Modern Tea Trends 2019
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INTRODUCTION

The way tea is consumed in the U.K. has been the topic of much debate in recent years with mainstream media pronouncing us now a coffee nation. With spend per cup increasing radically however and consumption of wellness teas on the rise, what is really happening?

This is a cutting-edge report for the first-time collating research from multiple tea brands, consumers and venues alike. Highlighting unexpected trends taking place in retail and foodservice it is a must read for anyone who has an interest in tea.

Through National Tea Day’s unique positioning as an industry neutral body, we have been able to have honest conversations with multiple stakeholders, giving this report genuine and necessary insight.

Our vast consumer network and press presence mean that we have been able to survey multiple audiences to understand how different groups are perceiving tea. Ultimately this means a report with worthwhile analysis.

Our key service in producing this is to tea lovers all over the U.K. The recent history of tea has been whitewashed by rumours of declining consumption and an archaic image. The truth is much more interesting and the future of tea is bright.

The tea community has transformed into an incredibly dynamic one with speciality teas playing a huge role, tea being utilised outside of a hot beverage and most importantly consumers are building a direct relationship with brands which have strong values and unique modern product ranges.

Much as there has been a coffee revolution, a craft beer revolution and even an organic food revolution there is now a tea revolution taking place. As with these other industries consumers are interested in quality products with a great story and values which match their own.

It has been a long journey for the oldest of drinks, but tea is now in a place where it can truly be considered the most modern of beverages.

So, get the kettle on, make a cuppa and enjoy!

TEA-M NATIONAL TEA DAY

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A CHANGING AUDIENCE

IN OUR SURVEY OF TEA BRANDS 50% SAW THE 24-35 YEAR OLD SEGMENT AS THEIR BIGGEST GROWING DEMOGRAPHIC

The dominance of this demographic in driving growth isn’t unexpected, these are consumers in their formative years of choosing their own goods and with a new-found disposable income to spend on premium products. They are more exploratory in nature and more likely to try new products than their older counterparts.

Long gone are the days of tea being seen as a ‘Builders brew’, almost 70% of growth is being driven by female tea drinkers, and only 12% of tea brands are sure their growth is coming from male tea drinkers.

DO YOU SEE MOST GROWTH IN?

WHAT IS YOUR BIGGEST GROWING CONSUMER DEMOGRAPHIC?

6%  50%  25%  19%  0%

16-24  24-35  35-45  45-65  65+

Marco Geraghty, Head of Research at National Tea Day says, “THE PERCEPTION OF TEA HAS CHANGED MASSIVELY AMONG YOUNGER GENERATIONS, IT IS NOW SEEN AS A SENSUAL AND WELLNESS DRINK.”
AN AUDIENCE WITH NEW MOTIVATIONS

To understand the changing dynamics behind tea consumption, we surveyed two audiences, one traditionalist and one modernist to understand how they perceived tea.

See the top 3 results for each segment on the right.

The results highlight the huge generational disparity between tea drinkers. Whereas traditionalists associate tea with a ‘builders’ brew’, the modern consumer sees tea as a sensory experience with much more diversity.

Arleen Ouzounian, Founder at Nazani Tea, says that there has been a surprising uplift in herbal tea sales among 35-44 year olds with ‘preservation’ being cited as the overriding motivation.

Traditionalists see tea as...

- Comforting
- Creamy
- Healthy

Modernists see tea as...

- Colourful
- Sensual
- Sweet

The nationalteaday.co.uk
When is a cup of tea not just a cup of tea? The answer of course is when it is an experience. Tea transcends being a beverage with the social connotations and ceremony which surrounds it. Where the experience around tea is most prevalent is in afternoon tea, where the market is now awash with elaborate experiences designed to delight consumers.

Tradition is out and modern is in, but why we hear you say. Driven by an influx of multiple consumer demographics taking to afternoon tea for all occasions social and celebratory. Diaz Ayub, Tea Futurist at National Tea Day says ‘the demand for innovation and differentiation is a key factor in why we are seeing such a modernist approach to afternoon tea services. The afternoon tea dining experience is one of the most coveted and thanks to its significant above the line media positioning, is a firm favourite amongst diners in Britain.’

