



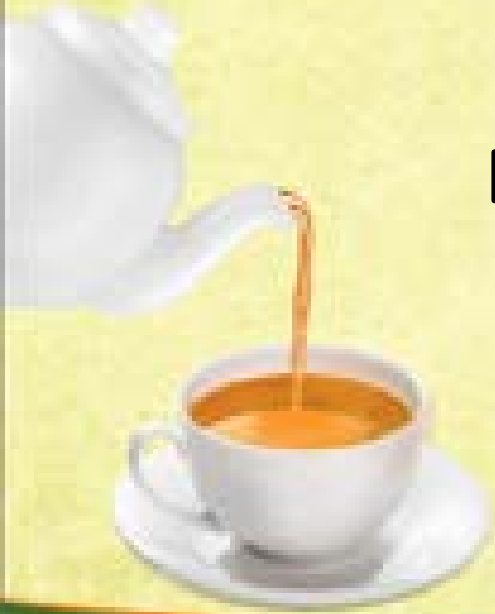
Tea Group

# India International Tea Convention Ooty, India

## Domestic Market Initiatives

Paras Desai

Wagh Bakri Tea Group



# Growth Drivers for TEA



- Evolving lifestyle & buying behavior of Indian consumer
- Growing urbanization
- Opening of rural market
- Increased income in rural areas
- Most learned and aware consumer

*Source: Booz & co & CII*

# India's most promising and trusted brand – 2016 (ASSOCHAM)



Awarded by Ministry of Food Processing Industries of India



# Wagh Bakri Tea Group:



India's 3rd largest packaged tea company and the largest privately held Tea Company.

The Group known for buying premium quality teas in quantum.

Being exported over 30 countries.

# The current Challenge



- Being large regional brand to become multi state and national brand
- Growth chances are high in new states
- Grow internationally
- Innovate new ways to promote tea and its forms

# Trend 1:



- **Accelerating Premiumization:**
  - Continued income growth coupled with an increase willingness to spend will push consumer for higher priced and better quality products.

# Accelerating Premiumization:



## Introduced Premium Tea:

- Wagh Bakri Masala Tea
- Green Tea WELLNESS range
- ICE Tea+ Instant Tea
- Good Morning Premium Tea with an International Blend

# Accelerating Premiumization:





# Trend 2:



- Evolving Categories:

- Consumer with rising economic status is shifting from basic '**need**' to '**want**' based products.
- Evolving lifestyle behavior and emphasis on **beauty** and **wellness** witnessing increased requirements for customized and more experiential products and services.

# Evolving categories:



## Introduction of Wagh Bakri Tea Lounges:

- Overwhelming response in Mumbai and Delhi
- 45 types of teas in 5 star ambience
- Help in strengthening Wagh Bakri Tea brand and TEA as a category
- Mumbai, Delhi, Goa, Ahmedabad... Soon more to be added

