





selling electrical capacitors and start making nachos

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For Vikram Agarwal, a bite of Doritos was all it took to give up on







In June 2008, Vikram Agarwal was on a visit to a tortilla crisps plant in the US, a few miles from the city of Chicago. The plant allowed visitors to catch the making of Doritos crisps, a brand owned by Frito-Lay Inc., a subsidiary of food and beverage company PepsiCo Inc.







kernels, the grinding of the corn into a dough-like paste, the slicing of the dough into triangles, the baking, the seasoning and eventual packing of the crisps. He walked out of the plant and finalized a deal with local manufacturers to ship crisp-making equipment to New Delhi, 8,000 miles away. In 2009, Agarwal set up

Agarwal spent an hour keenly watching every step of the process: the cooking of corn

Greendot Health Foods Ltd in Faridabad with one and only one purpose: give well-travelled Indians a Mexican snack with an Indian twist. Six years and eight flavours later, Agarwal's Cornitos have established a foothold in India's Rs15,000 crore snacking market. The brown and yellow packs are ubiquitous on shop

shelves across major food and grocery stores in over 200 cities. Greendot clocked

revenue of Rs24 crore in the year ended 31 March 2014. But Agarwal, now 44, did not always sell chips. After graduating with a degree in commerce from Shaheed Bhagat Singh College in south Delhi, he joined the three-decade-old family business—the Rs100 crore Globe Group, which supplies electrical equipment such as capacitors to large electronics companies the world over.

Agarwal spent a decade sitting through endless meetings with clients from Thailand and West Asia, haggling over orders for capacitors. All his travels abroad were also with the express purpose of engaging with potential or actual customers. "There was no challenge

in what I was doing," recalls Agarwal, adding, "Everything was laid out for me and the opportunity to do something new was very, very limited." In the mid-2000s, he toyed with the idea of manufacturing bio-degradable carry bags, the year the Delhi government imposed a ban on the use of plastic bags. "My father and I met a few companies but realized the volumes were not enough," he says. And so the idea

affair. "We have always travelled a lot to the US for business reasons. I was a big fan of Doritos," he says. On one such trip in 2008, an idea struck him: why not replicate Doritos in India? Back home, Agarwal bounced the idea off his father, who gave him his blessing in double-quick time. His father's support, recalls Agarwal, was overwhelming. "I wouldn't have been

able to do it without his backing," he adds.

manufacturers in the US.

Agarwal spent the next few months studying the market. Companies such as Kolkata-based conglomerate ITC Ltd, PepsiCo and several others were already well entrenched, offering a wide range of snack choices. He met food experts, set up market visits, met distributors, devoured thick research reports and even set up meetings with

"We did a year of research, and it involved a lot of learning for us to understand this product, especially since it has a lot of technological involvement," he says. There were also hurdles to be overcome. "For instance, getting quality corn is a big challenge in India."

So he enlisted contract framers to help him procure the raw material locally. Agarwal didn't stop at that. He roped in California-based equipment manufacturer, JC Ford Co., to share its

In May 2009, Cornitos was launched at Hotel Claridges, Surajkund, with flavours such as tikka masala, tomato, sea salt and jalapeno. Course correction

Agarwal came into the snacking market with one thing very clear—no following fads. "I never wanted to make a me-too product. I always wanted to stand out and not follow

multinationals," he says. Cornitos was initially launched at Rs25 a packet. This when the Indian snacking market

Agarwal.

thrived in the Rs5-10 pack bracket. "So-called food experts tried to dissuade me on the

others), the results were not encouraging. "Distribution was a big challenge," recalls

By 2011, Cornitos was available in 50 cities and 5,000 outlets. But the country was awash with similar brands such as Senor Pepito (by Mumbai-based Venkataramana Food

Specialties Ltd) and Salsalito (by Chennai-based AVT Gavia Foods Ltd). Despite hefty investments and top-notch technology, things weren't going the way Agarwal had envisaged.

make it 20% larger and 15% thinner, with stronger flavours, according to an article in The New York Times. The company spent over two years and \$50 million testing the new product across 5,000 consumers, before relaunching it. Agarwal was set an ultimatum by his father. "I was told that I had six months to review and revamp the brand or exit the business," he said.

Mallik went back to the market for a small product survey. "We saw that shoppers were looking at the product but it wasn't moving. Brand perception was missing," he says. Over the next three months, Brandvak worked as an extended marketing arm for Agarwal. The

duo played on the instinct that there was an existing market for the product but the

For starters, the packaging was changed and glossy gave way to matte-finish packs. The logo, colour scheme (now brown and yellow) and font were also changed to make it look

like an international product. Packaging costs went up 30% and the price of the 60g pack was raised to Rs35. The word "chips" was replaced by "crisps." "We wanted to create a new category and not play in the existing one of chips," says Agarwal. Brandvak expanded Greendot's channel partnerships, making it more accessible to modem trade outlets such as Future Group-promoted Food Hall and Godrej's Nature's

By the end of the relaunch, the company's reach and distribution had gone up dramatically. Cornitos is currently retailed across 25,000 outlets in 200 cities. The product is now available in airlines such as IndiGo and Air Asia and cinema chains such as SRS, Inox, PVR and DT. It has also made headway in institutional sales with companies such as Jubilant FoodWorks, which manages pizza chain Domino's, as well as local Mexican restaurants stocking its tortilla crisps and related condiments.

