Veeba: From Humble Beginnings to a Future FMCG Giant

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Founding Vision and Mission

Veeba was founded in 2013 by Viraj Bahl. His vision was to bring high-quality sauces, spreads, and condiments to Indian households. Bahl, who has worked in the food business for a decade, wanted Veeba to integrate global standards with Indian taste while developing its products. His mission? To make everyday condiments a better, healthier, and tastier experience for Indians. Guided by his values of quality, hygiene, and affordability, Veeba set out to deliver food that truly delighted its customers. At its core, Veeba aspired to deliver products that met global standards while appealing to Indian palates, defined by its vision: "To delight consumers with an unmatched food experience that delivers superior quality, service, and value." **[1] [2].**

Overcoming Initial Hurdles

Before launching Veeba, Bahl faced significant challenges. His first business was a restaurant chain launched in 2009, which failed to attract customers. However, Bahl did not give up. Determined to start fresh, Bahl took a bold step: he sold his house, purchased a small piece of land in Neemrana, Rajasthan, and used his remaining funds to establish Veeba. He was low on funds, but had a clear vision — the goal to change condiments in India. Starting with minimal resources, Bahl committed to extensive research and development to ensure Veeba's products would reflect both quality and innovation. **[1].**

Building Momentum: Cracking the B2B Market

First Big Break with Domino's

The B2B segment turned out to be the first significant breakthrough for Veeba. The real turning point for the brand was when Veeba got a contract with Domino's Pizza and started supplying 70 tons of pizza sauce. This allowed the company to penetrate the food service sector **[1] [3].** Not only did this contract help bring in funds, but it also helped Veeba prove that its products were of good quality and reliable. In a short span of two years, Veeba went on to secure more contracts with leading Quick Service Restaurants (QSR) such as Burger King, Starbucks, Taco Bell, Cafe Coffee Day and PVR**.** The initial collaborations helped establish Veeba as a manufacturer of premium, customized condiments **[1]**.

Strategic B2B Benefits

Entering the B2B sector offered Veeba distinct advantages. The high volume of orders ensured a constant cash flow, which allowed Veeba to invest in research and development
[1] [5]. Collaborating with established brands also set high quality benchmarks, as Veeba's products had to consistently meet the standards of its high-profile clients. Through its B2B relationships, Veeba gained insights into consumer preferences, which would later inform its product range when it entered the retail market **[1] [2]**. Even today, B2B constitutes about 8% of Veeba's revenue, supporting its broader business goals **[3]**.

Expanding Reach: Entering the HoReCa Segment

Growth in HoReCa

Recognizing the opportunity in the Hotel, Restaurant, and Café (HoReCa) sector, Veeba expanded into this sector as well. It started supplying products to premium hotels, bustling cafes, and upscale restaurants. The entry into HoReCa allowed Veeba to reach a larger audience and diversify its client base, helping to establish the brand's presence across varied food-service environments. Veeba's product adaptability was a major asset here, enabling chefs and restaurateurs to use the products across different culinary applications **[1] [2] [4].**

Maintaining Quality Consistency

In the HoReCa segment, quality and consistency were essential for customer satisfaction. Veeba invested in state-of-the-art manufacturing facilities and rigorous quality control processes to ensure each product met high standards, reinforcing trust among its HoReCa clients. This commitment to quality has helped Veeba build strong, lasting relationships in the sector and set the stage for further expansion into other areas **[1] [4].**

Shifting Gears: From B2B to B2C

Veeba's Foray into Retail

Veeba entered the retail market in 2015 with products that appealed to health-oriented consumers. The decision to enter B2C was to create a direct consumer connection and respond to growing demand for quality, healthier condiment options. The brand launched products with low-fat content, packaging that stood out on shelves, and unique flavors that appealed to Indian preferences. By 2017, Veeba had launched 19 products catering to the Indian taste buds, including dips, sauces, and mayonnaises **[1] [2] [3] [4].**

Market Reception and Expansion

Veeba's B2C entry was successful, with products quickly becoming a household name across retail outlets across the country. It saw a strong market reception. The brand scaled further, reaching 300 towns in 2021 and over 700 towns in 2024, backed by 28 distribution depots and 150,000-plus retail outlets. This kind of acceleration played the biggest role in its stellar financial performance, with revenues jumping from ¹ 542 crore in FY22 to ¹ 811 crore in FY23 — a growth of over 40% **[6] [7].**

Keeping Pace with Innovation and Quality

Since its inception, Veeba carved its niche with healthier product alternatives such as low-fat and vegetarian sauces. Their focus on eliminating palm oil and refined flour in certain products solidified Veeba's image as a health-forward brand **[8]**. Veeba's understanding of consumer preferences, informed by their initial B2B partnerships, continues to guide their product development, allowing them to stay aligned with dietary trends and consumer tastes **[9]**.

