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### Early Years of the Frito Company

Frito-Lay traces its origins to the early 1930s. In the midst of the Great Depression, the lack of job prospects spurred a number of young people to turn to entrepreneurship in order to get ahead. Among these were the founders of the two companies that would merge in 1961 to form Frito-Lay. Elmer Doolin's entrance into the snack food industry was one of happenstance. In 1932 the Texas native was running an ice cream business which was struggling because of a price war. Doolin began seeking a new venture and happened to buy a five-cent, plain package of corn chips while eating at a San Antonio café. At the time, corn chips or "fritos" (the word frito means fried in Spanish) were a common fried corn meal snack in the Southwest. Typically, cooks would cut flattened corn dough into ribbons, then season and fry them.

Impressed with his five-cent snack, Doolin discovered that the manufacturer wished to return to Mexico and would sell his business for \$100. Doolin borrowed the money from his mother, purchasing the recipe, 19 retail accounts, and production equipment consisting of an old, handheld potato ricer. Initially setting up production in his mother's kitchen, Doolin spent his nights cooking Frito brand corn chips and sold them during the day from his Model T Ford. Early production capacity was ten pounds per day, with profits of about \$2 per day on sales ranging from \$8 to \$10 per day.

Doolin soon expanded to the family garage, and increased production by developing a press that operated more efficiently than the potato ricer. Within a year of his purchase of the business, Doolin moved the headquarters for the Frito Company from San Antonio to Dallas, the latter having distribution advantages. Sales began expanding geographically after Doolin hired a sales force to make regular deliveries to stores. The Frito Company also began selling the products of potato chip manufacturers through license agreements. The company soon had plants operating in Houston, Tulsa, and Dallas.

In early 1941 Doolin expanded to the West Coast by opening a small manufacturing facility in Los Angeles. Only the onset of World War II and rationing slowed Frito's growth. But sales quickly picked up again following the war's end, and by 1947 revenues exceeded \$27 million. Doolin moved his company toward national status through licensing agreements. The first came in 1945, when Frito granted H.W. Lay & Company an exclusive franchise to manufacture and distribute Fritos in the Southeast. This marked the beginning of a close relationship between the two companies, and would eventually lead to their 1961 merger. In 1946 another franchise was launched in Bethesda, Maryland, followed by a Hawaii-based franchise in 1947. The following year, Frito introduced Chee-tos brand Cheese Flavored Snacks, which gained immediate popularity. Meantime, the Fritos brand went national in 1949 when Doolin purchased color advertisements in several magazines, including Ladies' Home Journal, Better Homes and Gardens, and Life.

By 1954 the Frito Company business included 11 plants and 12 franchise operations. In 1953 the Frito Kid made his debut as a company spokesman; the character continued to be used in Fritos advertising until 1967. In 1956 the Frito Kid made an appearance on the "Today" show with host Dave Garroway, marking the Frito Company's first use of television advertising. Fritos gained a new advertising theme in 1958 with the debut of "Munch a Bunch of

Fritos.” That year, the Frito Company acquired the rights to Ruffles brand potato chips. The following year, Doolin died, having led his company to its status as a major snack food maker, with revenues exceeding \$51 million. The Frito Company continued to operate 11 plants, but its franchise operations had been reduced to six after the company bought out several franchisees. John D. Williamson took over as president of the company. Within two years of Doolin’s death, the Frito Company would merge with H.W. Lay.

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