



## Vasanth Coffee Works - Seven decades in the R&G industry and still going strong...

One of the oldest Coffee R&G Businesses in India, Bangalore-based Sri Vasanth Coffee Works, has established itself as a reputed producer and supplier of coffee to business establishments and households across the country. A silent performer since the last about seven decades, the business has focused on consolidating its product portfolio through traditional channels and, is poised to achieve greater heights.

The beginnings of this business date back to 1946 when Mr. K. Ramachandra Rao set up a coffee R&G business for his younger brother, K.V. Krishnamurthy. In those days which saw massive agitations seeking independence, this business was expected to provide a vocation for the young lad and thereby, retain him in the family folds. The first outlet of Sri Vasanth Coffee Works was set up in a traditional, coffee drinking locality of V V Puram in Bangalore. As the family did not own a coffee plantation, green beans were procured and, traditional processes

of coffee roasting and grinding were adopted to render a fine product. This coffee found favour with various restaurants including the reputed Brahmins Coffee Bar, Shankarpuram and industrial canteens in the 1960s and 1970s.

Over time, Krishnamurthy's sons, Mr. K. Ananth Ramu and Mr. K. Venkatesh Murthy took over the reins of the business and guided it to achieve greater heights. Sri Vasanth Coffee Works rose to become a trusted supplier to various hotels, business establishments and households. To meet the growing demand for its R&G coffee, the brothers established a new production unit in Bangalore and procured a Probat roaster to offer a portfolio of consistently good quality R&G products. The brothers developed a product range which included Pure coffee, Premium coffee (10% chicory) and 'A' Quality coffee (20% chicory). The products with

Three generations of coffee entrepreneurs - Vasanth Coffee Works





different grind sizes have been developed to meet the requirements of restaurants (who mainly use drip filters) and households (that use two-jar stainless steel filters, coffee makers and percolators). The products were sold through own outlets as well as independent grocery stores. Promotional activities were constrained (limited to PoS promotion) so as to contain costs and, constant experimentation was undertaken to improve product quality (incl. packaging). The trio's strategy of producing and distributing high quality coffee to traditional coffee consumers through conventional channels yielded results, slowly but surely. Without much fanfare, the business expanded its market share in the southern states and started looking beyond.

To steer the business through new geographies and customer segments, Mr. K. Ananth Ramu's daughter, Ms. K.A. Anitha, a Post-Graduate in Business Management, joined the team in 2008. The business rose to greater heights with a growing set of new and loyal customers who appreciated the nuances of finely roasted coffee. The business reviewed its operational efficiencies and, adopted time-tested strategies to achieve customer satisfaction. A distinct approach adopted by Vasanth, as Anitha says, is that the ingredients of the mainstream coffee blends were kept unchanged despite price fluctuations of the green beans and chicory. Changes in raw material prices were, by-and-large, passed on to customers while maintaining consistency of the cup profile. An in-house laboratory ensures the quality of the products towards meeting the promise of delighting consumers' taste buds from every cup.

In recent years, Vasanth has focused on widening its presence in the HORECA (Hotels, Restaurants and Caterers) segment. Vasanth has emerged as a preferred supplier to reputed restaurant chains and hotels. The business' orientation to tap new channels was seen when online sales of Vasanth's products began in 2013. A higher capacity Probat roaster was also procured in 2014 to increase production and expand market presence. Ananth Ramu and Venkatesh Murthy are resolute in their belief that coffee consumption in India is bound to grow due to increased awareness regarding coffee and the proliferation of OOH coffee outlets including cafes. Firm believers in the superior cup profile of R&G coffee as compared to instant coffee, the duo see an expanding market which could be served by innovative R&G businesses

that offer products of consistent quality.

Three generations of coffee entrepreneurs have seen the business through changing times. With coffee evolving from being a hot beverage in South Indian homes to occupying a coveted position in café menus, the scene for coffee in India is looking brighter than ever. Vasanth plans to ride the wave by listing its products with e-tailers, selling its products through formal retail chains and, widening its product range to include specialty coffees and certified coffees. Anitha also sees a robust opportunity in discerning international markets.

Higher competition, especially price-based in the OOH budget segments, has failed to convince Vasanth to produce blends of higher chicory content and use lower grades of green coffee in the blends. The brand continues to be known for the consistent quality of coffee and has become a trusted name in the R&G industry. Sri Vasanth Coffee Works stands out as a coffee business which has stuck to its traditional roots in coffee production while innovating on its distribution strategies.



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