



## Not Your Grandmother's Cup of Tea! The Evolution of the Tea Industry in the U.S. Over the Last 20 Years

Much has changed in the world over the last 20 years but the changes that have occurred in the tea industry are truly astounding. ( [By Joseph P. Simranjy](#) )

Twenty years ago the Soviet Union was still two years away from being dismantled, George H. W. Bush had just succeeded Ronald Regan as the 41<sup>st</sup> President of the U.S. and the Exxon supertanker Valdez dumped 11 million gallons of oil off the Alaskan coast. The Tiananmen Square massacre takes place, Pete Rose is banned from baseball for life and the Japanese Emperor, Hirohito dies after reigning over Japan for more than 62 years. These significant events help to set the scene in 1989 and also suggest that it really wasn't all that long ago.

But now let's think about tea circa 1989 and let's try to recall the way it was only 20 years ago. In

doing so, it will quickly become apparent that tea in 1989 was not unlike tea in 1889. It was an industry that was demographically challenged, catering primarily to older females. For a male to publicly order tea in an out of home setting in 1989 was to invite ridicule and to raise questions about one's masculinity. There were few young consumers of tea as most had opted for the "more cool" coffee option and/or trendier beverages such as bottled water, soft drinks and even energy drinks, which were just making their way into the marketplace.

Ordering tea in almost any setting outside of the home was a challenging experience often met by semi hostile stares from wait

staff who considered it too much of an inconvenience to serve any hot beverage other than coffee. For those lucky enough to be served a cup of tepid tea, who amongst us does not recall the spine tingling sensation that came over us when asked if "we would like more hot water for our tea?" Meanwhile coffee cups were filled continuously without a second thought given to the fact that it was far more expensive to pour a second cup of coffee than to offer an entire pot full of tea. How many times have you ordered tea at a catered event only to have it arrive long after the desert was finished?

While we are all prone to long for the good old days, as far as tea is concerned we have precious little to recall with any fond remembrance. Of course we all have memories of the care that was bestowed upon us by our mothers when we were not feeling well. Frequently that care included a cup of tea to make us feel better but somehow the association of tea with sickness relegated it to occasional usage as opposed to our everyday drink of choice. Sure tea was in the news in 1989 but what little publicity it did receive was in the form of negative articles pertaining to its caffeine content or even associations with various illnesses stemming from improperly structured scientific studies.

Most of us do look back with fond memories to 1989 when a box of 100 teabags only cost \$3.00 but, wait a minute; you can still buy a box of 100 teabags for \$3.00. I guess some things will never change, but let's examine that statement very carefully. With the possible exception of retail pricing for a traditional 100 count carton of teabags, virtually everything else has changed in the tea industry — from how it is packaged and marketed to how it is perceived and consumed.

Obviously this ancient beverage still has a few tricks up its sleeve.

What prompted this radical change over the last 20 years? Was it due to chance, a unique alignment of the planets, pent up consumer demand or some other factor that served as a catalyst for change? To find out the answer to that question we must once again transport ourselves back to this time and review the state of the industry from the perspective of a tea executive. It was a period of low to no category growth. By example, total tea imports into the U.S. in 1980 were just over 184 million pounds. Ten years later total tea imports into the U.S. during 1990 were at 170 million pounds climbing back to almost 183 million pounds in 1991 still 1 million plus pounds behind where the industry was 10 years prior. Some people may call this a stable industry and others viewed it as stagnation as it was occurring during a period of rapid growth of many other beverages.

There were numerous causes for this lack of vitality but the primary ones were a classic Catch-22 scenario in which there was insufficient consumer marketing taking place as a result of retail prices being too low to generate sufficient marketing funds. In an effort to maintain share positions and possibly even grow them, major brands were involved in a trade promotion "war" which served to drive promotional prices down even further decreasing the likelihood of generating any funds for consumer marketing. In the absence of having sufficient marketing funds to differentiate between brands, the category took on a generic look and consumers had limited brand loyalty opting instead to buy the lowest priced product available. Specialty tea and RTD tea during this time were not big factors, which is a nice way of saying they had almost no



Above: 1991-92 Tea Association Board of Directors;  
Right: Exterior of the NY Academy of Sciences

consumer demand. Foodservice tea was something that you forced yourself to drink since you liked the alternatives even less.

Certainly there were other outside factors affecting the tea industry, including very aggressive marketing tactics vying for consumer attention in the soft drinks, coffee and bottled water industries. In addition, particularly in the foodservice area, there was a distinct lack of water heating equipment dedicated to the preparation of hot tea. Conversely, there was no shortage of equipment available to the foodservice operator to prepare that perfect cup of coffee.

