



How McDonald's laid the foundation of Cremica's business, Akshay Bector tells: INTERVIEW

By: Prachi Gupta

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Cremica's Akshay Bector talks to Financial Express Online about the evolution of mayonnaise as poor man's food, his take on the current government, Cremica's latest stint with Jubilant Food Works and why Kellogg's cannot acquire Haldiram's.



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McDonald's has laid the foundation of this business, said Akshay Bector.

Cremica's Managing Director Akshay Bector is the second generation entrant in the business started by his mother Rajni Bector. Cremica recently launched new products in bar syrup and salad dressings category. Akshay Bector talks to Financial Express Online about the evolution of mayonnaise as poor man's food, his take on the current government, Cremica's latest stint with Jubilant Food Works and why Kellogg's cannot acquire Haldiram's.

Here are edited excerpts of Akshay Bector's conversation with Prachi Gupta:

Cremica started as ice cream manufacturers and now has several business operations. What are your views on

Cremica's growth?

Originally the business started as a hobby and it was initially a joint venture with Quaker oats, to be a supplier to McDonald's. In 20 odd years, the business has grown its wings into the market to become number one producer of mayonnaise and perhaps third largest producer of tomato ketchup in India. The business has consistently grown over 20% for the last maybe 20 years.

You brought up the name of McDonald's in between. Do you think McDonald's had a role in your success?

McDonald's has laid the foundation of this business. The original business was only for McDonald's. Our work for it was empirical like development of vegetable mayonnaise and Indianization of the menu. We have done a path-breaking work, early on.

We had our first partnership with Quaker oats but then it got sold. All in all, McDonald's laid the foundation and we are very grateful for that.

Tell us something about the new product launch?

Syrups is the big launch of this year. We have tied up with Maison Routin– oldest manufacturers of fine syrups in France. They have been in the business since 1883. Bonheur, the syrup which we are launching, brings the best of French expertise tailor made for Indian market.

Sugarlite salad dressing is the second new launch. We have developed new flavours like Roasted Sesame, Balsamic, Russian etc. A total of 14 new dressings have been launched.

What about the competition from other salad dressing brands such as Veeba, Dr Oetker, Fun Food etc?

We don't agree with the product design of the competitors. Our product has done better on the health side. We have ensured Omega balance which is a new thing in town. We are just using good ingredients in the right ratio, nothing extraordinary.

While major foreign food brands have been trying to bring Indian flavours to market, Cremica has introduced salad dressings in international flavours. Why is that?

Salad is not a local habit. There are some of the dressings which do have ethnic orientation. We have Indian Vinaigrette, there is a mint dressing as well. We are just trying to see what will work with the Indian palette.

Take for example, Chinese is the number 2 cuisine in India. Today we are all a product of the world and Indian customers are looking to explore. It is about creating a menu and whatever a housewife needs, she should be able to get.

Do you think salad dressings have actually made way in the Indian household?

There is an upwardly mobile society. So we are positioning the product across the whole spectrum. For example, when we started Mayonnaise product, it was only for the upper section of the society. Today, mayonnaise has become a part of our day to day tiffin.

Are you saying that India is a potential market for salad dressings?

Just like mayonnaise which is now available in B and C class outlets, all these products started as premium segment products. Currently, we are testing this product in the HORECA. If it does well in the HORECA side, then we will be able to know.

Are you launching the product in international market as well?

We at Cremica are pure play domestic market. We have moved from cities to rural areas. There is a lot of work to be done.

How big is the market?

We are expecting mayonnaise market alone to be 10,000 crore in 20 years.

But 20 years are too distant.

I can tell you that the per capita consumption of mayonnaise in Punjab is Rs 5 per head per month.

That doesn't seem like a big number...

That corresponds to a sale of Rs 600-700 crore per month today, nationally. It is becoming a mass food. It is becoming poor man's food.

Are you going to tie up with foreign brands such as Subway?

We deal with almost everybody. McDonald's, KFC, Pizza Hut, Subway, Domino's Pizza, Cafe Coffee Day, Barista, Costa, and Starbucks.

We have also worked with Jubilant Food Works in development of their Chinese sauces for the new launch of Hong's kitchen.

Where do you see the company heading? What next?

In two years time, we will touch a turnover of about Rs 700 crore.

Our Food Park in Una, HP is going to enable new entry in new products because the infrastructure is ready.

The next thing that will happen will be about Opera chips. We are looking forward to have an aggressive growth in this segment. So, the snack food category will also be growing.

Are you saying that you will be taking this product to every section of society? Just like Lays is everywhere?

We will be everywhere. That's mass market but we are not going to get into that. Opera is for slightly evolved cafes. They can't serve Lays as the side chips. That is the positioning that Opera has taken. At places, Opera holds 30% of the category. Even we were surprised by that number. Who eats Opera, eats Opera.

What do you think of the changes that the current government has brought in business?

What this government has done in five years, I am yet to see another govt which can do this. They have worked without batting an eyelid. Occasional hurts are a part of the game. All governments will have to be like them. They don't have a choice now. I think the country is changing.

Obstacles and challenges you face?

I think the only thing that hurts Indian economy today is the competition regulator. They are not very watchful. Equity needs to be disciplined because companies are gonna come from abroad and place a lot of money in Indian market. Govt is losing revenue, Indian entrepreneurs are losing revenue. The competition commission needs to be like Telecom regulatory. At least TRAI is active, the competition authority of India is inactive, he is never heard of.

There was a recent news that Kellogg's might be acquiring Haldiram's. What do you think of that?

I think multinational brands are not that important to Indian market. In rural India, people know about let's say Kissan, Maggi

and Cremica. They don't know Kellogg's. These are the kind of engagements that make a brand. Someone coming from abroad and bringing a brand is of no use.

Bonheur is a different product line? Why is it so?

We didn't want our Cremica name in bars. That's why a different line of product. We are still a little conscious about that. My customer is from the kitchen.

Your family business was divided among you and your siblings. Is there any competition?

We have been on a very good term.

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