



RESEARCH ARTICLE

## Story of Top Tea Companies and Top Chai Startups in India: What Makes Them to Keep it Big

Saurav Kumar

### ABSTRACT

India's tea big business houses are full of fascinating business success stories. Tea might just be an ordinary daily life FMCG product but the business behind it has a huge impact on Indian economy and also has a vital impact on structuring Indian consumer market evidenced back from its entrance at British rule to today's modern era. The Indian tea industry has expanded itself to own a wide range of global tea brands and has advanced to be the most technologically equipped tea industries around the globe. Sipping tea and conversations about cricket, politics and cinemas from the local tea points to the corporate board room discussions on vital business strategies tea has become synonymous to the Indian way of living. Ever since Covid pandemic the Gen Z and Millennial are more health conscious no were days and have started investing in a healthy lifestyle which has increased the demands of black tea, chamomile tea, green tea. Making it a big reason of the emerging new forms of businesses titled as chai start-ups in the Indian tea industry.

**Research objective:** The research approaches to put forward an overview on top ranking tea businesses & chai startups in India and also attempts to the realization of strategies that make them successful businesses.

**Keywords:** Chai start-ups, Tea business, Indian tea industry, Red ocean strategy, Blue ocean strategy

### INTRODUCTION

Its in the headlines of Indian business news 2024, Wagh Bakri Tea Group makes to win the prestigious Forbes India Leadership Award 2024 for Regional Goliath for invariably preserving their ascendancy, gritty and consistency in the West Indian region in the tea industry (medianews4u.com). Back to its times of the British colonizers who actually laid in the tea seeds and spearhead the original commercial cultivation of tea exterior of China. Thereafter then the tea industry, whether in family estates or in other forms of business tea plantations has witnessed unexpectedly few changes although not in a very rapid or speedy way but still bearing a vital impact. In their earlier days, the Indian tea sector was heavily reliant upon exports both in volume and value terms (Gupta, 1997). The expansion of domestic consumption in the late 20th and early 21st centuries

has changed the Indian tea trade and now it serves to both the export as well as local markets (Langford, 2021). To be more precise tea as a product has become customized to the needs of its very much different each of them to the tea consumers in India and still with this market segmentation the business continues. Today in the international marketplaces fragrant Indian teas are considered exclusive and also

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Senior Faculty, Corporate Secretaryship Department, K.B. Womens College, Hazaribag, Jharkhand, India

Email id : saurav1980kumar@gmail.com

ORCID ID: 0009-0001-4667-0136

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the online disruption has taken on a shape, through domestic retailers such as Tea box from Darjeeling (forbes.com). Globally India is the second largest manufacturer of tea. Indian tea is amongst the finest in the world owing to continuous innovation, enhanced product mix, massive investment in tea processing units, strategic market expansion and strong geographical manifestations. Reporting the year 2022, collectively 6.19 lakh hectares of area was tilled in India for producing tea. India ranks high among the world's tea drinking nations, with 80% of the tea manufactured in the country consumed by the local population itself. In the year 2022-23, India's tea production figures were 1,374.97 million kgs, increased from 1,344.40 million kg in the year 2021-22 (ibef.org). Regionally 17% of tea is produced by Tamil Nadu, Kerala, and Karnataka belonging to southern India. The Assam Valley, Cachar, West Bengal and Darjeeling constitute the other three major tea producer regions (ibef.org). Each and every variety of tea in India starts off as a green leaf from the plant scientifically named as *Camellia Sinensis*. In its Indian origin it is biologically named as *Camellia Sinensis Assamica*. Tea leaves are hand-picked from the tea bush to ensure that the right buds and leaves are plucked. After being plucked, the process which the tea leaves go through makes the type of tea required. Mainly three types of tea are processed and made depending on the level of fermentation, namely black tea (fully fermented), oolong tea (semi-fermented) and green tea (unfermented) (Roy, 2013). Indian tea often called locally chai market has witnessed growth in the count of start-ups offering various blends and flavours due to the introduction of creative and fresh corporate strategies. India's way of chai drinking has been transformed by entrepreneurs who are providing superior quality blends, practical packaging and distinctive flavour options and opening it up to a bigger market. The integration of AI, data, machine learning, and automation is revolutionizing the tea industry in India by providing innovative solutions to