# Tea Lounge at Delhi!



# 5 Star Ambience!



# Evolving Tea outlet concept:

Mississippi cafe



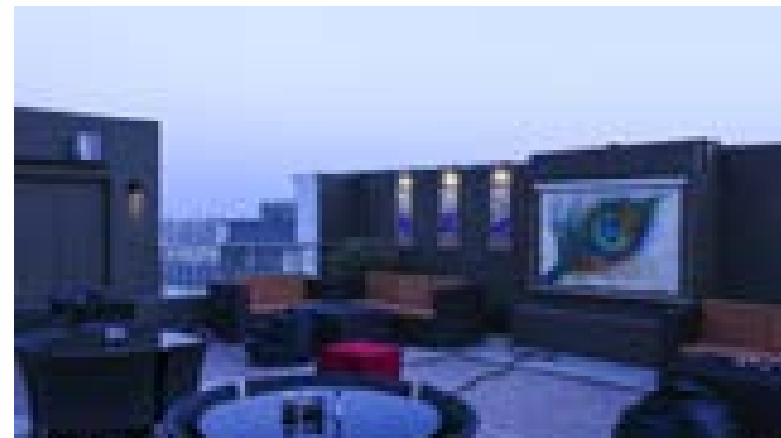
Taj Mahal Tea House



The Chai Shop



Sphere lounge

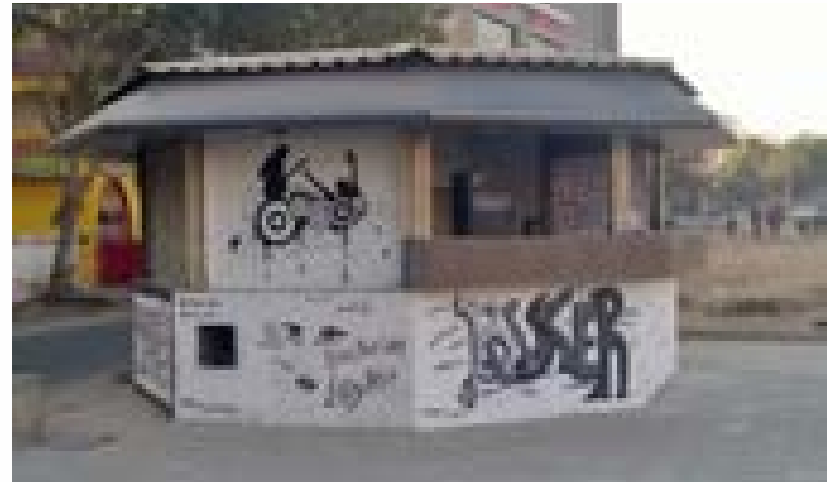


# Evolving Tea outlet concept:

Tea Post



Buskers cafe



Bali cafe



Varietea cafe



# Evolving categories:



## ICED TEAS



## INSTANT TEAS



# Trend 3:



- **Goldmine at Bottom of Pyramid:**
  - A significant majority of the population in the country, especially in the rural markets will become an important source of consumption...
  - They need:
    - Tailored products for easy **acceptability**
    - **Affordable** prices
    - Easy and regular **availability**



# Goldmine at bottom of pyramid:



- Specially blended popular brands like NavChetan available at rural and semi rural areas across Wagh Bakri markets
- Also tapping urban lower middle class and lower class



# Trend 4:



- **Rapid Globalization:**

- Large Indian companies will continue to seek opportunities internationally...
- Leading MNCs have operated in the country for years, given liberal policies, the next decade will witness increased competition...

# Rapid Globalization:



## Taking Wagh Bakri Tea brand international :

- Wagh Bakri Tea is now available in most of the ethnic food grocery shops in UK, USA, Canada, New Zealand and Australia and select Gulf countries

# Rapid Globalization:



Sold in more than  
**30** countries

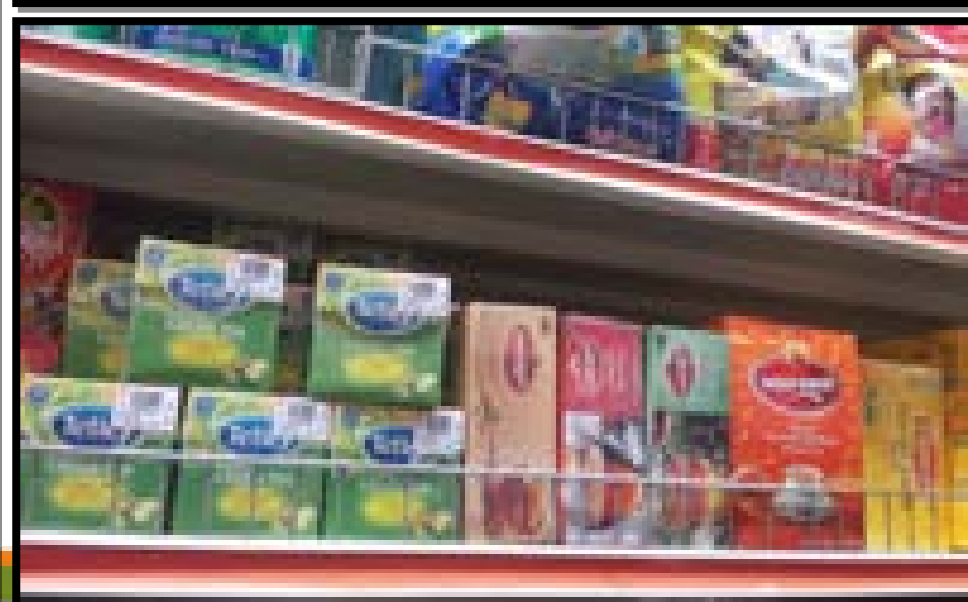
# WAGH BAKRI PRODUCTS (KUWAIT)