New Brands and Future Plans

In 2024, Veeba launched "Wok Tok", a brand focusing on pan-Asian sauces and noodles, with a ` 50 crore investment. Wok Tok's 16 products, including instant noodles without palm oil, MSG, or refined flour, appeal to health-conscious consumers seeking bold, Asian flavors. Viraj Bahl envisions Veeba as a major FMCG company, recently rebranding it as VRB Consumer Products. The broader portfolio now includes brands like "Earth Made" (organic beverages), "Bene Tibi" (bar syrups). With a new manufacturing facility in South India having an investment of ` 100-150 crore, expected to be operational by the end of FY24, Veeba is positioning itself for ambitious growth in the FMCG space **[8] [10] [11]**.

Looking Ahead: Strategic Growth

As Veeba expands, it faces the dual challenge of intense competition from both global and domestic players and evolving consumer expectations for high-quality, affordable products. Furthermore, Veeba has recently launched additional brands under its portfolio, such as Earthmade, BeneTibi, and Woktok, aiming to diversify beyond condiments and enter adjacent FMCG categories. To optimize growth and allocate resources strategically across its portfolio, Veeba can leverage the BCG Matrix.

Stars (High Market Growth, High Market Share)

New Mayonnaise Range: Mayonnaise is a key volume driver for Veeba, with an expanding market and strong consumer demand. Dominating the mayonnaise segment, Veeba has maintained a significant share and is meeting the demand for healthier versions of traditional condiments (e.g., no-preservatives, low-fat) **[9]**. Indian Fusion sauces like Tandoori Mayo and Mint Mayo have resonated with Indian tastes and have experienced high demand, particularly in metro areas **[13]**. With the popularity of fusion flavors rising, this category represents Veeba's high-growth potential.

Ketchup: As Veeba's ketchup range gains momentum, it has the potential to become a Star product. The company's innovative formulations (e.g., no-sugar-added options) address a growing demand for healthier alternatives **[13]**.

Strategic Recommendation: Continue investing in R&D and marketing for mayonnaise and ketchup, ensuring a balanced media mix that enhances brand presence across both traditional and digital channels. Additionally, expanding distribution in new regions and via e-commerce will be crucial to strengthen Veeba's position. Increase investment in marketing and expand production capacity to meet demand, particularly in Tier 2 cities. Targeted campaigns highlighting these sauces' unique flavors can boost customer acquisition.

Cash Cows (Low Market Growth, High Market Share)

Flagship Condiments: Veeba's original condiments and sauces such as its classic ketchup and mayonnaise, especially those widely used by restaurants and the foodservice industry, are mature products with steady demand **[13]**.

B2B Partnerships: Partnerships with brands like Domino's, Burger King, and Pizza

Hut represent a stable revenue source. While B2B sales account for about 8% of total revenue, they are essential for brand recognition and bulk orders **[3]**.

Strategic Recommendation: Sustain Cash Cows with minimal investments, focusing on efficient distribution and supply chain improvements to maximize profitability. Focus on optimizing production costs at existing plants to enhance profitability, as these products require minimal marketing. Prioritizing cost-effective logistics will support margins without additional R&D costs. Use cash flow from this segment to fund growth initiatives in other product lines.

Question Marks (High Market Growth, Low Market Share)

New Brand Ventures (e.g., Earthmade, BeneTibi, Woktok): These recent additions target high-growth segments like health-conscious and organic products but currently hold a smaller market share.

Cooking Paste: Cooking pastes show growth potential due to the rising demand for convenience foods, but Veeba has yet to capture a significant share. With further investment in marketing and consumer education, Veeba could establish itself in this segment. However, the scalability of cooking pastes needs to be evaluated as it requires significant capital investment and consumer acceptance.

