Mavalli Tiffin Rooms (MTR): A 100-year legacy of Culinary Mastery

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Three Brothers - Parameshwaran Maiya, Yajnanarayana Maiya and Ganappayya Maiya after working as household cooks, in 1924 decided to establish Mavalli Tiffin Room (MTR) in Bengaluru, India. Started as a restaurant, MTR Foods is now one of the biggest Indian food product companies with its products spread over breakfast mixes, ready-to-cook foods, spices, snacks & beverages. MTR Foods got its chance to expand in 2007 when the Norwegian conglomerate Orkla Group invested in the company to expand it into international markets. MTR has expanded over the years and now supplies its products to over 32 countries and thus a significant foreign food supplier. The company has tried as much as possible to offer quality genuine products, which has enhanced the company's brand image as a household company in India globally.
[1] [2] [3]

In December 2021, MTR Foods forayed into the fresh idly and dosa batter segment with its brand 'MTR Minute Fresh.' The company has planned to spend ¹ 25 crore on a production facility and a network of cold chain, and expects to achieve a turnover of ¹ 100 crore from this category in the next 3-4 years **[4].** In October 2023, MTR's parent company Orkla ASA restructured operation in India into three segments: MTR, Eastern, and International Business. This restructuring is meant to improve business capacity and increase the focus on the growth of those segments **[5]**. Celebrating its 100th anniversary in January 2024, MTR Foods planned to launch number of new products. The company laid down its focus on Karnataka and Andhra Pradesh and vowed to grow further while celebrating the culinary tradition **[6]**.

As MTR steps into its next century with a renewed focus on expansion and innovation, several strategic questions arise. With recent restructuring and new product ventures, can MTR sustain its growth trajectory in an increasingly competitive market? Additionally, as MTR invests in the fresh idly and dosa batter segment with ambitious revenue targets, will it successfully navigate the logistical complexities of scaling cold chain infrastructure? Supported by Orkla and a strong foothold in new regions, MTR embarks on its next chapter—but what strategic risks should it keep in sight to ensure sustainable success?

Background

In the year 1920, three brothers Parameshwara Maiya, Ganappayay Maiya and Yagnanarayana Maiya left their village, a small village near Udupi in South Kanara (a district in the state of Karnataka, India), in search of a better life and ended up in Bengaluru. They were excellent cooks and used to perform their profession at the houses of influential people before they were advised to open their restaurant. They opened the first Brahmin Coffee Club in 1924, at Lalbagh Fort Road to sell coffee and idlis. After the death of Parameshwara, his brother Yagnanarayana Maiya, or Yagnappa as he was called affectionately, came on board and he uplifted the eatery to a new level. During World War II, when there was a rice scarcity, Yagnanarayana replaced the staple - rice with rava to make rava idlies. The popularity of this dish ran so high that every respectable South Indian restaurant incorporated it into their special offerings as soon as the war ended. Yagnappa planned a European tour during 1951 to study restaurant operations in that region. His European restaurant observation led him to implement several changes when he returned home to his restaurant. Through his focus on hygiene and health and sanitation he managed to establish superior standards than his competitors. The introduction of sterilization equipment became standard for his business to sanitize all kitchen tools. New practices related to cleanliness and health standards became part of his operations. He provided his customers with direct access to his kitchen before open kitchen concepts became known **[7]**. During summer he created the 'French Fruit Mixture' which he served with his 'American Ice Cream' after returning from his Europe trip where he got inspired by the French. People from all age groups embraced this creation as a major success. The fruit mix Yagnappa created during summer continues to be served today as one of his original ideas that demonstrate his unique creative approach (**See Exhibit 1**). The restaurant received its new name as Mavalli Tiffin Rooms or MTR following the locality Mavalli **[7] [8].**

The restaurant relocated to Lalbagh Road in Bengaluru in 1960 to become a distinguished eating establishment. MTR became a landmark. The first-generation leader Yagnanarayana Maiya died in 1968 and the company leadership went to Harishchandra Maiya (his nephew) and currently the third generation is managing it. Today, most of the restaurants in the city have found the first reason to change their appearance, to remodel their image, 'MTR' remain the same even as the plaster of the walls starts to deteriorate. Hema Malini Maiya, a part-ner at the restaurant, says that they deliberately keep from remodelling because it attracts more customers -

“Although the rest of Bengaluru has changed, we don’t plan to. There is so little left of old Bengaluru. While we have expanded, the main MTR will never change.”