the upcoming challenges. The refining of tea leaves must be suitable for specific taste. To analyze the quality of tea it is necessary to use artificial intelligence (Tozlu and Okumus, 2018; Bajec and Pickering, 2008; Hayashi *et al.*, 2007) as manufacturing of tea is huge in India, and currently the flavour variety is available in India with added natural or artificial flavour. So sometimes from consumer side it is essential to vouch tea taste in advance with all possible chemical evaluation (Li *et al.*, 2015). The tea industry is embracing digitalization, with online marketing and sales knocking spots off. Tea firms are also using technology to improve the efficiency of their supply chains and manufacturing processes. With a growing apprehension of the impact of agriculture on the environment, there is a shift towards organic and sustainable tea production methods. This trend is likely to remain in the future as consumers become more environmentally conscious. As consumers become more health-conscious, there is a rising demand for specialty teas such as fruit-infused tea, green tea and herbal tea. The trend of opulentization in the tea industry is also on the growth, with consumers inclined to pay a premium for high quality tea blends. The tea industry in India has a bright future, and the next decade promises to be an exciting time of rise and innovation. The industry must embrace sustainability, innovation and technology to meet the switching demands of the market and clinch continued success. With the correct strategies in place, the tea industry in India can keep its pace to be a vital contributor to the economy and a source of pride for the nation. The synchronic pursuit of differentiation and low cost to open up a new market space and construct new demand which is known as blue ocean strategy. It is about capturing and creating uncontested market space, thereby making the competition irrelevant. It is structured on the view that market boundaries and industry structure are not a given and can be reconstructed by the beliefs and actions of industry players (blueoceanstrategy.com).

All the industries in existence today considered as the known market space are red oceans. Industry boundaries are defined and accepted, and the competitive rules of the game are known in red oceans (blueoceanstrategy.com). According to the authors Renee Mauborgne and Chan Kim (Kim, 2005) of the very famous research paper as well as book published blue ocean strategy, although what could be called a blue ocean strategy or red ocean strategy typically would vary as per industry. There are many of the industrial sectors where to find or develop a totally new market segment might not be a profit generating idea instead the other segments such as cheaper or economical versions with a compromise on performance of the product could possess to be a more feasible idea. Saurav Kumar explains in his literature review on red ocean strategy that ocean means market and the strategy (long term vision or plan) being blue focuses on creating a very new segment which is yet to be developed as a full fledged market and defines the other industrial strategies dealing with the present time market segment to be as red ocean strategies (Kumar, 2023).

**Research methodology:** The research aims to seek out the competitive advantageous strategies implemented by the traditional companies and the emerging chai start-ups by dividing them into two categories the companies in the red ocean market and the start-ups in the Blue ocean market.

## **INDIAN TEA COMPANIES IN THE RED OCEAN MARKETS**

### **Tata Tea Way of Advertising a Red Ocean Strategy**

Established in the year 1962 by the Tata group. Tata Tea is a product of Tata Consumers Products Limited, previously called as Tata Global Beverages is, undoubtedly, India's most popular tea brand. Tata Tea Limited stands first as branded tea in India and the second largest branded tea operating around the globe.

The company is a subsidiary of the dominant Indian conglomerate, Tata Group. Tata Tea has its own subsidiaries to carry on its major markets globally. Tata Tea Limited has attained its status as the world's second largest branded tea operation through its numerous mergers and acquisitions, most remarkably its acquisition of the Tetley Group in the year 2000 (Augustine and Linowes, 2000). Headquartered in the city of joy Kolkata in India, Tata Tea owns 50 monumental tea estates in the states of Assam, Kerala, and West Bengal. With more than 39,000 acres under tea cultivation, Tata Tea Limited manufactures more than 65 million pounds of black tea varieties yearly (Augustine and Linowes, 2000). It comprises of a lot of popular variants and types and caters to multiple consumer segments. Tata Tea has superb fragrance and taste, and its affordable pricing makes it perfect for a casual tea drinker. Tata Tea handpicks the tea leaves from Assam's globally famed tea gardens. Marketers put money on a wide range of media platforms to influence consumer behaviour. Advertisement on every media platform has a different composition that engages the consumers in a distinct way and leads to changes in consumers' habits (Sama, 2019). Saurav Kumar argues that the advertisements which are able to form a link or relation with common man ideologies often experience a wider acceptance among the audiences as consumers (Kumar, 2024).