International Sauces (e.g., Sriracha, Chipotle Sauce): Though they have the potential for growth, they still haven't managed to gain market share in India because of their niche appeal and relatively high price points.

Strategic Recommendation: Monitor the performance of the new brands and focus on investing in those brands showing early success. Test the market response for Earthmade and BeneTibi further to see which resonates most with consumers. For cooking paste, increasing promotional efforts; assess scalability. Conduct targeted campaigns and sampling initiatives to gauge consumer interest and demand. For international sauces, selective investment and targeted marketing can help build awareness.

Dogs (Low Market Growth, Low Market Share)

Condiments for Horeca: Veeba's Horeca offerings face intense competition and do not align with the company's core consumer segment. Despite some brand recognition, the profitability in this segment has been declining.

Syrups and Spreads: Veeba's syrups and specialty spreads, such as peanut butter, are not an integral part of Veeba's brand identity. They are facing fierce competition from already established spread brands. Sales continue to be low and they have failed to catch on in a highly saturated market.

Strategic Recommendation: Veeba can consider exiting or strategically repositioning this line of products to target niche markets in the Horeca segment, i.e., high-end restaurants or health-oriented chains. For syrups and spreads, Veeba can reduce its investment in this segment. Instead, it can invest in its other high-performing products. Alternatively, it may rebrand the syrups and spreads perhaps as healthier or all-natural versions if there is a demand in the market.

Utilizing the BCG Matrix, Veeba can make decisions regarding investing, maintaining, or de-investing across its product line with clarity. This structured approach helps Veeba work toward its goal of becoming a leading FMCG company, all while ensuring steady growth and meeting the evolving needs of consumers in India and beyond.

Deciding Veeba's Next Move: Invest in New Lines or Deepen Market Penetration?

With Veeba's expanding footprint, the company faces a choice:

1. **Aggressive Expansion into New Categories:** By branching into organic snacks, plant-based condiments, or beverages, Veeba can leverage its health-conscious image to meet rising demand in these spaces.
2. **Consolidation in Existing Categories:** Alternatively, Veeba could focus on expanding its current product lines in Tier 2 cities, strengthening distribution without the risks of venturing into new categories.

Suggested Next Steps

To continue its momentum, Veeba should focus on health-driven innovation and invest further in research and development for **"better-for-you" products**. A stronger e-commerce and digital marketing strategy would also allow Veeba to capture a more modern, online-prone and younger target market, broadening its reach in line with evolving consumer shopping habits.

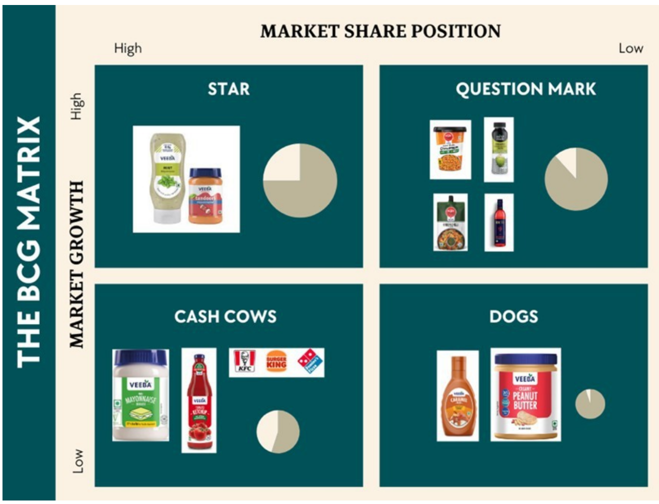
* The data used here are based on estimates.

* Veeba's approximate revenue for FY24 is ` 1000 cr **[7]**.

EXHIBIT 1: Revenue and Profit (%) of Veeba Products

PRODUCT	Revenues (INR CR)	Percent Revenues (%)	Profits (INR CR)	Percent profits (%)
Stars				
New Mayonnaise Range	650	65	100	25
Cash Cows				
Flagship Mayonnaise & Ketchup	150	15	40	20
B2B Partnership	90	9	20	25
Question Marks				
New Brand Ventures (Earthmade, Benetibi, WokTok)	80	8	5	10
Dogs				
Syrups and Peanut Butter	30	3	0.5	5

EXHIBIT 2: Veeba BCG Matrix



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