

Session 2
World Green Tea Association

Strategies to Promote Consumption of Green Tea in the USA
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Relative to other countries tea has long been considered underdeveloped in the United States. Green Tea, in particular, has been underappreciated by most consumers. The reason for this lies in the appeal of the more popular beverage options; Soft drinks, coffee, and bottled water for example.

To understand why these three competitive beverages have become so popular will help us understand what we need to do to capture a larger share of the beverage market for tea. While some of these strategies are already in place there is not necessarily a complete understanding as to why they are working or even that they are in place. Consequently, a review of these strategies and tactics is crucial to a continuation of the progress that has already been made in the United States and the possible extension of those marketing activities to other countries.

Let's look at soft drinks first and examine the widespread consumer appeal of these beverages and then the areas of weakness in which they are vulnerable to other beverages. First the appeal:

Soft drinks offer consumers many "perceived" benefits including the following:

1. Taste good
2. Available in many flavor options
3. Satisfy thirst
4. Refreshing
5. Portable – easily transported
6. Convenient
7. Easily chilled
8. Inexpensive
9. Ubiquitous availability
10. Long shelf life
11. Supported by clever marketing campaigns

12. Innovative packaging and design elements attract consumer interest
13. Extremely well merchandised by retail sales outlets
14. A favorite of the vending channel
15. Well ingrained consumption habit
16. Wide appeal to many demographic segments
17. Added caffeine provides physical & mental alertness
18. Recyclable packaging makes it environmentally friendly
19. Low manufacturing costs makes it attractive to “bottlers”
20. Readily available ingredients eliminate supply concerns
21. Ease of preparation in foodservice segment & high profitability

However, as long as the list of positive attributes is, there are significant weaknesses in its basic selling proposition as well.

These include:

1. Concern with obesity
2. Nutritional insignificance
3. Caffeine supplementation
4. Replacement for more significant foods
5. Hyperactivity of children caused by high sugar intake
6. Fear of artificial sweeteners
7. Tooth decay
8. Marketing manipulation leading to creation of bad habits
9. Marketing aimed at children
10. Usage of high fructose corn syrups

The next favorite beverage in the United States is coffee. The appeal of coffee is:

1. Taste
2. Habit
3. Aroma
4. Stimulant
5. Preferred morning “wake-you-up” beverage
6. Preferred hot beverage
7. Low cost routine beverage
8. High cost specialty beverage for special occasions
9. Desert beverage
10. Mental alertness
11. Ease of preparation in the home or in foodservice segment
12. Somewhat versatility
13. Ubiquitous availability
14. Many of the same appeals enjoyed by soft drinks

Some of coffee's vulnerabilities are:

1. High caffeine content
2. Mixed record on contributions to health
3. Bad breath
4. Limited appeal of chilled beverage
5. Concern with addiction due to high caffeine content
6. Limited appeal to children
7. Coffee "jitters"
8. Not suitable as a late night beverage
9. Withdrawal symptoms
10. Primarily a hot beverage; iced coffee is not very popular

Finally, let's look at the appeal of bottled water:

1. Good for health
2. Refreshing
3. Portable
4. Satiates thirst
5. Medically endorsed
6. Trendy
7. Natural
8. Fear of tap water
9. Clever marketing
10. No calories

Now the negatives:

1. Expensive
2. Wasteful
3. No Taste
4. Minimal health benefits outside of hydration
5. Bad for environment

When you examine the positive attributes of the three leading competitive beverages to tea you quickly see that tea shares most of the pros with the possible exception that it is not marketed or merchandised as aggressively as any of them. Also it is not as easily prepared in the foodservice segment (restaurants). Finally, it is not as widely accepted by consumers as the other three beverages because the consumer base is smaller and the time period under which it has become an alternative beverage option is much shorter.

Now an examination of the negatives associated with the three most popular beverages suggests that tea doesn't share any of them.

Therefore the analysis suggests a clear course of action; more marketing and promotional activities are required to communicate the attributes of tea versus these other beverages. Of course this is easier said than done because of the high cost of marketing but lower cost alternatives exist which we will explore shortly.

Other actions that we need to take are in the area of ease of preparation for the foodservice operator and increased sampling for consumers so that they may be more receptive to the possibility of switching to tea and increase their awareness about why they should consider doing so.

Some of tactics that we should consider doing more of in the future include all of the following:

Encourage more scientific research. Research is expensive and we need to convince scientists to find their own source of funding as opposed to direct funding by the Tea Industry. While there are exceptions to this approach, in the long run it should produce the best results.

Whenever we become aware of a new research study we should maximize the impact of that study by sending out press releases, conducting scientific symposia, or simply disseminating it to large groups of consumers. In that respect, as opposed to reaching out to individual consumers, which can get pretty expensive, we need to communicate to influential opinion leaders in the scientific and medical communities.

Even when there is no scientific news to communicate, we should still organize tea tastings for the media and trade.

The Tea Industry needs better representation at Trade Shows throughout the world. This is an excellent way to reach influential buyers and opinion leaders in the Trade, as well as media and medical professionals.

Adding medical claims on packaging will help to the extent permissible by law.

We have a lot to work with tea and, unlike its competition; the list of negative concerns is extremely small. However, the one area of potential vulnerability is in the area of adulteration of our product. We need to ensure that we are "squeaky clean" in the areas of all forms of potential adulteration including pesticide residues, microbiologic activity, & heavy metals.

A final area of concern lies with social responsibility, Good Manufacturing Practices, concern for the environment, and sustainability of the industry. Here too we are in relatively good shape but by taking a few extra steps we can turn

this potential problem into an excellent selling point by adopting a Universal Code of Ethics or by taking similar steps.

I thank you for allowing me to participate in this forum and thank you for listening to me. We are off to a good start with Green Tea and the future looks very promising.