Despite shop shelves overflowing with nacho variants, Cornitos has created a niche for itself. "Cornitos has changed the way India eats premium nachos," says Amit Lohani, director at Delhi-based food import company Max Foods. "The brand has penetrated

But Cornitos continues to face a potential threat from the original: Doritos. Given PepsiCo's ambitious plans for the Indian market, a Doritos launch could affect Cornitos.

"While Cornitos has been smart to get the product into the market way before PepsiCo could, the moment Pepsi decides to launch Doritos, Cornitos may be impacted. Pepsi will localize and will have better distribution," says a top executive at a consumer company,

in Mumbai by Saumil Thanawala, a consumer goods veteran, has just launched a brand of

Agarwal is not resting on his laurels and is aware of start-ups looking to enter the niche space. "Yes, there are some companies who are trying to enter the space but their products are very different to ours," he says, adding, "Competition is irrelevant because

Greendot recently rolled out its Pop N Crunch range of coated green peas in wasabi and

CORNITOS News & Events Store List Snack Products NEW PRODUCT RANK

was junked. The plunge Seated behind a sprawling desk at his office in Faridabad, Agarwal delves into his Mexican

know-how. The company supplies equipment to make Doritos. In 2009, in the town of Roorkee, near Haridwar, with an initial investment of Rs25 crore,

a 6,000 sq. ft fully automated plant was set up. In the initial days, Agarwal spent nights in

price point," he says, but he stood his ground. Even though Agarwal worked extensively on creating the distribution network and marketing associations for the brand (he tied up with airlines and movie halls, among

Roorkee, taking up accommodation close to the plant.

With shelf take-offs stagnating, the branding was deemed to be confusing and unattractive. Cornitos was witnessing a fate similar to that of its inspiration, Doritos, which in the mid-1990s failed to generate adequate revenue for its parent Frito-Lay.

In what was then one of the costliest brand revamps, Frito-Lay redesigned Doritos to

Agarwal got cracking. Eighteen months after it was started, the Delhi-based marketing agency working for Greendot was fired and a Bengaluru-based start-up, Brandvak, was given the task. Bijitesh Mallik, a consumer insights expert, had just quit RAAMS India, a shopper marketing company, and branched out on his own. He started Brandvak in July 2012.

A month later, at a distributor's office, Agarwal and Mallik were discussing the future of Cornitos. The meeting lasted over two hours. Mallik says he had never heard of the brand

before then. "But when I bought the product, it was fantastic," he recalls.

branding needed to be altered.

be named.

requesting anonymity.

nachos called All That's Good.

the rules of the game are waiting to be set."

About Us

hot salsa and gherkins.

anything is possible."

No time to rest

Home

Basket. "It was a gamble, but Vikram had a lot of faith in his product," says Mallik. Cornitos packets were placed in aisles dominated by imported counterparts such as Doritos and El Sabros. "It worked, since we were cheaper compared to those brands," says Mallik. Agarwal spent Rs30 lakh on the revamp, the results of which were clear in three months.

Consumers gave the strategy full marks. "They are stocked alongside international brands as the brand perception is very international. But when you read the fine print, it is priced much lower," says a food and beverage head at a national gourmet chain, who declined to

"My father was quite convinced with the numbers," he adds.

traditional retail and built strong institutional sales," he adds.

Industry experts say a brand like Cornitos cannot afford to slacken its efforts to build market share. Krishna Rao B., group product head at Parle Products Pvt. Ltd, says such products are for niche consumers, those "exposed to Western formats either through travels abroad or through movie halls and restaurant chains. It will not have a mass appeal just yet." Besides, there are many new entrants in the nachos spaces. One such company, set up

CORNITOS Pop n Crunch

Mexican isn't the only thing on his mind. Agarwal plans to extend the Cornitos brand to roasted nuts and seeds. Emphasis on export markets has increased too. "The Indian diaspora likes the flavours and spices we offer, with tikka masala being highly popular," says Agarwal.

This year, the company will extend the Cornitos brand to tortilla shells even as it doubles the capacity for the core product: nacho crisps. The company currently churns out 4 tonnes of nachos a day. It also sells a range of condiments such as green tomato salsa,

"Tortillas are in demand in the catering and hotel industry. We will make combo sets

where even a housewife can make them," says Agarwal.

the UK and parts of West Asia. Every now and then, Agarwal is approached by private equity companies keen to invest in his business. But for now, he wants to stay off external funding like any traditional family business promoter. "I've had a lot of conversations, but I'm self-sufficient as of now," he says, content with his conservative approach.

The company currently exports to geographies, including the US, China, Nepal, Singapore, Nigeria, Ghana, the Maldives, Hong Kong and Sri Lanka. It is now looking at

Agarwal still hasn't visited Mexico. "I will someday," he says. The promoters of HT Media Ltd, which publishes Mint, and Jubilant FoodWorks are

The business has altered him, but for the better, Agarwal confesses. "I have much more confidence in myself and my ability as an entrepreneur. I know that if I could pull this off,



closely related. There are no promoter crossholdings.