But how does one convince consumers to engage in the experience in the first place? From art, to fashion and even science, there is an emerging trend to be creative in both the items that you present in a service as well as how you market to your target audiences. Olive magazine awarded best themed status to The Scientific Afternoon Tea at The Ampersand and we’re not surprised in the slightest. Consumers are looking for a sensory experience that is beyond just taste. By incorporating a dramatic visual elements such as smoking test tubes, The Ampersand Hotel are clearly in tune with the need for a unique selling point in order to stand out in a competitive market.

Urban consumers are demanding a twist on tradition and venues aware of this will succeed. The tea and scone with clotted cream are a given. The rest is an opportunity for you to express yourself as a venue; your sense of place, provenance, brand equity and audience are all considerable factors whilst creating your menu. Beyond the food and beverage, you may wish to create a theatrical and immersive experience for your guests.

The Rosebery afternoon tea at mandarin oriental hyde park: “The afternoon tea itself is thoroughly modern, served on William Edwards china depicting bumblebees and birds by staff wearing Charlotte Taylor” says Olivia Holborow at Conde Nast.
“From a marketing standpoint, thematical experiences are crucial in prompting user generated awareness - the most impactful marketing channel there is. Usually when a consumer engages in a delightful experience, they will share their most evocative moments on channels such as Instagram, becoming a marketing alliance for a service without realising. This can only lead to one thing: more bookings for a venue. Customers are seeking out unique and experience led products. Tea is no longer viewed as a ‘routine’ beverage, but instead an experience.”

Diaz Ayub of National Tea Day says

CASE STUDY: TEA TWINED IN FASHION

High luxury tea brand the Amber Rose Tea Company has depicted itself as a high fashion product range to engage consumers.

This approach has seen them in Harrods, where their luxury packaging, product and British sense of place have seen them successfully invigorate the interest of high-end consumers.

Victoria Hewlett, Founder, says that ‘Tea has to be marketed, packaged and displayed in the right way. For us, a luxury tea must have the packaging to match.’

Such is the luxury of the brand, that the Majesty Blend features real gold leaf and retails for £100.00.
A CHANGE IN THE IMAGE OF TEA

Nowhere has the transformation in the image of tea been more prevalent than in the way it is marketed. Recent campaigns have seen a shift from traditional colour schemes and campaigns to a much more vivid image.

Brands like T2 have successfully entered the market with a splash of vivid colours and a non-traditional tea mix to wow consumers. Dan Rook, Founder at CHASH The Fine Tea Co, says that ‘consumers increasingly want a story to go with their tea. This is evidenced by two of my best-selling products, my Sherlock Holmes Blend and my ‘Duck Shit’ tea.’ 

With both products, consumers are intrigued by the story behind the name and want to find out more.

Brands are increasingly investing heavily in making tea more colourful, interesting and having a story. The Summer of 2018 saw Twinings invest in a huge ATL and Retail activation to drive awareness around their cold fruit infusions.

Victoria Hewlett, Founder and Director of The Amber Rose Tea Company, says that tea has taken on the role of being a fashion item.

Vincent Efferorth, Founder at Alcoholic Tea Noveltea says, that ‘tea is no longer just a morning beverage but one which is increasingly seen as sophisticated to drink at all times of day - even socially of an evening!’
Charis Wood, Socially Infused at National Tea Day says, ‘Tea time is me time. I love watching the tea brew in the pot: it is just such a relaxing experience’.

It was not entirely unexpected that health & wellness would be a factor in driving sales. For 80% of brands to be seeing it as a key trend shows the incredible impact the wellness trend is having on tea.

Andrew Byron at Teapigs says, ‘while traditional black teas will always be popular, we are also noticing some changes in terms of who is drinking tea and why. More and more consumers are looking for drinks that give them specific health benefits and demand for healthy green and herbal teas is growing. Specific examples of this would be our functional “feel good” tea range as well as our organic premium matcha green tea range.’

The wellness trend is also being driven by previously hard to acquire products being made accessible in the home. The Sweet Revolution for example make healthy plant-based lattes available instantly just by adding hot water.

What previously was a specialist beverage is now available to wellness enthusiasts all over the U.K in an instant.
Marco Geraghty, Head of Research, challenges the industry: ‘will a low quality and uninspiring tea bag still cut it? I don’t think so. Venues will no longer be able to get away with ignoring brewing guidelines, customers are much wiser now to how tea should be served. It deserves as much attention to detail as any other beverage on the menu.’