### **JAAGO RE!!!**

In 2007, a group of Tata tea executives realized that the "Jagoo Re" strapline could be used for purposes other than selling tea and turned their attention to social causes like voting, fight against corruption and even to confront against the corona pandemic (Witzel, 2010). Thanks to caffeine content, tea is a stimulating beverage; it is drunk by tens of millions of hard-working Indians not just as a refreshment but to help them stay awake. The Jaago re or wake up (in English) strapline helped link the Tata tea brand with the common man ideologies.

**Research finding:** The tea market is highly competitive, with high-profile advertisements. Tata tea is a prime example of a company that has successfully used the red ocean approach by targeting the problems faced by common citizens in India in order to develop a strong relationship with them.

### **Hindustan Unilever Limited (Brooke Bond Red Label and Lipton Tea) movement towards sustainability in business a red ocean strategy**

The past Brooke Bond's existence in India dates back to 1900. By 1903, the company had instigated Red Label tea in the country. In 1912, Brooke Bond & Co. India Limited was established. Brooke Bond joined the Unilever fold in 1984 through an international acquisition. The past Lipton's links with India were forged in 1898. Unilever acquired Lipton in 1972, and in 1977 Lipton Tea (India) Limited was incorporated (hul.co.in). Driving social and environmental change, sustainability initiatives can contribute to an organization's overall success. It may seem counterintuitive that spending more money on sustainable business practices can boost a company's profitability, rather studies reveal that the most sustainable companies are also the most profitable (hbs.edu). Environmental, social, and governance (ESG) metrics are often used to determine how ethical and sustainable an organization is. According to McKinsey (mckinsey.com), companies with high ESG ratings consistently outperform the market in both the medium and long term. While sustainability strategies might be an investment in the short term, they can lead to long-term benefits. Sustainability practices have become new norms of business to be hacked to win the competition and are used by renowned companies all over the world. Though the studies reveal the existence of sustainability in as publication entitled 'Social Audit - A Management Tool for Co-operative Working,' Freer Spreckley first mentions the need for enterprises to report on the three dimensions - financial performance, social wealth creation, and environmental

responsibility. However, it is John Elkington who made the concept popular through his 1997 book 'Cannibals with Forks: the Triple Bottom Line of 21st Century Business' published in 1997 (Wikipedia b. (n.d.)). Hindustan Unilever Limited (HUL) has announced its partnership with the Tea Research Association (TRA) Tocklai, one of the oldest and largest tea research associations globally, to address the challenges posed by climate change to the tea industry. HUL is one of the leading manufacturers of tea with household brands such as Brooke Bond Red Label, Taj Mahal and Taaza in its Foods & Refreshment portfolio. Through this collaboration, HUL aims to improve resilience and sustainability of the tea industry by promoting regenerative agricultural practices (www.hul.co.in/news/press-releases/2024). "Your small cup of tea can make a big difference" is the young product tagline for the world's most popular tea brand Lipton yellow label, owned by Unilever. With this tagline the company is suggesting that by buying its tea you are helping support sustainable tea production, which as the company puts it is a balance of the three aspects of sustainability that conserve the environment, protect the rights and welfare of workers, their families and communities and help farms to operate efficiently and cost effectively. In 2007, Unilever made a pledge that by 2010 all the tea in Lipton Tea Bags sold in Western Europe will have been grown on Rainforest Alliance Certified estates and that by 2015 this will be the case globally (van der Wal, 2011). Saurav Kumar emphasizes that in the future, companies should produce fewer products, try to design products with longer life cycles and apply circular economy principles. At the same time, customers who are aware of sustainable production and consumption look to the personalization of products to maintain an adequate level of quality of life with rational use of limited resources (Kumar, 2023).

