



BLENDING TRADITION WITH MODERNITY: B. MERWANS' STRATEGY FOR SUSTAINABLE GROWTH

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ABSTRACT

B. Merwan & Co., a century-old Irani bakery in Mumbai, has remained a cherished culinary institution since its establishment in 1914. Renowned for its authenticity, affordability, and quality, the bakery has successfully retained its heritage while adapting to evolving consumer preferences. Its signature mawa cake, along with an array of traditional and modern baked goods, continues to attract a diverse customer base.

The business employs a strategic Segmentation, Targeting, and Positioning (STP) approach, catering to traditionalists, health-conscious consumers, and digital-savvy younger generations. By balancing heritage with innovation, B. Merwans embraces a dual-positioning strategy: reinforcing its legacy through "A Century of Timeless Taste" while modernizing offerings under "Bringing Health to Tradition."

Through a well-defined product mix strategy, B. Merwans maintains consistency in quality while introducing new products to meet contemporary demands. Its product life cycle strategy involves launching new items, sustaining demand for bestsellers, and

modifying or discontinuing underperforming products. The bakery's expansion strategy includes product diversification, strategic partnerships, franchising, and sustainability initiatives, ensuring long-term growth.

Human Resource Management plays a crucial role in sustaining business operations through talent acquisition, training, and fostering a positive workplace culture. Applying Herzberg's Two-Factor Theory, the company ensures employee satisfaction by addressing hygiene factors such as fair wages, work conditions, and job security while enhancing motivation through recognition, career growth, and personal development.

Looking forward, B. Merwans must continue integrating marketing, innovation, and HR strategies to maintain its competitive edge. By embracing change while preserving its rich legacy, B. Merwans is poised to remain Mumbai's most beloved bakery for generations to come.

Keywords: B. Merwan & Co., Irani bakery, Mumbai, culinary heritage, mawa cake, Segmentation Targeting Positioning (STP), product mix strategy, product life cycle, marketing strategy, innovation, franchising, sustainability, Human Resource Management (HRM), Herzberg's Two-Factor Theory, employee motivation, business expansion, tradition vs. modernity, consumer preferences, branding, entrepreneurship

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1. Introduction

1.1 A Century-Old Culinary Legacy

For over a century, B. Merwan & Co. has stood as a cherished symbol of Mumbai's rich culinary heritage. Established in 1914 by the entrepreneurial Merwan family, this iconic Irani café and bakery has been serving delectable treats that have captured the hearts and taste buds of generations. Strategically located outside Grant Road station, B. Merwans has remained a beloved institution, offering an authentic and affordable taste of traditional bakery delights.

1.2 The Rich History of B. Merwans

B. Merwans was founded by the Merwan family, a group of Parsi entrepreneurs who migrated to Mumbai in the early 1900s. During this period, Mumbai was a bustling trade hub,

attracting various communities, including the Parsis, who played a significant role in shaping the city's commercial landscape. Inspired by the successful Irani café culture that had emerged during British rule, the family decided to open a bakery and café that catered to the working-class population, offering fresh, high-quality baked goods at reasonable prices.

From its inception, B. Merwans became synonymous with affordability, authenticity, and freshness. The bakery quickly gained popularity, especially among daily commuters, officegoers, and families who cherished its simple yet delicious offerings. Over the decades, the brand's reputation grew, and its flagship outlet at Grant Road became an iconic landmark. Despite the emergence of new competitors, B. Merwans remained steadfast in its commitment to quality and tradition, ensuring that every product reflected the same homemade essence that had won over generations of customers.

Among its many offerings, the bakery's legendary mawa cake stands out as its crown jewel. Made with reduced milk (mawa), eggs, butter, and a delicate blend of spices, this soft and caramelized delicacy has remained a staple for loyal patrons. The sheer popularity of the mawa cake is reflected in the staggering number of units sold daily—up to 7,000 pieces. Beyond this, B. Merwans' menu features an extensive range of baked goods, including puffs, sponge cakes, fruit cakes, loaves, brun maska (crusty bread with butter), and Irani-style biscuits such as nankhatai and butter biscuits. These offerings, combined with the café's nostalgic charm, have made it a go-to destination for locals and tourists alike.

1.3 A Balancing Act: Retaining Tradition While Embracing Change

Despite its unwavering commitment to quality and affordability, B. Merwans faces growing competition from modern bakeries, artisanal patisseries, and international café chains. As consumer preferences evolve, particularly among younger, health-conscious, and digitally engaged demographics, the challenge lies in maintaining its loyal customer base while appealing to new generations. To address this, B. Merwans is adopting a multifaceted strategy rooted in marketing, innovative Human Resource (HR) and entrepreneurial approaches.

