



Cheering cuppa

Subrata Mukerji, Business Head, Typhoo India, speaks to Progressive Grocer about his company's storied legacy as a tea producer, its foray into India and how it is carrying forward the brand's identity and unique positioning



Subrata Mukerji
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Typhoo tea brand is known to have a rich legacy. Can you walk us through its history and heritage and how the brand came to India?

Typhoo's heritage dates back to 1903 when a Birmingham grocer John Sumner developed and sold a blend of tea in his shop. Over the years, the Typhoo business has developed from being the first branded ready packaged tea to an iconic British brand that is the second-largest tea manufacturer by volume in the UK. The brand has worldwide following of tea enthusiasts in close to 50 countries the world over. With its 110 years long heritage of blending, packing and selling quality tea in the UK, Typhoo today has a portfolio extending to 10 brands and over 600 products, which sell in more than 50 countries including the USA, Canada, Australia, New Zealand, South Africa and countries that in Europe. The iconic British brand brings this refreshing, rejuvenating experience to India with a variety of over 20 high quality luxurious teas and 100 per cent natural fruit infusions.

In 2005 Apeejay Tea, one of India's largest tea producers with plantations spread across 50,000 acres in Assam, acquired Typhoo in what was then India's second-largest global FMCG acquisition and the seventh-biggest corporate takeover by an Indian company. This gave Apeejay Tea a significant opportunity to vertically integrate its tea business as well as expand its footprint in the international markets. London Fruit & Herb, Heath & Heather, Melrose's and Ridgeways among others were also acquired from Premier Foods UK. In 2008, Typhoo made its foray into India.

What has been the progress and the way forward for Typhoo since its entry into India?

Bearing in mind the new urban health consciousness and in keeping with the changing taste and beverage preferences in India, Typhoo's refreshing and rejuvenating experience is available in over 20 high quality luxurious teas and 100 per cent caffeine-free fruit infusions. With the addition of Green Tea Masala Chai, Green Tea Traditional Tulsi,

Green Tea Coconut in 2015, the brand now offers the widest range and variety of products in India. The extensive black tea collection has three new additions in 2015, Typhoo Gold Tea – in tea bags, 24 carat premium loose leaf and Typhoo Decaf Tea – India's first decaf tea. Typhoo has also launched the first globally-certified environmentally-sustainable teas now marketed across India. The suite of products launched in the Indian tea market includes popular mainstream blends as well as new 'Gold' products, which bear the distinct seal (green frog) of the Rainforest Alliance. The entire range has also been recast into an exciting new packaging design in 2015.

What is special about Typhoo tea and what is its USP?

Our dedicated team of tasters travel extensively throughout the world, selecting only the best teas suited for Typhoo's blends. To ensure that the teas maintain their freshness and inherent taste characteristics, Typhoo ensures that teas are packed in its own state-of-the-art production facility in Kolkata, India. The location gives Typhoo easy access to all major tea producing regions and allows it to follow a rigorous quality control process before being packed, ensuring that they are as fresh as the day they left the gardens.

What is the retail presence of Typhoo tea?

Crafted to the most exacting quality standards and available in a modern packaging format, Typhoo world-class teas and infusions are available at over 5,000 retail stores pan India and cater to over 1,000 corporate houses in major metros. Typhoo is also served onboard the Jet Airways and Air India's domestic and international flights.

All leading retail chains and F&B stores in Delhi/NCR, Mumbai, Bengaluru, Chennai, Kolkata, Pune, Goa, Coimbatore, Hyderabad and Chandigarh, stock and sell Typhoo.

What is the market size and how do you assess your growth over the years?

We believe the tea bag market is around Rs 500 crore and is growing at around 30 per cent each year. Our growth has been quite healthy over the last few years and it continues to be well above the industry average. We intend to be a leading player in this segment as we continue to add more varieties and options of consumption.

Which are the major markets for your products in terms of volumes and sales?

Our major markets lie in Delhi and NCR, Mumbai, Bengaluru and Kolkata.

Which is the target demographic for your products? Can you describe a typical profile of buyers (customer base) of your products?