This was hardly a rosy picture of the tea industry circa 1989 but the industry wanted to take positive action to break free from the strategies that led to this situation. Since it was difficult for any one company within the industry to take the kinds of actions necessary to change the fortunes of the entire industry, the Tea Council of the USA was charged to come up with suitable programs to lead the industry out of its morass. The Tea Council considered all of its options and knew that whatever it did it had to accomplish the following objectives:

To be heard over the noise of the tea industry's other beverage competitors, each of which spent considerable sums of money com-



municating the benefits of consuming those beverages.

The Tea Council's message had to be sufficiently compelling to convince people to switch to tea from other beverage alternatives.

Whatever the primary message was, it needed to cause people to start to think about tea differently then they had in the past. All this needed to be accomplished with a relatively small marketing budget.

Following much discussion, the Tea Council came to the conclusion that the best approach to accomplishing each of the objectives identified was to begin to associate tea consumption with health benefits. For thousands of years, from the very beginning of its discovery, tea has been considered a healthy beverage. However, despite this common perception

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Personal Health | Jane E. Brody

## Scientists Seeking Possible Wonder Drugs in Tea

By JANE E. BRODY

If preliminary findings stand up to closer scientific scrutiny, tea — especially the green tea of the Far East — could become a popular and potent weapon in the war against chronic diseases.

Experts from around the world spent two days last week describing a laundry list of the potential benefits of tea, from preventing such scary life-threatening cancer as bladder cancer, according to new research presented in New York at the first scientific symposium on the health effects of tea. It contains some new substances that they have shown to have anticancer effects.

Experts also said that tea should be brewed and drunk at a temperature and blood cholesterol levels, maintain blood sugar, and clear arteries. Some tea is also shown to have anticancer and inhibit the growth of cancerous tumors.

Some, one scientist, Dr. Harold H. Drach, noted a number of research findings on tea. It is a natural antioxidant, "One was determined which components of the tea were most pharmacologically active. It should be possible to produce tea that are highly medicinal and still allowing a pleasant taste and aroma," he said.

He said the tea is a natural antioxidant and inhibits the growth of cancerous tumors.

Studies and Observations

The symposium was jointly sponsored by the American Tea Council, an independent nonprofit research organization that focuses on the relationship between tea and health, and two groups that represent the tea industry: the Tea Council of the U.S.A. Inc. and the Tea Association of the U.S.A. Inc.

Most of the research is based on laboratory studies and not on clinical trials, although some are supported by observational studies in a small tea-drinking people in various countries.

For example, Japanese people, who have been shown to have a lower cancer rate than cancer of all types and especially cancer of the stomach, a major killer in Japan.

Other studies showed that tea, after water, is the world's most popular beverage. Nearly 80 percent of the tea produced in so-called black tea is which tea leaves are oxidized.

### Reading the Tea Leaves



Tea, Camellia sinensis, contains polyphenols, catechins that make it antioxidant. Preliminary studies suggest other beneficial effects in people. Tea is processed into three types: green, black and oolong.

### Processing Tea



**Green Tea** 2,000,000 tons. Leaves steamed or treated, removing enzyme for oxidation of polyphenols, mostly catechins. Contains 10-15% of dry matter.

**Oolong Tea** 800,000 tons. Leaves steamed or treated, removing enzyme for oxidation of polyphenols, then dried. Contains 10-15% of dry matter.

**Black Tea** 60,000 tons. Leaves fully oxidized, then dried. Contains 10-15% of dry matter.

Source: Dr. Harold H. Drach

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Actual article from 1991 New York Times.

there was very little in the form of scientific documentation to substantiate these health benefits. So the Tea Council decided that it would encourage the scientific community to investigate the health benefits of tea through the conduct of specific research studies and that it would promote those studies through aggressive public relations activities.

The program was officially launched in March of 1991 when The Tea Council of the USA organized the first International Scientific Symposium on Tea & Human Health. The site of this first symposium was the Ford Foundation in New York City. Scientists from around the world were invited to present their tea research at this meeting and to share their research findings with other scientists present. The meeting was chaired by Dr. John Weisburger of the American Health Foundation. This first session was organized into four sessions:

- The Clinical & Public Health Aspects of Tea
- Methylxanthines
- Tea & Cardiovascular Disease
- Carcinogenesis

Over two dozen scientists from the U.S. and around the world participated in the Symposium including experts from the tea trade as well as professionals from academia, government and the medical community.

The meeting was only open to other scientists and health professionals and over 100 people crammed into the Ford Foundation to consider the evidence associating tea consumption with good health. The plan was to have a press conference on the second day to brief the media on what had occurred during the Symposium but plans don't always work out as intended. One prominent member of the media; Jane E. Brody of the *New York Times* was invited to be present during the sessions and, in many respects, she is credited with kicking off the public relations plan which continues to this day. Brody wrote a full page front page article in the science section called "Scientists Seeking Possible Wonder Drugs in Tea."

