ Economical and Emotional Value Proposition - Deepak Jain.

2.1 Brand Ladder

Let’s understand the process of how a brand gets into the customer’s mind.

- 1) Promise
- 2) Affinity
- 3) Bonding
- 4) Loyalty
- 5) Equity



- 1) **Promise:** The first step of climbing the ladder is ‘PROMISE’. Promise is what the company offers to customers. They make customers aware of their brands through different mediums of advertisement.
- 2) **Affinity:** Once the customer feels let’s know more about this brand is termed as ‘AFFINITY’. The customer is now interested more in the brand and is looking for differentiation factors in the brand.
- 3) **Bonding:** At the third step of the ladder, the customer starts ‘BONDING’ with the brand. The customer perceives the brand as promised by the brand.
- 4) **Loyalty:** At this stage the customer is become brand ‘LOYAL’. Customer prefers the brand over competitors as positive differential effect is driving the customer.
- 5) **Equity:** At this stage a customer selects a brand over competitor brands. Equity speaks about the Brands financial value including sum total of factors besides sales.

2.2 Brand Associations

- Brand stays as a set of associations in the minds of the customers
- Associations are stored as links to the brand that include the brand, company, category, visuals, celebrity, design, usage, experience, feelings
- Brand associations are links which help the customer prefer brand over competitors
- A negative link can be disaster for the brand.

3. Analysis

Case study – Journey from Agarbatti to Maharaja Agarbatti

Mr. Shreyas Shah assisted his father in the family business in Jamnagar (Gujarat). They had a small business of dairy products as they had few cattle’s and buffalos. Mr. Arvind Shah and his son Shreyas migrated to Mumbai and Mr. Arvind started a small-scale business of Agarbatti in Mumbai Dadar West in the year 1983. He named his shop Maharaja Agarbatti. He dealt with different dealers and purchased the Agarbatti and sold it to different retailers and customers. He soon realised he was being cheated by the dealers. Mr. Shreyas Shah completed his degree in Law and entered his family business. He had a strong interest in fragrance Agarbatti.

The Shah family learnt the essence of these Agarbatti and started manufacturing it themselves. They got raw materials from Vietnam and China and other raw materials are readily available from Gujarat, India. Rest is history as they have expanded their business operations in different locations in Mumbai. They sell to different dealers, retailers and direct customers. Customers buy in bulk quantities from them. Currently only 3 of them run the business

Marketing Mix of Maharaja Agarbatti

- **Product –** They manufacture only scented Agarbattis such as Swami, Panadi, Ganesh Flora. They use good quality solvent. They don’t use kerosene oil. Dhoop stick, camphor, perfumes, roll on, attar, masala agarbattis are other products that are there in their outlet. These products are purchased ready-made and sold as per the demand of the regular customers.
- **Price -** Packets of 25gm, 50gm, 100gm and 250gm. Price differs from size of packets and the variety of agarbattis. They have economy pricing. Also, people buy in bulk ranging from Rs 800, Rs 1000, Rs 1200 and Rs 1600.
- **Place -** Main outlet is at Dadar (Shivaji Park). They also sell at Dombivli, Malad, Andheri, Vile Parle via different vendors under private labelling. The fragrance of the incense sticks can’t be sensed online.
- **Promotion -** Advertisement in newspapers, home samples, pamphlets, online brochure on WhatsApp, area customers and word of mouth publicity is their promotional tools. They don’t give any offers, no discounts, no bargaining allowed.

Product levels:

Product Life Cycle

Levels	Meaning
Core	Maharaja Scented Agarbatti
Basic or Generic	Good Quality product, packaging
Expected	Scented Agarbattis
Augmented	Scented agarbattis with different quantity packets available and best quality products
Potential	As per customers requirement courier the products with free delivery services and offer bulk purchases

As per the different stages of the Life cycle, Maharaja Agarbatti is at the Maturity stage. They are well established

in the market and have expanded their business in different locations.

Product Mix

- Product line: Scented Agarbattis (4), Dhoop stick (1), Camphor (1), Perfumes (2), Roll on (2), Attar (3) and Masala agarbattis (1), other agarbattis (2)
- Product width: The number of lines a company carries i.e., 8
- Product length: 16/8=2
- Product Depth: Scented agarbattis (4 size packet) x (4 fragrance) = 16
- Product consistency: Maharaja Agarbatti are consistent in their distribution network

Brand Ladder:

- Promise: Maharaja Agarbatti promises Quality products at value pricing. They reach out to customers through Word-of-Mouth publicity, advertisement in newspapers, House Samples, WhatsApp Marketing.
- Affinity: Potential Customers try 25gm or 50 gm packets to know how they differ from other brands
- Bonding: Purchase Scented agarbattis in huge quantities
- Loyal: Purchase only Maharaja Agarbatti products
- Equity: Best Quality and price with good service offered customers prefer to buy from Maharaja Agarbatti

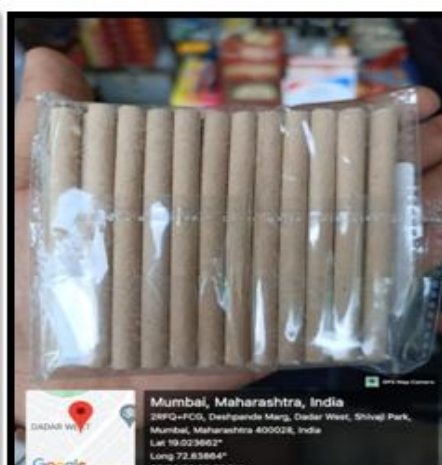
Brand Association:



Brand Association for Maharaja Agarbatti is as follows

- 1) Logo: As the brand says Maharaja means great ruler. Maharaja Agarbattis are well established in the market for 39 years.
- 2) Quality products: Maharaja scented agarbattis are well known for their quality products. Their customers itself spread positive word of mouth of their products
- 3) Fragrance: Maharaja Agarbattis is famous for its scented agarbattis. Four fragrances are Swami, Panadi, Ganesh Flora
- 4) Assorted products: They also offer other related product assortment as per the demand of the customers.

Annexure (Images of Maharaja Agarbatti)



4. Conclusion

Through this article and detailed case analysis the researcher would like to conclude Brnds remain in our minds as set of positive associations. It takes years to build a well reputed brand. Products can be easily copied and replaced but a brand remains timeless.

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