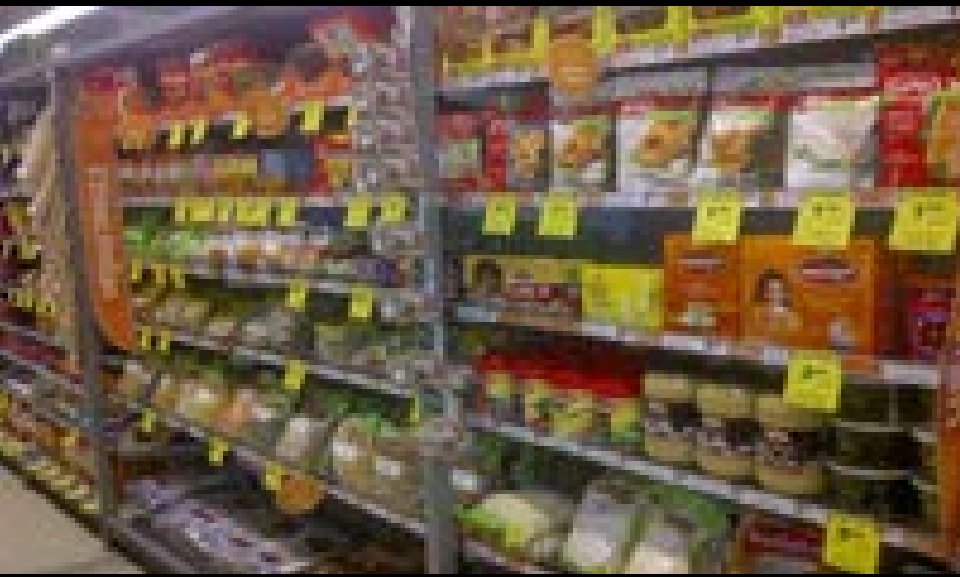
# WAGH BAKRI PRODUCTS (SINGAPORE)



Tea Group



# WAGH BAKRI PRODUCTS (AUSTRALIA)



# WET SAMPLING

(KUALA LUMPUR)



Tea Group





# Trend 5:



- **Growing Modern Trade:**

- The share of modern trade will increase and may be expected to account for 30% of total trade by 2020. (At the same time over 80 Lacs traditional stores/ Kirana will continue to grow)
- MT would also emerge as a media to interact with consumer.