India is witnessing a significant growth in the tea bag segment owing to the emerging set of tea enthusiasts amongst the evolving millennial generation who is seeking health-related alternatives that offer convenience and an exciting variety. This set of consumers has a high disposable income, enjoys premium lifestyle choices and is conscious of their own well-being and of their family. This has resulted in a high acceptance of our green tea and flavoured tea.

Who are your top retailers - both offline and online - for your brands? What kind of demand do you see from these retailers?

The Typhoo range is available across all leading F&B chains such as Walmart, Big Bazaar, Foodhall, Hypercity, Le Marche, Nature's Basket, Haiko, Nilgiri's, Spencer's, Star Bazaar, as well as with the online e-tailers like Amazon, eBay and Bigbasket, to name a few. On the demand front, our top selling categories are Green Teas and Flavoured Teas, followed by Fruit Infusions.

How do you pick up the retailers you want to associate with? What is your strategy for expanding your retail base and reach?

For us, it all starts and ends with the consumer. We continuously track and observe consumer behaviour and their shopping habits. Once we know our end consumers, we connect with the stores they

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shop at. We then position our products at those stores matching the consumer profile.

These are typically premium food & beverage chains and stores who also track consumer tastes and needs.

We are aware that such stores are increasing every day, as shopping habits are evolving at a rapid pace. We, therefore, sync expansion across stores to the changing needs of consumers. But alongside this segmentation, we have to ensure that we reach enough touch points to cater to our growing target audience.

Please share your insights and learnings as to how you see the tea market evolving in India?

Consumers today have become sensitive and selective of what they consume. So much so that they check the nutritional content, manufacturing dates and also do considerable Internet search on beverages and what is good for them. Availability of options has led to broader choices and thereby continuous improvement and innovation in the offerings has become a necessity.

What are the challenges you face in terms of distribution and retail? What can be the solutions to these hurdles?

With too many brands entering the category and with expanded offerings, the fight for retail space is now a constant challenge. One of the effective ways to overcome this challenge is to deploy tools of innovative retail engagement involving the stores

as your medium of communication, expansion of channels, consumer-friendly messaging, effective merchandising, etc. We try to use most of these tools for an effective consumer connect.

What do you think are the category trends and consumer demand for this segment?

The largest consuming category at present is Green tea with pioneering Indian flavours like Tulsi (Typhoo Tulsi has real leaves of Tulsi), Masala Chai (Typhoo Masala Chai has real spices) and Coconut. Traditional users still prefer Plain green tea, Moroccan Mint and Lemongrass.

For the flavoured tea segment, consumers who appreciate their simple black tea with flavours like Elaichi, Adrak, Masala, but do not have the time and persistence to prepare in the traditional way, are opting for this format of teas.

Coming to the very niche category of Fruit Infusions, it is positioned more as a caffeine-free, alternative to other revitalising drinks. In this range we have products such as Typhoo's Orange Spicer, Blackcurrant Bracer and Lemon & Lime Zest. These are very popular primarily because they can be savoured hot as well as cold in the form of luscious mocktails.

How do online stores selling teas/beverages compare with physical stores in terms of benefits and advantages for consumers and on the suitability aspect for this product category? How much of your sales are accounted for by online stores vis-a-vis physical stores?

The way we see it is that there isn't a comparison between the two. They are two platforms that complement each other and fit into the needs and convenience of the customer and the brand they want to reach out to. Undeniably, the online space has offered an unmatched convenience of shopping from home to the consumers, in terms of options, availability and price. However, we feel that evolving products and categories may have a slow growth curve since customers of such special products will want to take the purchase decision on the basis of the touch, taste and feel aspects.

Taking into account the rapid growth of e-commerce, should beverage companies go for more aggressive selling online?

Most of the time, the more important thing is to promote a brand/beverage rather than push its sales when it comes to online selling. Sale is a by-product. In such cases, online marketing is essentially to catch eye-space and not shelf space. But it goes without saying that at present, the digital platform and e-marketing tools have gained due recognition and significance in the eyes of consumers and businesses. **PG**