

CYCLE PURE: STRATEGY BEHIND THE WORLD'S LARGEST-SELLING AGARBATTI BRAND

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CYCLE PURE: STRATEGY BEHIND THE WORLD'S LARGEST-SELLING AGARBATTI BRAND

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Abstract

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When people think of Agarbattis, an extensive selection of incense sticks is available from the well-known Indian brand Cycle Pure Agarbattis. This case study focuses on Cycle Pure Agarbattis products, pricing, site, promotion, people, and process, as well as tangible evidence which is the retail marketing mix. It also highlights how the brand Strictly follows quality standards during manufacturing and how the supply chain method guarantees prompt product delivery. The packaging of Cycle Pure Agarbattis products, which is intended to attract consumers and uphold a consistent brand image, is one example of tangible proof of its marketing mix. The case further details the retail marketing mix used by Cycle Pure Agarbattis as a well-rounded strategy to guarantee consumer happiness and preserve a market-leading position.

Keywords: Packaging, Brand, Marketing mix

Introduction

With the assistance of his grandmother, Ranga Rao began producing Agarbattis at home. He used to go to the market daily to acquire supplies so that he could manufacture them the next morning, sell them, and then collect the money he needed to do so. With the money utilized left over, he utilized it to feed his family. Incense and perfumes are produced by Ranga Rao & Sons, which was founded in 1948. Almost 500 different scents are included in its repertoire, each of which is made and blended on-site. The primary incense manufacturer is Cycle. The Cycle Pure Agarbattis and devotional goods market in the nation are the main drivers of NR Group's operations.

As part of its diversification strategy, the group established Drift Fragrances Private Limited to manufacture and distribute functionality and Air care lifestyle goods. The business is also represented by companies like Lia and IRIS Home Fragrances under the name Ripple Fragrances. IRIS Home Fragrances, with its extensive network of IRIS aroma boutiques, meets consumer gifting and home décor demands, in contrast to Lia, which provides a large variety of air fresheners, auto fresheners, and scented Agarbattis.

Rise of the company

NR Group is an Indian business group that comprises six companies in various businesses such as essential oils, fragrances, incense, and electronics. It is based in Mysore and was established in 1948 by N. Ranga Rao as Mysore Products and General Trading Company, which later became

N. Ranga Rao & Sons. The N. Ranga Rao & Sons Exports branch of the NR Group of enterprises manages all the licensing of their products to more than 50 nations. Essential oils and flower extracts are produced and sold by NESSO - Natural and Essential Oil Pvt. Ltd. The manufacturing plant was founded in 1979 and complies with CGM and have another Certification. The company has 24000 acres of tea plantations and seven extraction plants in South India. The marketing division of NR Group is called Rangsons Marketing Services Pvt Ltd. The business, which was founded in 1983, sells Cycle Pure Agarbattis and creates Fragrance Domain goods for NR Group. Ripple Fragrances Pvt. Ltd., founded in 2005, is a maker and distributor of personal and environmental care lifestyle goods under the hallmark brands IRIS and Lia. The cycle is a company that produces other goods in addition to its well-known Agarbattis (incense sticks). Instead of merely being known as an Agarbattis brand, they like to be known as a devotional company. They are also entering the sambrani category and have also released "Nai Vaidya" under the spiritual items sector, which is among the fastest-growing areas. The Agarbattis business generates more than 90% of its revenue and this business intends to boost sales of other goods as well.

The concept of increasing the retail presence was initially conceived in 2017, and the first independent store was opened in Mysore in 2018. Because it was so successful, they decided to start opening more shops in 2019. But had to slow pace because of the COVID-19 pandemic. Currently, they initiated the expansion strategy at the beginning of mid-2021. By March 2024, they hope to have 100 stores and 50 by 2023. NR Group, the firm that makes Cycle Pure Agarbattis, had developed aggressive growth plans that involve adding 100 storefronts by 2024 in addition to utilizing the virtual market to increase sales. The Mysuru-based NR Group is well known for the renowned Cycle brand in Agarbattis (scented sticks) and has expanded into other goods including sambrani, turmeric, and Kumkum among others. Currently, they have 32 locations in India and recently they opened an eighth location in Tamil Nadu, which is a stand-alone location. Almost 200 goods are sold in each store. The business had implemented a "Digital First" approach in which the bulk of new products will be offered online, making it an omnichannel store.

