

Coffee, Tea & Drink Ingredients

October 2, 2015

BLACK TEA INCREASES ITS PRESENCE AS AN EVERYDAY BEVERAGE

〈 Japanese people and black tea 〉

In Japan, November 1 is set as National Tea Day by the Japan Tea Association in 1983. Back in 1783, a ship owner from Ise (current Mie Prefecture) called Daikokuya Kodayu ended up reaching Russia after a marine accident on his way to Edo (current Tokyo). He stayed in Russia for 10 years as he struggled to get the permission to go back home. During his stay in Russia, he was invited to tea parties that were becoming common among the upper class Russians and he was lucky enough to be invited to the tea party of the Russian Empress Catherine the Great. November 1st was the day a Japanese person drank black tea in an official foreign tea party for the very first time.



From Japan Tea Association website



Harrods, a popular and widely known brand in Japan (Photo from a store catalogue)

Black tea was first imported to Japan in 1887 at a low volume of 100kg. The tea was not imported from China, but from England due to the adoration Japanese people had for European culture. Black tea was cherished by the upper class Japanese as a culture that was equally valuable to the traditional Japanese tea ceremony. Black tea consumption in Japan has grown significantly since then as tea bags and canned tea were introduced to the market. Recently, consumers are showing greater interest towards tealeaves and the benefits of black tea is being reviewed. More people are drinking tea as a fashionable and healthy item that brings relaxation to their busy days.

Market Overview

The estimated market size of black tea is 220 billion yen. Compared to the size of coffee that totals 850 billion yen and green tea that adds up to 380 billion yen, black tea is still a small market. However, it is starting to increase its presence as daily beverage.

The top exporting countries of tea (bulk) to Japan from January to June 2015 on a value basis is Sri Lanka, India, Kenya, China, and Malawi. While it fluctuates depending on the year, Japan constantly imports from England, the Netherlands, Vietnam, and Indonesia. According to the statistics from January to June 2015, Thailand, India, Kenya, Korea, and China are the top 5 exporters of instant tea on a value basis. Other exporters are the US, France, Italy, Malaysia, and Paraguay.

Professionals from the industry see that in order for black tea to get a higher degree of attention, it is important to reinforce the value of tea by promoting "luxury" and "relaxing time" in contrast to the image of "awakening" and "break time" that coffee has.

Import volume and value of black tea (2014)

Group	Black Tea (Packaged and below 3kg)		Black Tea (Bulk)		Total	
	Volume (kg)	Value (1000 yen)	Volume	Value	Volume	Value
Dec. 2014 A	179,924	416,567	1,135,222	679,314	1,315,146	1,095,881
Dec. 2013 B	133,362	256,047	986,393	516,884	1,119,755	772,931
Year-on-year A/B	135%	163%	115%	131%	117%	142%
Jan.-Dec. 2014 A'	2,010,417	4,113,155	13,432,875	7,134,923	15,443,292	11,248,078
Jan.-Dec. 2013 B'	1,875,983	3,557,582	13,772,349	6,643,224	15,648,332	10,200,806
Year-on-year A'/B'	107%	116%	98%	107%	99%	110%

Volume (kg) / Value (1000 yen)

Source: Japan Tea Association

< Domestic Market Trends >

Pronto develops tea market

PRONTO CAFÉ & BAR that has 278 locations in Japan started a new tea menu called

"Single Estate Ceylon Tea Sri Lanka Farm" from November 2014. "We want to offer a way 3 of enjoying tea time with black tea" they commented. This new product is a non-blended tea that only uses leaves harvested in farm of Sri Lanka. The stores serve tea in a teapot, which allows customers to enjoy the rich flavor and natural soft sweetness.



PRONTO introducing new tea menu

Self café "Mother Leaf"

Major food service chain, Moss Food Service is putting effort into opening a self cafe called "other Cafe" as a new business next to "Moss Burger." They serve authentic and high-grade tealeaves from Sri Lanka and create an atmosphere that will allow customers to experience the traditional teatime of England. They are increasing their locations by using the know how they have gained through "Moss Burger." Currently, they have 20 locations in Japan.

Black tea specialty store of Starbucks, TEAVANA will open in Japan

The coffee chain Starbucks will open a black tea specialty store, TEAVANA in Japan. TEAVANA opened in the US in 2013. An independent store will also open in Japan and tealeaves can be purchased in current Starbucks stores. In the US, over 100 types of tea including oolong tea, green tea, herb tea, and flowering tea in addition to black tea can be purchased at TEAVANA.

Some media analyzes that a different range of customers from Starbucks will be the target of TEAVANA since it takes a long time to prepare each tea. The US TEAVANA products are more expensive than Starbucks. Their selling point will be to provide slow time and offer the zen atmosphere at a tea bar. The TEAVANA logo mark is a symbol of zen. Will tea bars be able to propose a new lifestyle to the Japanese? Keep a close eye on how this turns out.



Photo from Cambridge Center website

Kirin Beverage acquiring new consumers

Ajinomoto General Foods (AGF) and Nestle are putting emphasis on increasing its share in domestic tea by using the technology they have developed with coffee. The efforts and marketing strategies of Kirin Beverage has a big influence of black tea becoming widely accepted as a daily beverage. Their leading product, "Gogo no Kocha (=Afternoon Tea)" is very successful. They have marked a record high shipment quantity for 4 consecutive years since 2010. The figure was 4.78 million boxes in 2014 (up 2% from the previous year) and continues to maintain its force.



Kirin's big hit "Gogo no Kocha (= Afternoon Tea)." Left: 500ml bottle, right: 2L bottle "Oishi Muto (=deliciously unsweetened)" acquiring new male customers

In 1986, "Gogo no Kocha" was introduced to the Japanese market as the first black tea product in a plastic bottle. By 1990, the current main products such as milk tea and lemon tea were introduced. In the beverage Industry, it is critical to have a significant share of products that are widely known to the consumers. Kirin's "Gogo no Kocha" has

40% share in the black tea beverage market. According to Kirin, consumers only drink less than 6 cans of black tea per month while over 10 cans of coffee and green tea are consumed. Since female customers are the main buyers of black tea beverages, Kirin introduced an unsweetened straight tea called "Oishi Muto (=deliciously unsweetened)" to acquire male and other new customers. This became a big hit. This product is based on "Asian Straight Tea" that was sold in 2011. They have changed the marketing strategy of "Gogo no Kocha" that has a strong product image that targets female customers. While their ordinary straight tea used timbre leaves from Sri Lanka, "Oishi Muto" uses Darjeeling with a lighter flavor to acquire male customers. Since tea beverages including black tea have the tendency of being favored by all people of all ages, there are high hopes for exploiting potential demands.