**Research finding:** To sustain themselves in the marketplace, red ocean strategists focus on building advantages over the competition, usually by assessing

what competitors do and striving to do it better. Hindustan Unilever Limited sets a prime example of a company that uses sustainability practices as a medium to get ahead in the market competition faced by it.

### **Wagh Bakri Tea Group reaching customer satisfaction through quality products a red ocean strategy**

While the world moves at lightning speed, 132-year-old Wagh Bakri Tea Group still believes that slow and steady wins the race. The brand rules the hearts of 144 crore Indian tea drinkers today and has been clear about its business ethos from day one. Quality, customer satisfaction, and brand value have helped it not only earn loyal customers but also the badge of the Regional Goliath ([www.forbesindia.com](http://www.forbesindia.com)). “We never had this thirst to become a regional or national leader. Our single focus has been our customers,” says Paras Desai, executive director of Gujarat Tea Processors and Packers Ltd (the parent company of Wagh Bakri). It was only in 2000 that the Ahmedabad-headquartered company became the leader in Gujarat, after eight decades of its existence in India ([www.forbesindia.com](http://www.forbesindia.com)). Saurav Kumar concludes in his research “the consumer innovativeness acts as a medium of acceleration between goodwill of parent brand and actualized effusion to brand extension” (Kumar, 2023). Whether it is launching its bestselling premium tea brand Good Morning in 1944, introducing tea packets in the '70s, or expanding out of Gujarat in the late '90s, Wagh Bakri has grown at its own pace, which has worked well for the brand ([www.forbesindia.com](http://www.forbesindia.com)). At the regional level, Wagh Bakri competes with Tulsi Tea and Jivraj Tea. On the national front, it is the third-largest packaged tea company after Tata and HUL. Their overall market share stands at 8 percent. “Local players are our biggest competitors,” reckons Rasesh. Wagh Bakri’s art of blending remains its unique selling point as it crafts blends that suit regional tastes. Each

director of the company tastes around 400 to 500 samples every day, customising the blends ([www.forbesindia.com](http://www.forbesindia.com)). What Amul is to butter, Wagh Bakri is to tea in Gujarat, primarily on the strength of its product, says Damodar Mall, chief executive officer of the grocery retail business at Reliance Retail ([www.forbesindia.com](http://www.forbesindia.com)).

**Research finding:** Red Ocean Strategy approach seeks to gain advantage over competitors by attempting to outperform them in terms of quality and customer service. The Wagh Bakri Group has been using good customer feedback which generates positive reviews and helps consumers to appreciate and believe in what the company has to offer.

### **Society Tea strategy of Painting it Blue a Red Ocean Strategy**

Today, Society Tea is a regional heavyweight, much like the very red Wagh Bakri in Gujarat, which, like Society Tea, has managed to keep at bay bigger players like Hindustan Unilever and Tata Global Beverages. Despite stiff competition from their brands such as Taj Mahal, Tata Tea, Brooke Bond Red Label and Taaza, and a host of other sub-brands, Society Tea has maintained its leadership in Maharashtra with a 40% market share ([brandequity.economicstimes.indiatimes.com](http://brandequity.economicstimes.indiatimes.com)). Hiravan Pranjivandas, the founder of Society Tea, started out as tea wholesaler in Mumbai’s famous Masjid Bunder Chai Galli in 1924. The street was regarded as Maharashtra’s source of tea as traders from different parts of the state would come here to purchase tea, to sell it locally. During this time, Das established tea trade with Middle Eastern countries. In 1933, he founded Hasmukhrai & Co to sell tea to the citizens of Mumbai. He established his first shop in Kalbadevi ([en.wikipedia.org/wiki/Society\\_Tea](http://en.wikipedia.org/wiki/Society_Tea)). Hasmukhrai & Co became the market leader in Mumbai’s tea Industry by the late 1980s. In 1991, the company management made the decision to switch to packaged tea sensing that customers would change the