Almost eight lakh retail outlets are supplied by the business's 2,000 company sales representatives and its 40 sales depots, which serve 5,000 distributors. There are eight Cycle Pure Agarbattis outlets in Tamil Nadu, 9 in Karnataka, 8 in Kerala, 3 in New Delhi, 2 in Mumbai, and one in Andhra Pradesh. The business intends to launch five locations in Rajasthan, West Bengal, and Haryana.

Marketing strategy and marketing mix

The company has continued to use the bicycle-themed brand logo since its inception. It's one of the best marketing plans the business has ever used, and it was created by the company's creator. Everyone has a cause to pray, according to the message of the Pure Agarbattis Cycle. This slogan oversees establishing connections with clients.

Cycle Pure Agarbattis constantly strives to employ the ideal fusion of synthetic and natural fragrant ingredients. The incense sticks sold under the Cycle brand always contribute to creating a lovely atmosphere in your home or meditation space. One of the key areas where the Cycle brand excels is in its use of digital media. It anticipates maximizing audience engagement with the use of social media. One of the brand's primary pushes in digital media marketing is the content mix strategy. Many hashtags were used in the instance of the brand. The company's target market is the middle-class consumers of incense sticks. It is how all the audio-visual media commercials are created. One of the best marketing strategies ever used is the company's #CallingGOD campaign. It significantly improved Cycle Pure Agarbattis' brand recognition. The business consistently emphasizes cricket since it brings a nation like India together. This always leads the business to the greatest success regarding its advertising plan. The pure Agarbattis from the Cycle brand usually have a distinctive scent in terms of physical characteristics. It carries the product's brand identity. The corporation distinguishes when it comes to brand ambassadors because it has included Saurav Ganguli & Amitabh Bachchan in commercials. By using these illustrious individuals as celebrity endorsements, the company's brand opposition has significantly increased. Due to the large fan bases of both characters, many viewers become attached to the commercial, increasing the company's profit margin.

The Indian brand Cycle Pure Agarbattis sells a variety of incense sticks. The Cycle Pure Agarbattis retail marketing mix is as follows:

Product: The thing that Cycle Pure Agarbattis distributes is an incense stick called an Agarbattis. To meet the various demands and tastes of their customers, they provide a wide variety of scents and packaging choices. The corporation places a lot of emphasis on the product's quality as another important aspect.

Price: Considering the high quality and selection of scents given, Cycle Pure Agarbattis goods are reasonably priced. The business provides several packaging sizes and styles to accommodate consumers with various budgets.

Place: Cycle Pure Agarbattis goods can be found at a range of retail establishments, including supermarkets, grocers, and specialty shops. Also, the business offers an online store where clients can purchase its goods.

Promotion: The business uses a variety of strategies to market its goods, such as television commercials, print advertisements, campaigns on social media, and in-store promos. To raise brand awareness, the company also participates in events and sponsorships.

People: The sales team & customer support team of Cycle Pure Agarbattis are part of the people component of its retail marketing mix. The business prioritizes offering top-notch customer service and making sure that all its employees are prepared to handle various consumer requests.

Process: To guarantee that the goods are of the best quality, Cycle Pure Agarbattis's production process adheres to stringent quality requirements. A productive supply chain system used by the

business guarantees prompt product delivery to retail establishments.

Physical Evidence: The packaging of Cycle Pure Agarbattis products, which are created to attract consumers and stand on store shelves, is one example of the physical ev-

idence of the company's retail marketing mix. Together with this, the company strives to keep its brand image appealing and consistent across all touchpoints.