1.4 Segmentation, Targeting, and Positioning (STP) Strategy

To effectively segment its market, B. Merwans categorizes its customers based on three main factors:

1. **Demographic Segmentation** – Customers are segmented based on age, income, and family structure. The bakery caters to middle-class families, working professionals, students, and senior citizens who value traditional baked goods at affordable prices.

2. **Psychographic Segmentation** – This includes consumer lifestyle preferences, such as those who value traditional flavors, nostalgia, and cultural heritage, as well as those who seek modern, health-conscious choices.
3. **Behavioural Segmentation** – B. Merwans classifies customers based on purchasing habits and loyalty. Long-time patrons who visit frequently for their signature items are an important segment, while newer customers, influenced by digital trends and convenience-driven shopping habits, represent a growing category.

The brand targets three main consumer groups:

1. **Traditionalists** – Customers who appreciate heritage and authenticity and prefer classic baked goods.
2. **Health-conscious Consumers** – Individuals seeking healthier alternatives, such as whole wheat and sugar-free products.
3. **Young, Digital-Savvy Consumers** – Millennials and Gen Z customers who are drawn to trendy, premium bakery products and online food ordering platforms.
4. By employing a **dual-positioning strategy**, B. Merwans reinforces its heritage with the tagline "A Century of Timeless Taste" while also modernizing its offerings under the theme "Bringing Health to Tradition." This ensures that while the bakery maintains its stronghold among traditional consumers, it also appeals to evolving preferences and market demands.

1.5 Theoretical Framework of the case

1. Product Mix

Cake	snacks Breakfast			Beverages		Desserts
Mawa cake (egg, eggless)	Bun maska (Jam)	Mawa samosa	Masala omelette pao	Tea	Jeera soda	Pudding
Mawa fruit cake	Brun pav	Veg pattie	Half fry pao	Coffee	Shikanjabeen sharbat	Custard

	Bun and pav (slice)	Jam puff	Bhurji pav	Ginger lemon Tea	Raspberry	Walnut Bar (slice)
	Brun butter (Jam)	Cake toast	Akuri pao	Milk	Ice cream soda	
	Cheese khari	Khari Biscuit	Paneer Bhurji pao	Rose milk	Lemonade	
		Paneer Roll	Bread butter		Sosyo	

2. Product Width (4)

Since B. Merwans offers products across **four main categories** (Cakes & Desserts, Snacks & Breakfast, Beverages, and Biscuits & Puffs), the **Product Width = 4**.

1. Product Length (Total SKUs across all categories = 33)

- Cakes & Desserts = 6
- Snacks & Breakfast = 12
- Beverages = 10
- Biscuits & Puffs = 5

Total Length = $33/4=8.25$

2. Product Depth (Variants per product category)

- Mawa Cake (Egg & Eggless) → **Depth = 2**

3. Product Consistency

- All products maintain consistent **taste & quality** in line with B. Merwans' heritage.

4. Product Life Cycle of B Merwans

1. Introduction Stage (New Launches)

- Paneer Roll, Paneer Bhurji Pav, Rose Milk
- *Strategy*: Promotions, sampling, and social media marketing.

2. Growth Stage (Rising Demand)

- Mawa Samosa, Brun Pao, Jam Puff, Veg Pattie, Shikanjabeen sharbat
- *Strategy*: Increase production, expand delivery partnerships.

3. **Maturity Stage** (Bestsellers)

- Mawa Cake, Bun Maska, Tea & Coffee, Khari Biscuit, Cake Toast.
- *Strategy*: Maintain quality, introduce limited-edition flavors.

4. **Decline Stage** (Lower Demand)

- Raspberry Soda, Sherbat, Jeera Soda.
- *Strategy*: Revamp flavors or discontinue underperforming items.

2. Product mix strategies for B Merwans

B. Merwans' product mix strategy focuses on **expansion, modification, and elimination** to adapt to evolving consumer preferences. To expand its offerings, the bakery has introduced new savory items like **paneer pav** and **paneer bhurji**, paneer roll catering to customers seeking more variety beyond traditional sweets. In terms of modification, Merwans has adapted its iconic **mawa cake** recipe to include an **eggless version**, ensuring that customers with dietary restrictions or preferences can still enjoy this beloved treat. Additionally, the brand has streamlined its product range by eliminating **wine biscuits**, likely due to lower demand or profitability, allowing them to focus on more popular and high-performing products.