‘OVER 150MILLION CUPS OF TEA ARE CONSUMED OUT OF THE HOME EACH WEEK’

Taking into consideration that for some venues spoken to, afternoon tea generates over 50% of all F&B takings, it’s evident that by serving tea correctly you’ll be heightening the consumers experience whilst bolstering your revenues.

Jolene Field from National Tea Day says ‘based on a current study, there are venues that can take millions in revenue from afternoon tea over a quarter and focus 90% of marketing spend on this service alone. There seems to be no ceiling to what is achievable with the right service.’ So with so much scope for a huge uplift in footfall, more satisfied consumers and an increase in takings, the time is now for you to make your service shine amongst your competition.

A recent Sky News article summed it up nicely with the headline,

‘BRITONS ARE DRINKING LESS TRADITIONAL TEA – BUT SPENDING MORE ON THEIR BREW’

Beth Staton, writer of the article, referenced consumers realising the paper tea bag didn’t give the best flavour as just one of the reasons.

The key for hospitality leaders is to now realise they have to deliver an experience far beyond what one could expect to receive in the home.

Premium tea brand, Camellias Tea House, has even taken the approach of creating bespoke blends for venues they work with. Their selection of teas are available across top London establishments.

Joao Almedia, Head Barista at renowned London venue Café Elan says, ‘OUR TARGET MARKET ISN’T TAKING CONSUMERS FROM OTHER VENUES BUT INSTEAD TO PROVIDE SUCH A COMPELLING EXPERIENCE THAT CONSUMERS WHO WOULD NORMALLY STAY IN COME TO US’.

Tea consumption per unit is lower than previous years. Consumers have now started buying less poor quality and mundane teas whilst the consumption of premium teas is growing exponentially.
The direct to consumer trend has meant that increasingly premium brands are making it directly into consumers’ homes. This means the traditional positioning of out-of-home as being the gold standard in service is diminishing.

HoReCa venues are now making it their mission to create a superior experience by not only premiumising their tea offering, but improving the ceremony and service of their tea.

With tea being such a personal drink, it isn’t a surprise that many consumers prefer drinking tea in the home, so they can have it just as they like and create the experience they enjoy.

The drive from consumers to create a better tea taking experience has seen them transform tea drinking in the home. This is not just restricted to the use of fancy tea ware, it has also seen the rise of innovative methods of brewing.

‘The Tea Maker’, a product from Sage Appliances (pictured) goes as far as to steep the tea leaves at the right temperature for the required amount of time at the push of a button. This trend has seen consumers take note of all aspects of the tea making experience. Even water filter brand BRITA have seen increased engagement from the tea community by integrating a filter into kettles.

The Instagramable generation have seen glassware increase in popularity as its visual appeal creates increased organic reach.
A good example of this is how Sustainabili-Tea has reached the highest of heights. Clipper Teas recently launched with Easy Jet and travelling consumers will be delighted with a range of 6 Fairtrade teas. It can be expected that a consumer who travels is also more ethically aware. With their pledge to remove all traces of plastic, we’re sure Clipper Teas will be very popular with the 90 million annual Easy Jet flyers.

Rebecca Vercoe whilst speaking to Food Manufacture, stated that ‘Clipper Teas strong heritage and commitment to ethical sourcing enabled them to stand out during the tender process and is helping Clipper Teas to create new partnerships in food service’. This is a great example of why taste, price and packaging are not the only considerable factors in tea procurement.

Sam Burton at Miles Tea & Coffee says that, ‘brands with a story or strong provenance really have a chance to educate consumers and buyers in the mainstream lines. There is good opportunity to develop and market new herbal and other premium blends that give consumers an experience.’

There has been a move to plastic-free products and brands talking more about their sourcing and ethics. People are switching to family owned and local brands to support the local economy and reduce their carbon footprint.

Tea brands have been quick to state that their biggest growth channel is retailing directly to consumers.

Jolene Field at National Tea Day says, ‘obviously the emergence of digital channels as a prevalent retail platform have a huge role with brands ability to interact with consumers directly on social media, primarily Instagram for these companies. The bigger story however is how consumers are becoming increasingly loyal to little known brands as they seek out products with a story’.