MTR’s Formula for Growth

MTR has a wide portfolio of products that includes breakfast mixes, ready to eat meals, spices, snack items, and beverages. The company maintains both product authenticity and food manufacturing quality standards through traditional recipe preservation with modern customer needs in mind (**See Exhibit 2**). MTR operated in the restaurant sector until 1970. The early 1970s emergency state required MTR to decrease its prices based on government mandates. MTR preserved the quality level of their products for customers while competitors reduced their standards or lowered prices. MTR reacted to this challenge by developing new products along with instant mixture packages for home cooking. The new packaged food segment entrance became possible for MTR because they kept their restaurant persona while preserving their restaurant image and identity. MTR operated as a freshly cooked food provider to satisfy customers who wanted something better than both ready-made foods and restaurant-made meals **[9].** Even today, MTR continues to increase their product portfolio - it offers 145 products, 400 SKUs, and over 3000 unique recipes. Commemorating its 100 years in business, MTR has lined up a range of products to be launched this year, CEO Sunay Bhasin said: **[11]**

“The portfolio continues to expand; we continue to innovate on masalas and breakfast mixes; we added Chilled and Mangalore buns. So that part continues to grow.”

MTR also insists on quality control in all the supply chain of its products. The company buys its inputs from reliable suppliers and use modern food processing techniques to guarantee quality and safety. It operates ISO 22000 as well as HACCP licensed production plants that depict a commitment to global standard food safety. **[10].**

Additionally, in their restaurant business, the cooks of ‘MTR’ are trained from scratch to be perfect at what they do. There are some cooks who have been there for over 30 years. There are separate cooks for Idli, dosa, coffee, Chutney and they believe that a cook must specialize in one area alone. Hema Malini Maiya, a part-ner at the restaurant says:

"We never take trained chefs into our kitchen, we tried that and it failed. We have our set recipes that have to be followed and most trained chefs can't unlearn what they already know. Instead, we take young boys who have no training and give them training in our kitchens"

The company is highly concerned with the authenticity of Indian dishes that are produced by them. Holding genuine Flavors and cooking techniques, MTR provides products that will appeal to the consumers in search of true Indian tastes. Although MTR Foods talks about innovation a lot, it has not lost its focus of being a company that serves traditional food. The company comes up with products that are in line with traditional Indian Flavors with the tendency of the current market consumer preferences not being neglected. **[14].**

In 1984, MTR expanded its operations beyond Karnataka to the southern states of Tamil Nadu and Andhra Pradesh. This move was aimed at tapping into the growing demand for convenient, ready-to-cook traditional breakfast options. The company invested ¹ 25 crore to expand its production facility and establish a cold chain network, targeting ¹ 100 crore in revenue from this category within the next 3-4 years.

In 1994, the MTR management decided to address the issues of these opposing interests by going in two different ways at once – the restaurant chain and the packed food chain became two distinct lines of the business development. Mavalli Tiffin Rooms currently offers its services at 9 places in Bangalore, 1 in Udupi, 1 in Singapore, 2 in Dubai and 1 in Kuala Lumpur and MTR Foods is exported to 32 countries including United States, United Kingdom, Middle East, Japan, Canada, Australia, Germany, New Zealand Singapore, Malaysia, Mauritius and many others (**See exhibit 3**).

In 2007 MTR Foods was bought by Norwegian Orkla ASA that helped the company to gain funds to develop its product portfolio and enter the international markets. This partnership helped MTR to leverage on advanced technology, as well as work on the operations hence enhancing its market competitiveness. After the acquisition, MTR further expanded its product portfolio with breakfast mixes, ready to eat meals, spices, snacks and beverages, all of which were of high authenticity. The company ensured the recipes were retained, but products were also developed in response to the modern consumer needs, for instance, the '3 Minute Breakfast' series. With the help of Orkla, MTR started penetrating markets of more than 32 countries like the USA, the UK, Australia, etc., apart from the NRIs in India, it also got connected with global people who are in search of genuine Indian foods and which established MTR as a trusted brand for traditional Indian foods all across the world.