Following the completion of the First Scientific Symposium, it quickly became apparent that in order to proceed in an expeditious manner it was necessary to secure the help and resources of the entire global tea community. During the Tea Association of the USA Annual Tea Convention held in Bermuda in 1992, a meeting between the Tea Councils of the USA, the UK and Canada was held with those three organizations agreeing to pool a sum of \$2.0 million to provide "seed" money to encourage further international scientific research. This agreement became known as the Bermuda Accord and served as the cornerstone of the entire global tea & Health initiative.

Following this historical agreement, other international support was sought from the tea producing

countries through various international organizations, the most important being the FAO (the Food and Agricultural Organization) which is a division of the United Nations. With their influence and based on the success of the First Scientific Symposium and subsequent Bermuda Accord, The Common fund for Commodities agreed to contribute another \$3.0 million to help build international scientific interest in discovering the health benefits of tea. They also recommended that a portion of the funds be used to determine the commercial value of the health message by conducting several international marketing test markets.

Leading these early efforts were a few visionaries from within the tea trade from both the consuming as well as the tea producing countries. Particular credit must be given to Marty Kushner, retired president of the Southern Tea Company who most insiders credit as being the "Father" of the tea and health movement. He of course was enabled by willing directors on the Boards of both the Tea Council and Tea Associations of the USA as well as their counterparts in the UK and Canada. Special mention must be made of the Thomas J. Lipton Company for providing the technical resources to allow the industry to understand, detect and measure the various components in tea to evaluate their specific contributions to health. On the international front, much credit must be given to the FAO, the World Bank and to the Tea Boards of India, Sri Lanka, Kenya and Malawi each of whom understood the wisdom and power of associating tea consumption with a great many health benefits. Credit must also be given to the Pollock Communications PR firm for their expert advice on how best to proceed to ensure maximum promotional effectiveness.

Following the major Symposium in 1991, a second “minor” Symposium on Black Tea was held at the New York Academy of Sciences in 1994, followed by major International Scientific Symposia in 1998, 2002 and 2007. The last three Symposia were held at the Thomas Jefferson Auditorium at the U.S. Department of Agriculture in Washington DC. Importantly, the last several Symposia were co-sponsored by: The American Cancer Society, American Society for Nutritional Sciences, Food and Agriculture Organization, American College of Nutrition, American Health Foundation, The Linus Pauling Institute, the Tea Council of the USA, American Society for Nutrition, The Vision and Voice of Women in Medicine and the Nutrition Committee of the American Heart Association. The significance of having these reputable organizations as co-sponsors is that it increases the overall credibility of the various events, which facilitates attracting media attention.

In addition to staging these important International symposia, equally important was the strategic direction that the Tea Council adopted which is pretty well stated in the following guidelines:

### Never Overstate Health Benefits

Whenever possible have the scientists and medical professionals communicate directly with the media.

Focus on the primary benefits of tea consumption including taste, hydration, positive affects on mood and the social aspects of drinking tea. This positions tea consumption as a more natural route to good health.

While the tea and health initiative is the most important reason why tea has evolved from where it



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was 20 years ago to where it is today, it is certainly not the only reason. What it did was to prime the scientific interest pump and to encourage scientists to build on the findings of other scientists to further their understanding of the health benefits of tea. In fact it functioned as a means of creating more scientific and consumer interest in learning about and consuming tea. It also served as a stimulus to the world’s tea marketers to consider marketing tea as a “good for you” product to break away from the restrictive programs that led to the perception that tea was merely a commodity to be sold purely on the basis of a competitive price point.

An important fringe benefit of this tea & health movement was that all of a sudden creative marketers were looking for ways to further segment the category which led to the birth (re-birth) of RTD (ready-to-drink) teas and to the introduction of specialty teas. These expansions of the industry served to further increase the momentum of the category to a point where tea has become one of the hottest (and coldest) beverages in the marketplace. Success breeds more success which even affected one of the toughest segments of the cat-

egory — foodservice. Operators across the country began to reassess how they prepare and market teas, which led to a revitalization of the foodservice sectors based on expanding consumer demand and the promise of significant profitability.

Although tea has come a very long way over the last 20 years, informed insiders still feel that it has merely scratched the surface of consumer popularity and they remain extremely bullish for the future. The level of international cooperation to ensure good manufacturing practices and address concerns for the environment, social welfare and the sustainability of the industry is at unprecedented levels and will establish the tea industry as a standard for all others to follow.

So while much has happened in the last 20 years it will surely pale by comparison to what happens over the next 20 years. And despite all this we are pleased to report that grandmothers still love us, along with their sons, daughters and even the grand-kids! ☕

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