Bharat Chudasama at Hope & Glory has built the business around sustainability and says that, ‘As a conscientious business, we understand that the sustainability agenda is a complex multi-faceted issue. From the very beginning of our journey, we have tried to do the right thing, whilst learning about the broader issues and doing all we can as a new business to make a positive impact on this complex topic as a business but also jointly with our partners.’

Not only is it important to be innovative amongst a growing population of environmentally and wellness focused consumers, you must also demonstrate an ethically motivated culture.

"WE HAVE LOOKED AT THE ENTIRE SUPPLY CHAIN, PACKAGING AND PROVENANCE OF OUR GARDENS – EVEN WORKING ON THE IMPACT OUR TEAM HAS LOCALLY.

WE HAVE DEVELOPED INNOVATIVE AND UNIQUE SUSTAINABILITY SOLUTIONS TO THE TEA MARKET, SO THAT OUR CLIENTS, PARTNERS AND OUR TEA-LOVING CUSTOMERS CAN BE REASSURED IN WHAT WE ARE DOING."

- Bharat Chudasama, Co-Founder, Hope & Glory
We asked over 3000 consumers what they’re prepared to pay for different teas, here’s what they said.

**Breakfast Tea**
£1.85+  

**Matcha Latte**
£3.50+  

**Herbal Teas**
£2.20+  

**Speciality Tea**
£5+  

**Iced Teas: Bottled Format**
£2+  

Iced Teas: Served in a glass with a garnish
£4.20+  

NationalTeaDay.co.uk
The bar has been set high with Michelin Star French Restaurant in Farringdon, Club Gascon, running a 6 course tea pairing menu. The experience has proved a huge hit with their clientele of city workers embracing the alcohol-free lunch option.

Tea pairing certainly isn’t limited exclusively to Michelin Star restaurants however with brands like Roqberry Tea pioneering a trend seeing tea and food seamlessly integrated.

Charis Wood at National Tea Day says, ‘Over the past 2 years we have interacted with thousands of hospitality leaders at events who want to learn how they can increase footfall and improve yield by tea pairing.’

From using tea in brownies to their truly unique Sushi and Spice Tea which actually contains Wasabi and Seaweed they see tea as being part of the culinary mix.

A recent Forbes article even went as far as to translate what tea you should try based on your wine preference.

An increasingly prominent trend on London’s culinary landscape is the emergence of tea pairing menus. Much as you would pair a wine with different dishes, the same is done with tea for an enhanced culinary experience.
Pure Leaf, a premium tea, provides a big upgrade from so many teas on the market. Its innovative flavour combinations and strong values make it the perfect product for modern consumers. Still a hugely accessible brand their loose-leaf teas are bringing quality to the U.K. market.

T2, the fashionable Australian brand has come to the U.K. in a big way with stores all over London. Tea is an all-day beverage with T2. They recently ran a seasonal campaign around dessert teas - inspired by desserts from around the world which even included a Turkish Delight tea!

Herbal specialists, Pukka, have seen a huge surge in U.K. distribution with huge shelf space across all retailers. The wellness properties of their drinks and special blends like ‘Detox’ and ‘Night Time’ mean this is a tea which is consumed in the evening as well as morning.

Internationally renowned for traditional tea Unilever has embraced a forward thinking premium tea strategy by investing in brands which can be consumed all day.

Diaz Ayub at National Tea Day says that ‘Tea really is the only beverage which can be consumed 17 hours a day. Restaurants in particular are realising this and incorporating it across their menu’s right through breakfast, afternoon tea to dinner’.
WE ASKED TEA BRANDS, ‘WHAT IS YOUR BIGGEST SALES SEGMENT?’

- Direct to consumers: 9%
- Hotels: 52%
- Restaurants: 9%
- Retail: 26%
- Other: 4%

We’re not surprised in the slightest with even ‘Pink’ teas available by companies such as Mangosteen Tea. mangosteentea.co.uk

We're not surprised in the slightest with even 'Pink' teas available by companies such as Mangosteen Tea. mangosteentea.co.uk.
BRITAIN: A MELTING POT OF TEA CULTURE

We have taken brewing techniques from China, chai from India, ceremony from Japan and the teabag from the U.S.A.
If you ever thought of tea as a drink which takes a while to prepare, then you will be surprised by the rise to prominence of the tea to go category.