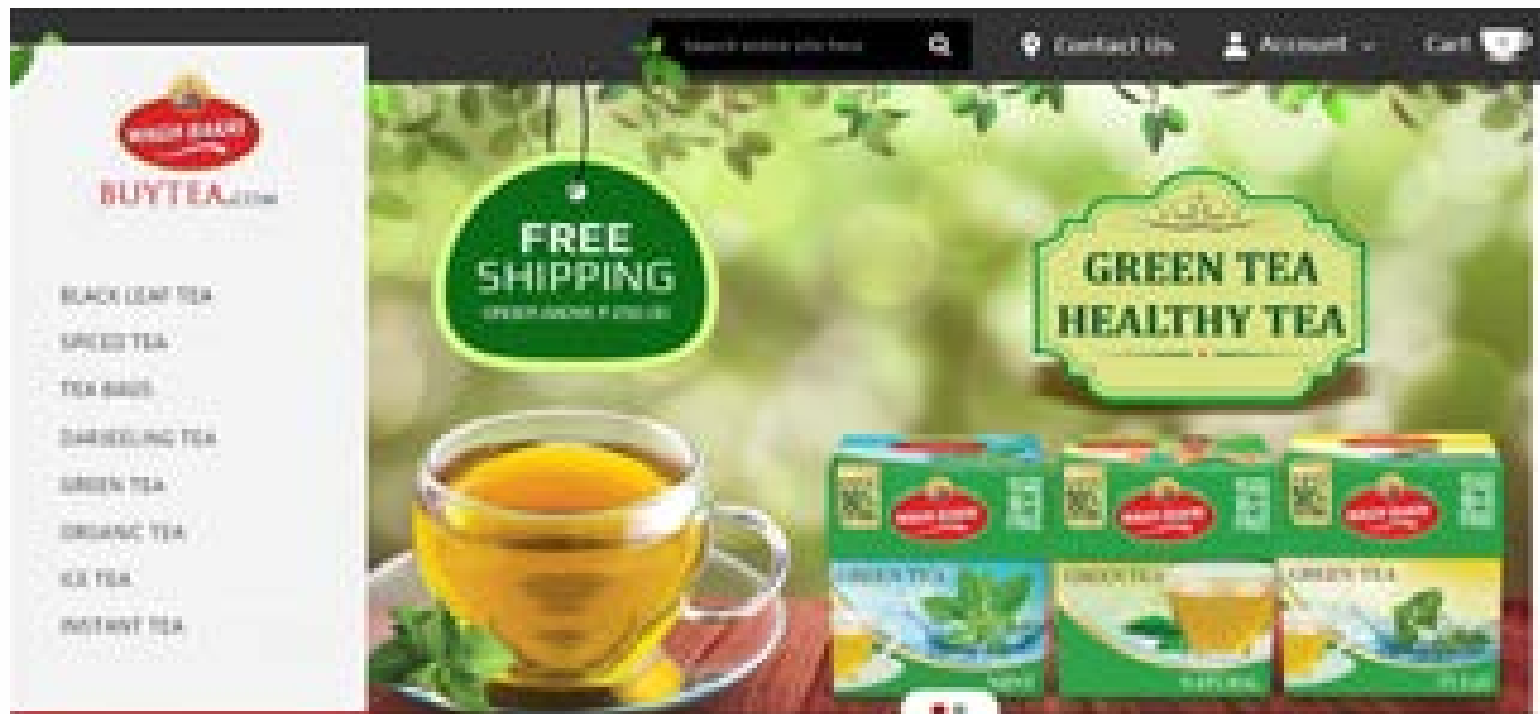
DNA of Indian Consumer:

This as well as that- Rama Bijapurkar in *We are like that only.*

## E-commerce influence

- E-commerce marketing has become a key influencer
- Its medium to connect with target audience in a focused manner

- [www.buytea.com](http://www.buytea.com) E-commerce portal to buy all Wagh Bakri Tea products world over.



# Challenges

## HIGH PRICES COMPELLED REDUCTION IN CUP SIZE WHICH RESULTED IN REDUCTION IN TEA CONSUMPTION

DUE TO THE INCREASE IN PURCHASE PRICE OF TEA, ROADSIDE TEA VENDORS INCREASED PER CUP PRICE THOUGH THEY REDUCED THE QUANTITY OF TEA IN SERVING.



**Earlier – till 1990**  
100 – 120 ml  
@ Rs. 3/-



**Before 5 years**  
75 – 100 ml  
@ Rs. 5/-



**Now**  
25 – 30 ml  
@ Rs. 8/-

## COMPETING BEVERAGES AGAINST TEA



- All STG and Plantation companies must focus on Quality of tea produced.
- Tea produced should be fully PPC & TrustTea compliant.
- This will help in the broad objective for increase in domestic consumption and export of Indian tea with a slogan “Suddh Svadist Bhartiya Chai Piyo Aur Mast Jiyo”.

# Expectations from Tea Board of India

## For Opinion Building

- Government of India through Tea Board should communicate this message through vernacular advertisements in mass media at regional and national level.
- With Tea promotion activities supported by Tea Board, it will help increase consumption and improve image.
- The increase in demand will take up prices and will generate “ Fuel for growth”.

# Expectations from Estates and BLFs



- Harmonization and uniformity in sizing of grades.
- Packaging to be made uniform.
- Is Pan India a requirement or a myth?



# WITDA Supports TrustTea



- WITDA Organised TrustTea seminar in presence of Vice Chairman Mr Fairburn and Convenor Mr Babaycon on 20<sup>th</sup> September at Ahmedabad.
- Packers and retailers were not only excited but showed enthusiasm in incorporating logo on their tea packets.



# WITDA Seminar, Ahmedabad

20<sup>th</sup> September, 2016





THANK YOU

LET'S ENJOY OUR TEA!