traditional patterns of purchasing tea and find it more convenient. This packaged tea was sold for retail, first in Mumbai and later in Maharashtra, in the name of Society Tea ([en.wikipedia.org/wiki/Society\\_Tea](https://en.wikipedia.org/wiki/Society_Tea)). In advertising, the brand's legacy provides a backdrop on which its evolving ambitions are reflected. In 2017, the company commissioned a web series called 'Sound of Society', a collaborative project which brought together musicians from all over the world. The brand has a bit of history working with artists. One of its first ads featured the musical stylings of Oscar-winning composer AR Rahman. Karan Shah a fourth generation Director of the company shared, "Society Tea has continually combined quality with innovation to produce teas that retain both their fragrant aroma and exceptional taste. Distinctively packed, Society Tea consists of the finest premium blend of teas produced and has consistently been backed by an innovative advertising campaign and a strong distribution network ensuring that the product reaches you with its values intact." The notion that capabilities influence strategy dates back to the work of Andrews and the foundations to dynamic capability theory can be traced back to Penrose (1952) in her theory of the growth of the firm (Penrose, 1952). Dynamic capabilities are 'The firm's processes that use resources – specifically the processes to integrate, reconfigure, gain and release resources – to match or even create market change. Further, Saurav Kumar puts forward in his research "the assumption that the companies need dynamic capabilities to compete and only companies with dynamic capabilities have a chance to build competitive advantage somewhere proofs to be true" (Kumar, 2024). Karan Shah says "Market research dictated the colour of packaging to be red, green or yellow, but my father decided to ignore the research and painted Society Tea blue as the market was cluttered with shades of red and green, and he wanted his new brand to stand out naturally." He added, "Consumers immediately recall Society Tea because

of the distinct recall value of our blue kettle and cups. For a private and regional brand like ours, that's a huge achievement."

**Research finding:** Red ocean strategy is all about competition. As the market space gets more crowded, companies compete fiercely for a greater share of limited demand. The strategy of painting it blue has worked as a dynamic capability for Society tea, as the company ensures continuous binding of quality tea production and innovation in their manufacturing processes to cater exceptional fragrance and taste to its customers.

## CHAI STARTUPS IN INDIA EMERGENCE OF BLUE OCEAN MARKET IN INDIAN TEA INDUSTRY

In recent years, the start-up community has focused its attention on chai, a popular beverage in India. The chai market has seen an increase in the number of start-ups offering various blends and flavours due to the emergence of fresh and creative ideas.

### Chai Sutta Bar

Chai Sutta Bar's unique selling point is the use of Kulhad, a traditional clay cup, which not only enhances the taste of the tea but is also environmentally friendly. Their menu offers a wide range of tea flavours to choose from, catering to the diverse tastes of their customers. The company has a loyal customer base and is constantly expanding its reach to new cities. The founders believe in serving high-quality tea at an affordable price, which has helped them achieve such remarkable success in a short period. The company also has a strong online presence, making it easier for customers to order their favourite tea. In addition to tea, Chai Sutta Bar also offers quick bites and snacks, making it a perfect destination for those looking for a break from their hectic routine. With a focus on quality, affordability, and customer satisfaction, Chai Sutta Bar has

established itself as a leading tea chain in India. The founders are now planning to take the brand global and establish Chai Sutta Bar as a household name in the tea industry.

### **Teabox**

As a child Kaushal Dugar often visited tea plantations with his father. Dugar's family has been in the business of growing and distributing tea for a few generations. Seeing workers in plantations helped him cultivate a keen sense of appreciation for the effort that goes into producing one of the world's favourite beverages. He also watched how tea was processed and blended in factories. And he tells us, "If you see how it's done you'll never drink tea again." Naturally, these early experiences had quite an effect on Dugar, who sees tea as a lot more than the "mixture of milk, sugar and water" served everywhere in India – from street-side chai stalls to five-star hotels. In 2012 he started Teabox, an online retailer of "pure teas" – black, green, white, oolong, blended and chai - sourced from over a hundred estates, with the aim of providing plantation-to-cup leaves, their integrity uncompromised by middlemen, packaging and distribution flaws. A staunch opponent of traditional teabags, for instance, Dugar introduced Nitrogen flushed tea bags, a first in the world. Till date, Teabox has shipped 40 million cups of tea to 112 countries. Its biggest markets are the US and Russia. India still loves her chai too much to forsake it for fresh rose petal infused leaves. Teabox, a significant tea brand and e-commerce player in India has served over 1 billion cups of tea in 117 countries. Teabox is a global favourite among tea aficionados due to its focus on quality tea and creative tea experiences.