Challenges

The ancestor of Arjun, N Ranga Rao, was from Vathirairuppu, a hamlet in the Madurai area. He took his first employment in the Nilgiris when his father passed away in 1920, then relocated to Coorg. When India became independent in 1947, he relocated to Mysore with his family. He started selling personal care items including tooth powders, shikakai (natural hair conditioner), and Agarbattis in 1948 after renting a tiny cottage. Once he started going door to door and selling Agarbattis, he rapidly understood that success required core skills. Rao also realized that the Agarbattis smell would define its excellence. In 1950, he established his fragrance laboratory and started making Agarbattis that would draw customers due to their distinctive perfume. People started identifying Agarbattis when demand rose through the color of a package or by his (Rao's) name. Rao then developed the Cycle brand gradually. He used the term "Cycle Agarbattis" because the bike was inexpensive. The cycle is referred to as a cycle regardless of the nation or languages one speaks. A cycle remains a cycle regardless of financial status or the faith one practice. The symbol of the "cycle" in the context of prayer has acquired many philosophical meanings over the years, says (Arjun) Ranga.

Some of the challenges faced by the company are:

Competition: Brands are vying for market share in the highly competitive Agarbattis market. Cycle Pure Agarbattis is under pressure from this competition to protect its customer base and attract fresh customers.

Raw material availability: It can be difficult to find the raw materials needed to create Agarbattis, like wooden sticks and essential oils. Production and delivery may be impacted by any supply chain disruption.

Cost of raw material: Agarbattis' raw material costs can fluctuate, impacting the total cost of manufacturing. This may affect Cycle Pure Agarbattis' revenue and marketability.

Environmental concerns: Wood or other natural resources are used in the production of Agarbattis, which may affect the ecosystem. These issues must be addressed, and Cycle Pure Agarbattis must take action to lessen its environmental effect.

Changing customer preferences: Cycle Pure Agarbattis must be able to adjust to changes in consumer preferences and tastes rapidly to stay competitive in the market.

Distribution challenges: Agarbattis in India are distributed through a complicated network of small merchants and wholesalers. For Cycle Pure Agarbattis, controlling this network and guaranteeing timely transportation can be difficult.

Regulatory compliance: The production of Agarbattis is governed by several laws regarding hygiene, safety, and environmental norms. Cycle Pure Agarbattis must abide by these rules to keep its customers' trust and prevent fines.

Road ahead

Cycle Pure Agarbattis has a bright future ahead of them because the market for incense sticks has numerous growth prospects. Here are a few possible directions for development:

Actively developing markets: Cycle Pure Agarbattis is largely geared at the market, but there is room for growth on the global stage. The business can increase its market share in other nations by utilizing its current distribution network and positive brand reputation.

Product diversification: Cycle Pure Agarbattis is renowned for its incense sticks, but it should consider product diversification by adding additional product categories like candles, air fresheners, or essential oils that can bolster its current product line.

Online sales: Cycle Pure Agarbattis could indeed investigate online sales channels in light of the expanding e-commerce trend to reach a larger audience and improve customer access to its products.

Sustainable business practices: To attract customers who care about the environment, the company should concentrate on establishing sustainable business practices including employing renewable energy sources, lowering its carbon footprint, and switching to eco-friendly packaging. **Collaborations and partnerships:** To diversify its product line or break into new markets, Cycle Pure Agarbattis may investigate partnerships and collaborations with other businesses. For instance, the business can work with home décor businesses to develop perfumes that go well with their products.

Overall, Cycle Pure Agarbattis could maintain its expansion and achievement in the fragrance stick market by building on its current strengths and pursuing new prospects.

EXHIBITS

Major Indian enterprises engaged in incense-stick trade.

Moksh Cycle

ITC Mangaldeep Mysore Scents

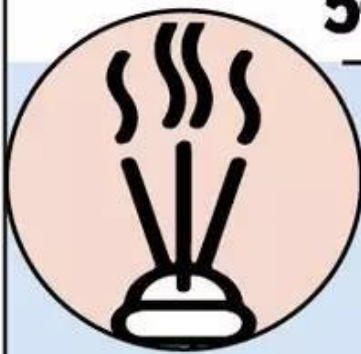
Raw materials you need to manufacture Agarbattis.