MTR launched its fresh idli and dosa batter segment MTR Minute Fresh in December 2021 (**See Exhibit 4**). The company took this strategic measure to address the growing market requirement for fast and convenient preparation of traditional breakfast items. MTR invested ¹ 25 crore to improve their manufacturing facilities and construct cold chain infrastructure while anticipating ¹ 100 crore revenue from this business sector within the next three to four years. **[12]**. The parent company of MTR Orkla ASA split its Indian business operations into three separate entities called MTR Corporation and Eastern and International Business Corporation in October 2023. MTR's business capacity enhancement aims toward better performance in each segment through market-specific strategies that align with their individual units' conditions **[13]**. MTR plans to introduce multiple new products when it reaches its 100th anniversary in January 2024. The company wanted to showcase its leadership position in Karnataka and Andhra Pradesh markets with a promise to maintain their traditional roots as it evolves its products. The integration of traditional elements with new ones seeks to strengthen the current customer base along with attracting future customers.

The Ready to Eat (RTE) and Ready to Cook (RTC)Market

The RTE food sector in India has grown rapidly in the last years due to urbanization and consumer's lifestyle, shift towards convenience food. According to the latest research, the India RTE food market was USD 647.1 million in 2023. According to estimations, the market is expected to grow at a compound annual growth rate (CAGR) of 16.1% by 2030 and will be approximately USD 1,805.2 million **[15]**. Major players in the RTE market are as follows:

Haldirams

Famous for its sweets and namkeen products, Haldiram's has entered the RTE segment with its 'Minute Khana' which include Indian meals and snacks. The distribution network, being wide and strong brand image gives the company the competitive advantage. With its strong market base and increasing its RTE products, Haldiram's plans to capture the consumers who are looking for real Indian taste in ready to eat products. **[16].**

ITC Limited

ITC has made a good progress in the RTE market through its brands "Kitchens of India" and "Aashirvaad" it provides a wide range of Ready to Eat foods. The company stands as a strong competitor because it understands the Indian food preferences while having well-developed logistics systems. ITC faces occasional business challenges such as increasing production costs and domestic competition that requires the company to expand its RTE product range according to shifting consumer demands **[17].**

Nestle India

The RTE segment of Nestle India Ltd includes Maggi instant noodles and ready to eat pasta along with Maggi instant noodles. The company launches new RTE products through its global food processing expertise by focusing on the Indian market because of its strong presence in popular branded food products. The quality and convenience concept functions as an appealing market strategy for Nestlé to attract urban consumers who need fast solutions for their meals.

McCain Foods

The RTE snack products offered by McCain include French fries together with aloo tikki and cheese appetizers as part of their frozen foods portfolio. The fact that the company has laid a strong focus on quality and innovation along with the fact that it modified some of its products to suit the Indian palate has made it possible for the company to penetrate the RTE market. The product market of McCain targets the final consumers as well as restaurant and institutional food service markets.

There is rising competition in the RTE segment as companies such as Haldiram's, ITC, Nestle, McCain Foods are also entering the segment leveraging on their brand image, distribution strength and innovation. Rising competition forces MTR to set itself apart while staying relevant in a segment where the factors influencing consumers' decision are convenience, taste and authenticity. Potential entrants with strong financial muscle may opt for low pricing strategies, which puts pressure on MTR to reconsider price strategies that will make it attractive. In a market with frequent changes in customer preferences, it is also necessary to continuously develop and diversify the range of products.

Spices and Mixes Market

The Indian market for spices and mixes is a large part of the nation's food industry and owes its existence to the cultural and regional food varieties. The market was valued at around INR 1,80,760 crores in 2023 and expected to reach INR 4,70,339 crores at a CAGR (Compound Annual Growth Rate) of around 11% during the forecast period. **[18].**

Everest

Everest is one of the oldest spice brands in India, which was set up in 1981, and deals in pure and blended spices. For the fiscal year 2022, Everest had the largest market share within the retail spice companies of India at 16%. The company enjoys the advantage of offering a wide range of products and has a good distribution network to its customers.

MDH (Mahashian Di Hatti)

MDH was established in 1919 and has a broad range of spice blends, and it has a significant market share both in the domestic and international markets. According to market analysis in the fiscal year 2022, MDH retail spices market share in India was 10%. This has been a result of the brand's insistence on quality and sticking to tradition by using recipes that have been passed down **[19].**

Eastern Condiments

Started as a South Indian spices and mix company, Eastern Condiments has become a dominant regional player which is now venturing outside Southern India. The company has also benefited from its concentration on regional Flavors. Later in 2020, Eastern became a subsidiary of Orkla ASA, a Norwegian conglomerate with the primary plan to expand its share of the Indian spices market.