### **MBA Chai Wala**

The unique story of an MBA graduate running a tea stall with a social mission garnered widespread media attention. The case study highlights how positive media coverage and word-of-mouth publicity

contributed to the brand's growth and visibility. Prafull Billore, a young entrepreneur from Dhar, Madhya Pradesh, is successful. He became the "MBA Chaiwala" at 25 as a celebrity and youth influencer. After quitting his MBA in Gujarat, he established a tea-selling firm with Rs. 8000 and grew it into a franchise with over 4 Cr in annual revenue. Prafull's perseverance and enthusiasm for entrepreneurship led him to his current position. MBA Chaiwala adopted a franchise model, allowing individuals to replicate the successful business model in different locations. Prafull provided comprehensive training and ongoing support to franchisees, ensuring consistency and quality across all outlets. Recognizing the potential for growth, MBA Chaiwala expanded its product offerings to include snacks, baked goods, and merchandise. This diversification strategy allowed the business to increase revenue streams and attract a broader customer base.

### **Chaayos**

Founded in 2012 by two IIT graduates, Nitin Saluja, and Raghav Verma, Chaayos is a contemporary tea cafe company. The business is well-known for its "Meri Wali Chai" feature, which offers over 80,000 customization possibilities and lets consumers add a variety of add-ons to their drinks. With 190 locations spread across 6 cities and plans to open 100 more by 2022, Chaayos generated about Rs 1,000 crore in sales in the fiscal year 2020. The business offers tea in over 1,200 different ways and caters to consumers who like to order it online. It is well known for experimenting with tea. They provide a variety of tea flavours, such as black pepper, chile, spice, cardamom, and mint. With the slogan "experimenting with chai," Chaayos have quickly gained popularity among tea connoisseurs.

### **Chai Point**

Amuleek Singh Bijral started Chai Point in 2010, which is the country's first tea start-up. With more than 100

locations nationwide, it provides hot tea brewed with fresh ingredients to revive working professionals and sells more than 300,000 cups daily. The company reported revenue of 88 crores in the fiscal year 2018, which increased to 190 crores in the fiscal year 2020. Harvard Business School alumnus Amuleek Singh Bijral recognised the potential in the Indian tea sector, which generates 911 million kg of tea annually valued at over Rs 33,000 crore. With a total financing of USD 22 million, Chai Point is renowned for its 30-minute hot chai delivery service. Chai Point is one of the top tea companies in India, with 16 locations in Delhi and aspirations to expand to Mumbai.

### **Chai Thela**

Chai Thela, founded by Pankaj Judge in 2014, has attracted people from different backgrounds with its mix of classic and modern teas. The company's tea, customer service, and perfect balance of Indian culture and modernity are well-known. The tea shop chain uses eco-friendly materials and reduces plastic waste. Offering the best tea experience has helped the brand build a devoted consumer base. The company has promoted Indian tea culture and expanded its product line to include tea bags, sets, and accessories. Social media marketing has helped the company reach more customers. Chai Thela has acquired a household name for tea lovers from its humble origins. Chai Thela will continue to grow by focusing on quality tea, client pleasure, and an unparalleled tea experience.

### **The Chai Wallah**

A high school dropout from Alappuzha named Faisal Yousaf founded his company, The Chai Wallah, after discovering his love for tea while visiting Dubai, Europe, and England. A pop-up chai cart called "The Chai Wallah" offers sanitary cups of freshly brewed tea along with at least 50 different tea, coffee, juice, and snack options at each of its stalls. The star dish on the menu, Indian masala chai, is created with 12 spices that are collected from growers all around

India. After working in the food and beverage industry for almost ten years, Faisal has achieved incredible success with his pop-up tea stall, which he modeled after the stalls in England.