- Aromatic components
- Essential oil or natural aromatic oil
- 8" – 12" inches of bamboo sticks
- Options for color powder like charcoal powder, gum or sticky powder, crude paper Nargis powder, and Jikit Powder
- Perfumes
- Sawdust
- Sandalwood oil
- Packaging material

₹12K CR MARKET

➤ In addition to WFH, **demand came from panic buying** since agarbattis did not have regular supplies as other essential commodities in lockdown

➤ **Sales growth has dropped to 5-6% from 30% in Covid**



➤ Even this mkt has seen a shift towards health benefits, as **sales of camphor or tulsi agarbattis are increasing**

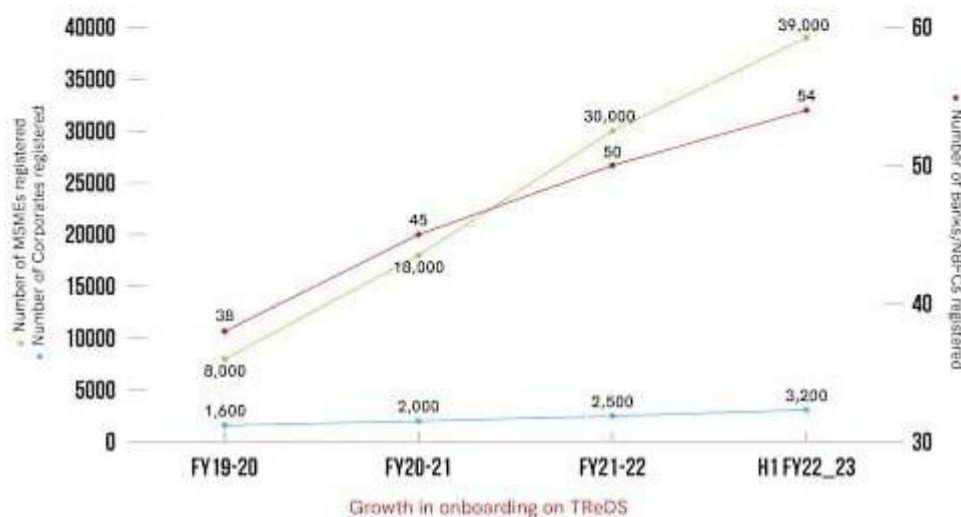
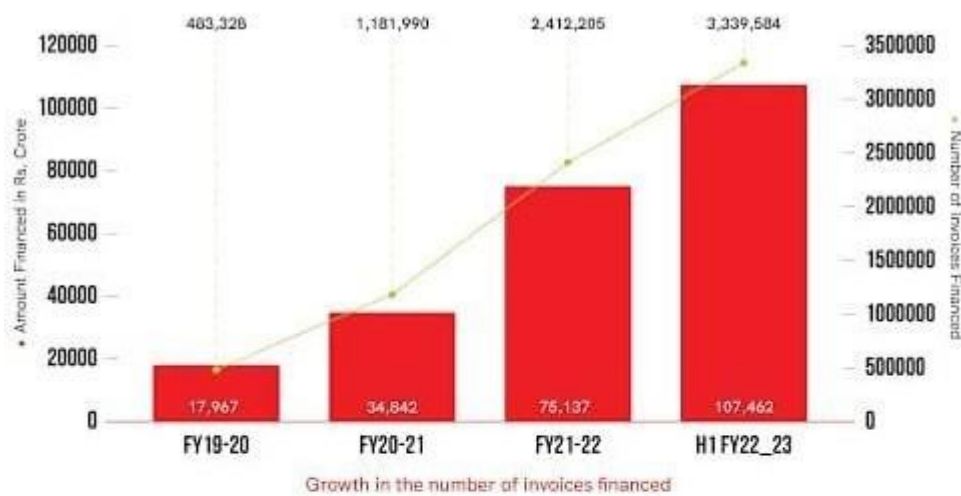
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