Challenging competition is another factor in this segment for MTR; it aims to enter the spices and mixes market, and it has to compete with brands such as Everest, MDH, Eastern Condiments, etc. The company has established itself well in India through extensive distribution networks, a large customer base, and strong brand recognition, which customers appreciate. MTR should enter these markets by investing in distribution and differentiating its products to maintain its essential unique selling proposition. The purchase of Eastern Condiments by Orkla ASA, the parent company of MTR, has led to market positioning and brand differentiation challenges. Under the same company ownership, MTR and Eastern will experience both internal brand competition and brand replications.

Strategies implemented

Navigating Economic Regulations

The price control system implemented by India in 1970s caused MTR to worry about its future operations. MTR developed RTE and RTC ready-to-eat and ready-to-cook packaged foods instead of compromising quality or standards to counter the price control on restaurant food. MTR implemented this organizational transformation to stop further financial losses while it entered the new market segment of packaged easy-to-prepare food products. MTR used this economic challenge to launch its packaged foods division which shifted a business loss into a new revenue stream to reach different market segments **[20].**

Embracing Technological Advancements

MTR uses technological solutions to respond to modern food industry developments and improve operational processes. The company has implemented automation and Artificial Intelligence (AI) systems throughout its operations with a focus on stocks management as well as supply chain and production functions. The implementation of AI-generated data by MTR allows the company to predict customer demand and minimize losses while always maintaining essential products. MTR benefits from these improvements through easier operations while simultaneously improving quality control standards which results in higher customer satisfaction and brand loyalty in their competitive market. In an Interview the CIO of MTR foods, Venkat Raman said **[21]**

"I classify the adoption of new technologies into the PPT model – people, process, and technology. In any organisation, when considering these elements, it becomes apparent that while technology is undoubtedly a critical factor, the effective adoption and utilisation of technology depend largely on the people aspect."

Innovating Product Offerings

To address the new consumer trends, MTR has diversified and added new products such as instant breakfast mix, frozen foods and vegan foods. For instance, the "3 Minute Breakfast" series offers the busy consumer traditional breakfast food in a convenient form that retains the natural tasty flavours. The company has also introduced new products regularly to meet with the market demands, introducing products for health-conscious consumers, the young people and the Indian immigrants outside India. The product diversification strategy has benefited MTR and due to this it is now able to target a larger population without losing the core values of the company. **[22].**

Strengthening Brand Positioning

MTR has crafted the brand image which focuses on the company's heritage, quality, and true taste of India. The brand has a long history dating back to 1924, and this fact appeals to the clients who prefer to consume products prepared according to the classic recipes using quality components. To build this trust MTR has stayed focused on its heritage that helps it stand out from other players in the highly competitive packaged food industry. With the help of such marketing measures as using the legacy of MTR's activity in its advertising campaigns, the company establishes and fixes its positions as a true market leader, which in turn will result in the growth of customer loyalty to MTR. **[23].**

Future Directions

As MTR Foods continues to expand its diverse product portfolio, it faces a strategic challenge: balancing innovation with quality and brand identity. While offering a variety of products allows MTR to capture different market segments, managing a vast product range can create operational complexities. The need to maintain consistent quality across multiple product lines is a pressing issue, particularly as consumer expectations around authenticity and convenience grow. Scaling production while retaining traditional recipes, managing quality control, and optimizing logistics for a wide array of products will require careful strategizing.

Moreover, MTR's expansion plans could be slowed by other domestic and global brands that are steadily encroaching on the firm's market share and that are currently targeting the healthier and more convenient products market. In an effort to sustain its competitiveness, MTR will probably pay attention to developing outlets, enhancing its online platforms and experimenting with different product categories within ready-to-eat and healthy food niche. However, having a fixed market with consumers' preferences changing frequently, the company needs to adapt to the new trends to experience growth.

In a competitive landscape, can MTR continue to innovate without diluting its heritage? Will it be able to streamline its operations to accommodate both traditional and modern products effectively? Will MTR's investment in the idly and dosa batter segment prove successful, and can the company overcome the challenges of scaling cold chain logistics to meet its ambitious revenue goals? How can MTR carve out a larger share of the Indian spices market? With the support of Orkla and a strong foothold in new regions, what strategic risks should MTR watch for as it steps into its next 100 years? Can MTR carve out a distinct identity and successfully capture a larger market share without creating internal competition?