### **Udyan Tea**

In Siliguri, a city close to the Darjeeling tea gardens, Soveet Gupta and Parvez Gupta Poddar established the tea consulting business Udyan Tea in 2012. It is a B2B company that provides its clients with tea consultancy services. The founders' passion for tea led to the creation of the business. Due to his knowledge of technology, the founder was able to oversee the business expansion plans. The business is renowned for being the only one offering tea consultancy services in India.

### **Tpot café**

Tpot, a worldwide tea startup founded in New Delhi, India, employs technology to deliver tea and snacks. Tpot seeks the USD 32 billion Indian tea market. Tpot's monthly take-out has grown from INR 2 lakh in 2013 to INR 50 lakh in less than four years under CEO Robin Jha. Tpot has 21 café-style tea cafes in Delhi NCR serving a choice of freshly brewed teas and snacks. The company's popularity is due to its high-quality tea, chai, and snacks, particularly its specialty hibiscus tea. Tpot, an India-based chai firm, was founded by a former high-earner.

### **Chaipatty café**

Chirag Yadav, a former electronics and communication specialist and alumnus of Delhi College of Engineering, launched the chai cafe Chaipatty Teafe. Due to a passion for tea and Bangalore's supportive startup climate, this chai startup was created. Chirag, who has expertise working for MNCs and diverse fields, left his job to follow his love for entrepreneurship and business. Along with teaching salsa, he also worked as a social media and branding consultant. The concept for Chaipatty Teafe was born



at that time, and it swiftly rose to prominence as one of the nation's most well-known tea businesses. The growing popularity of tea in India makes it an attractive opportunity for startups in the food and beverage industry. With the increasing number of startups breaking into the market, starting a chai-based business could potentially be successful. However, it's important to consider the current competition and market conditions, as well as to develop a well-researched and innovative business plan to stand out and succeed in this industry.

### **Case Study of “Bhakti Chai” Showcasing use of Blue Ocean Strategy**

Saurav Kumar mentions in his research, “The chain reaction of women's triumph contributes straight to their local economy and lives across their community. Women entrepreneurs could contribute in creating a more sustainable global economy. Slowly but consistently they have turn up as profitable entrepreneurs acquiring numerous honours for themselves” (Kumar, 2023). An American woman in Colorado went from selling tea from the back of her car to opening a \$7 million brand, after she took strongly to the humble *desi chai* during a trip to India in 2002. Back from India, entrepreneur Brook Eddy went looking at several Colorado cafes for tea that tasted the same as what she had in India, but without luck. She did not give up. If she couldn't find it, she would make it herself. And so in 2006, Ms Eddy started making a concoction that she called “Bhakti Chai”. She stuffed gallons of the tea concentrate in the back of her car, and started selling it to people. Her website claims the iced Bhakti Chai's fresh ginger and spicy masala flavour has gained a cult following. Soon the home-made product can be found at some coffee shops in Boulder, Colorado. “I'm a white girl born of hippie parents in Glenwood Springs, Colorado, and then raised in Michigan, right? I shouldn't really have this pulse for India, but I do. I love the chaos and vibrancy. Every time I come I'm

introduced to something new. It's just real,” Ms Eddy told a weekly in the US. She sold the infusion in attractive mason jars. In 2007, Bhakti Chai got a website that helped the brand reach more consumers. A year later, Ms Eddy quit her full-time job to focus on building Bhakti Chai's retail infrastructure. The company says on its website that a major boost came in 2008 when it got its first round of investment, which allowed Ms Eddy to “buy a ginger press, hire two full-time brewers, and begin to focus on sales and business infrastructure.” Ms Eddy, a single mother of twins, was among the top five finalists in Entrepreneur Magazine's “Entrepreneur of the Year” award in 2014. This year, her company's projected revenue is \$7 million. As sales rose, the giving also rose. The company says it has been donating to organisations “that are making a difference in the global community”. Bhakti Chai says it launched a “social giving platform called Gita Giving” to share inspiring projects with “Bhakti fans around the world” (ndtv.com).