1. New Product Development for B Merwans

1. The development of Paneer Pav and Paneer Bhurji follows a structured approach to ensure market success. The first step is Idea Generation, where market analysis highlights the demand for quick, convenient, and flavourful vegetarian meal options, particularly among working professionals and students. Consumer research is conducted through surveys and focus groups to understand preferences, taste expectations, and pricing sensitivity while analysing competitors in the segment.
2. Moving to Idea Screening, the product's alignment with the brand is evaluated to ensure it fits within the existing portfolio and positioning. The market potential is assessed by estimating demand, conducting a SWOT analysis, and identifying opportunities and threats.
3. Concept Development and Testing involves gathering consumer feedback on taste, texture, presentation, and portion size through product trials among the target demographic. Market research further assesses consumer interest and

willingness to pay, alongside evaluating different packaging and branding strategies.

4. In the Business Analysis phase, profitability is analyzed by estimating costs, pricing strategies, and projected revenue while identifying key cost drivers like ingredient sourcing and production expenses. A break-even analysis determines the required sales volume for profitability by factoring in fixed and variable costs.
5. The Product Design and Development stage focuses on refining the product based on consumer feedback, enhancing flavors, texture, and shelf-life. Production planning includes defining standard recipes, sourcing ingredients, and evaluating equipment and facility requirements.
6. During Test Marketing, the product is introduced in select locations to measure market response. Sales data and customer reactions are monitored. Marketing and promotion efforts rely on word-of-mouth, social media campaigns, and collaborations with food bloggers and influencers.
7. Commercialization involves scaling up production to meet demand and streamlining the supply chain and distribution channels. Performance monitoring includes tracking sales and customer satisfaction while adjusting marketing strategies and production based on market trends.

3. Entrepreneurship and Innovation in Business Expansion

To sustain its growth, B. Merwans integrates key entrepreneurship principles such as innovation, product diversification, strategic partnerships, and a franchising model. The brand is exploring several growth strategies:

- **Product Diversification** – Introducing seasonal and limited-edition offerings, gluten-free and vegan products, and artisanal breads to appeal to a wider consumer base.
- **Strategic Partnerships** – Collaborating with local dairy farms for organic ingredients, partnering with digital food influencers, and launching co-branded products.
- **Franchising and Expansion** – Expanding through a franchising model in high-footfall locations such as malls and business districts while maintaining quality control and consistency.

- **Sustainability Initiatives** – Moving toward eco-friendly packaging, reducing food waste, and adopting sustainable sourcing practices for ingredients.

2. The Role of Human Resource Management

HR strategies play a crucial role in ensuring sustainable business operations. Key HR initiatives include:

- **Talent Acquisition and Retention** – Hiring skilled bakers, customer service staff, and delivery personnel while offering competitive salaries and benefits.
- **Employee Training and Development** – Conducting regular training programs on food safety, customer service, and digital order management.
- **Fostering a Positive Workplace Culture** – Encouraging a sense of ownership among employees, recognizing high-performing staff, and promoting an inclusive work environment.

4. Herzberg's Two-Factor Theory for B Merwans

This is also known as the **Motivation-Hygiene Theory**, can be applied to **B. Merwans**, a well-known bakery and confectionery brand, to understand employee motivation and job satisfaction.

1. Hygiene Factors (Prevent Dissatisfaction) for B. Merwans Employees

These factors do not directly motivate employees but, if absent, can cause dissatisfaction:

Salary & Benefits – Competitive wages and benefits for bakers, service staff, and managers.

Work Conditions – Clean, safe, and hygienic bakery environments.

Company Policies – Fair policies on work hours, leave, and job security.

Supervision & Management – Supportive leadership and clear communication.

Job Security – Long-term employment opportunities, especially for skilled bakers.

Work Relationships – Positive interactions with co-workers and management.

2. Motivational Factors (Increase Job Satisfaction & Motivation)

These factors drive employees to perform better and feel more engaged:

Recognition & Appreciation – Rewarding employees for excellent baking skills and customer service.

Career Growth – Opportunities for promotion from kitchen staff to supervisors or branch managers.

Responsibility – Allowing bakers to experiment with new recipes or take leadership roles.

Work Achievement – Sense of pride in maintaining high-quality standards in baking.

Personal Growth – Training sessions on advanced baking techniques or customer service skills.

5. The Future of B. Merwans

B. Merwans enjoys a cult following among Mumbaikars, making it more than just a bakery—it is a cultural icon. However, to ensure long-term success, the brand must continuously adapt to evolving consumer preferences while preserving its core identity. By implementing a strong marketing, embracing entrepreneurial innovation, and integrating effective HR practices, B. Merwans can successfully bridge the gap between tradition and modernity and can continue delighting generations of customers while securing its position as Mumbai's most beloved bakery.

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