Brands are increasingly recognising the functional and taste benefits of tea and incorporating it into their offerings.

One such example is Tuk Tuk Chai, who’s ready to go Chai has been rolled out in Sainsbury’s convenience format.

This trend isn’t limited to emerging brands, however, and established water brand Volvic recently rolled out a new line of tea infusions which emphasise the health benefits of tea.

This trend of course hasn’t bypassed Iced Tea either with Coca-Cola now investing in Fuze Tea. This has been a hit in many retailers and consumers are embracing the increased variety now available in this category.

Alex Thomas, Co-Founder at ready-to-go brand Tuk Tuk Chai says that, “the tea industry is seeing exciting innovations with new flavours coming out to the market and new serving options such as iced milk”
TEA ON THE GO

With such a thirst for healthy products on-the-go it is little wonder that Kombucha has seen such a rise to prominence in the U.K. What just a couple of years ago was a niche product restricted to health enthusiasts is now stocked in high street retailers. Captain Kombucha for instance is installed in Morrisons bringing an extremely healthy alternative to the bottled drinks market. Even products like Matcha, which traditionally are associated with a large amount of ceremony and preparation have morphed into an on-the-go product. Matcha Now provides an extremely innovative on-the-go solution where fresh powdered Matcha is stored in the cap and then shaken with the water to make it consumable on the go. Matcha, a well-known superfood, has often been seen as difficult to make - but such a solutions makes it accessible via key retail channels like M&S to millions of U.K. consumers.

Portable tea doesn’t need to be served in a bottle and individually wrapped enveloped teabags have seen a huge rise in consumers taking their morning tea with them. Of the National Tea Day community surveyed over 14% said at some point in the last month they had taken their own teabag into work. The biggest reason given was the lack of options/quality available in the office. The tea revolution isn’t limited in its impact, impacting hospitality, the home and the workplace by health conscious employees who want the functional benefits of their favourite tea in the office. Given teas well known personal and health benefits, offices across the U.K. are increasingly investing in more premium teas in order to satisfy their employees demands.
CONCLUSION – A REVOLUTION IS BREWING

All of the above points to the fact that tea consumption isn’t declining, it is changing.

The appetite for mass-produced low-quality products, is weakening - whilst premium tea is on the rise. Driving this trend is an emphasis on preservation from those entering middle age and most of all a view of teas as a wellness instrument by a young female demographic.

All of this together amounts to a tea revolution where hospitality, retail, brands and consumers are now viewing tea in a new way. “Much as with coffee and craft beer, tea is evolving in the way it is perceived and consumption habits are changing.”

Our mission at National Tea Day is to ‘Reignite Britain’s Passion for Tea’. In writing this report we have discovered that Brits are becoming far more passionate about tea than we ever imagined.

The long-term doom and gloom of the national press with regards to tea consumption, is in stark contrast to the dynamism and excitement which is taking place on the ground.

New brands are emerging by the week, bringing new ideas and new products to the market. They often have a great story and a focus on sustainability.

What will you be drinking to celebrate National Tea Day on the 21st of April? The odds are it might well be a premium healthy cuppa!
The research team at National Tea Day compiled this report through a mixture of independent studies, 3rd party sources and interviews with industry leaders.

Our independent research consists of surveying our community of tea lovers, network of tea brands and hospitality leaders to give the most well-rounded insight available in the industry.

By carrying out independent surveys with our community we have been able to compile some of the most compelling tea industry analysis available.

Please also see links to 3rd party sources which have supported the research and writing of this report:

https://news.sky.com/story/britons-are-drinking-less-traditional-tea-but-spending-more-on-their-brew-11487397
https://www.bighospitality.co.uk/Article/2018/10/15/Why-restaurants-need-to-up-their-tea-and-coffee-game

MY FAVOURITE TEA IS:
- Charis Wood: Socially Infused
- Pamela Badham: Trade PR
- Jolene Field: Head of Customer Planning
- Diaz Ayub: Tea Futurist
- Marco Geraghty: Concept Blending

MY FAVOURITE TEA IS:
- White Tea
- Milk Oolong
- Matcha
- Earl Grey
- Herbal Infusions

THANKS FOR READING THE REPORT, WE HOPE YOU ENJOYED IT!
JOIN THE TEA REVOLUTION