### **Case Study of “ChaiVeda “ Showcasing use of Blue Ocean Strategy**

Saurav Kumar mentions in his research, Women's entrepreneurship is both about women's position in society and about the role of entrepreneurship in the same society. Women entrepreneurs are the main actresses in changing the culture of the society (Kumar, 2023). Proud owner of the tea brand ChaiVeda, Perna's entrepreneurial journey started in 2017 after she broke her leg in a freak accident and was bedridden for some time. Talk about a double whammy, she also lost her job around the same time becoming jobless for the first time in her life. In those difficult times, her friends and family encouraged her to spring back to her feet (literally) by constantly reminding her that they are waiting to have her tea once again. Hailing from a Haryanvi family deeply rooted in Ayurvedic tradition, blending the traditional knowledge of Ayurveda in the spice mixture of the

masala tea came naturally to her. An undying love for tea has also helped ChaiVeda become a preferred gifting choice for many, says Prerna and adds that “the ethnic, handcrafted packaging ensures that it becomes a part of luxury gifting as well”. Roseate House created a cocktail called ‘Tea Sour’ with the Hibiscus Mint-o Tea for their guests was another milestone, not to mention the thrill when ChaiVeda got the certification from Tea Board of India and FSSAI.

**Research finding:** By providing superior quality blends, distinctive flavours, and practical packaging options, the entrepreneurs are redefining the way chai is drunk. These startups, which range from modest local entrepreneurs to large international conglomerates, are altering the chai game in India and opening it up to a larger market or to be more precise a blue ocean market.

## RESULT

### Indian Tea Business Red Ocean Market

**Tata tea:** The tea market is highly competitive, with high-profile advertisements. Tata tea is a prime example of a company that has successfully used the red ocean approach by targeting the problems faced by common citizens in India in order to develop a strong relationship with them.

**Hindustan unilever limited (Brooke Bond Red Label & Lipton Tea):** To sustain themselves in the marketplace, red ocean strategists focus on building advantages over the competition, usually by assessing what competitors do and striving to do it better. Hindustan Unilever Limited sets a prime example of a company that uses sustainability practices as a medium to get ahead in the market competition faced by it.

**Wagh bakri tea group:** Red Ocean Strategy approach seeks to gain advantage over competitors by attempting to outperform them in terms of quality and customer service. The Wagh Bakri Group has been using good

customer feedback which generates positive reviews and helps consumers to appreciate and believe in what the company has to offer.

**Society tea:** Red ocean strategy is all about competition. As the market space gets more crowded, companies compete fiercely for a greater share of limited demand. The strategy of painting it blue has worked as a dynamic capability for Society tea, as the company ensures continuous binding of quality tea production and innovation in their manufacturing processes to cater exceptional fragrance and taste to its customers.

### Chai Start-Ups Blue Ocean Market

**Research finding:** By providing superior quality blends, distinctive flavours, and practical packaging options, the entrepreneurs are redefining the way chai is drunk. These startups, which range from modest local entrepreneurs to large international conglomerates, are altering the chai game in India and opening it up to a larger market or to be more precise a blue ocean market.

## CONCLUSION

Saurav Kumar in his research concludes that “the pathways or strategies displayed as the red ocean traps are not inadequate or poor” (Kumar, 2023). Tea is one of the world’s oldest beverages and the most consumed drink in the world. As per reports, the tea industry is expected to rise to 268.5 billion by 2025. The tea industry is seeing a significant transformation. The future of the tea business lies in adapting to the transformation. Brands need to adjust to the ever-evolving tea market to ensure their continued relevance and prosperity. Therefore, it’s critical to understand how consumers are refocusing on sustainability, creative marketing, and health and wellness. The future of tea businesses will continue to be relevant and consumer-friendly if these trends are followed. Along with adhering to these trends,

brands should also be adaptable, creative, and sensitive to customer feedback.

## RESEARCH IMPLICATIONS AND SCOPE FOR FUTURE RESEARCH

In order to plan strategically and make better decisions, companies and start-ups need to rely on facts. Tea franchises can stay ahead of the curve and prosper in the tea business by being flexible and open to changing with their consumers' wants.

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