EXHIBITS

Exhibit 1: The Story of French Fruit Mix on a wall in Restaurant of MTR – HSR Layout, Bengaluru.

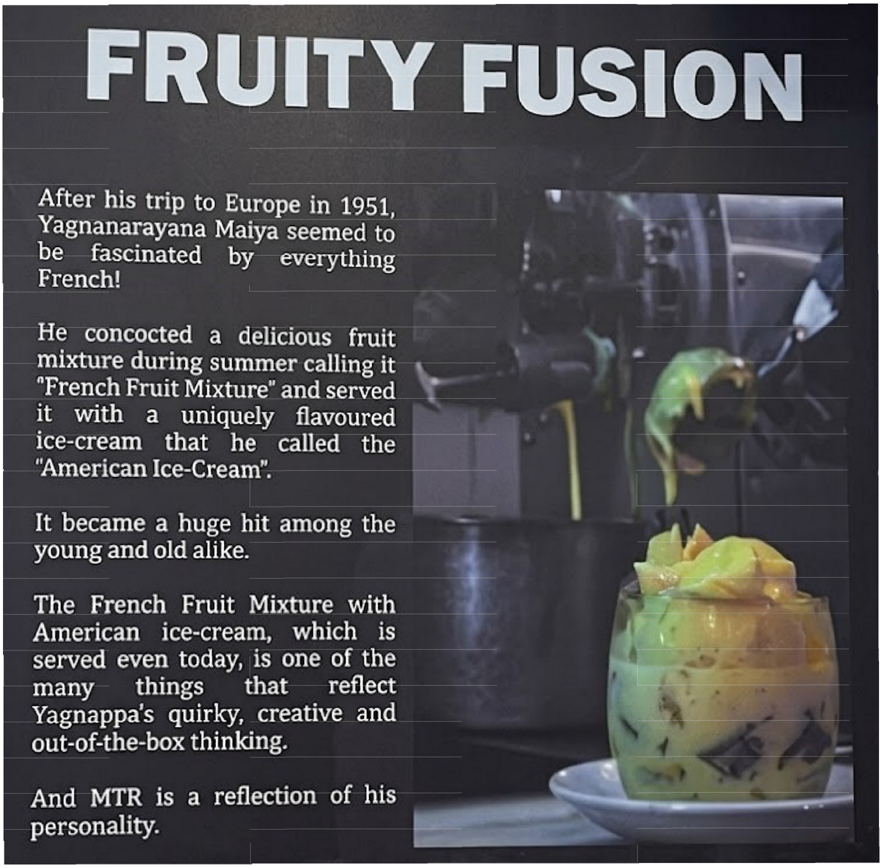

Exhibit 2: Product Portfolio of MTR

Exhibit 3: Map showing the presence of MTR around the world

Exhibit 4: Idli Dosa batter of MTR – Latest Launch

Exhibit 5: Revenue Break up of MTR Foods

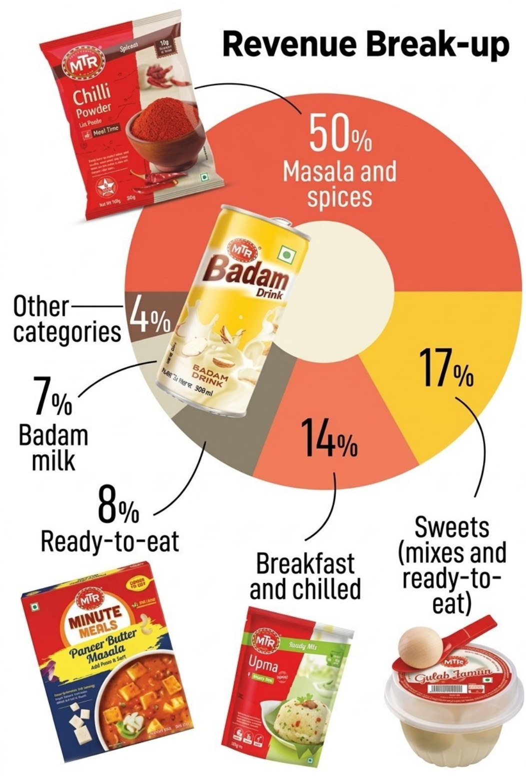

Exhibit 6: An outlet of MTR Restaurant in Bengaluru

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