

HUL Enters Ecomm Business with Premium Tea & Teaware

Co's first direct-to-consumer venture will target the gifting segment consumers with pricier products

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Mumbai: Hindustan Unilever plans to sell premium tea through its own portal, marking its entry into the ecommerce business in India. Until now, the country's largest consumer goods company has been selling its products online through marketplaces such as Big Basket and Amazon.

HUL's first direct-to-consumer venture will mostly target gifting segment consumers with pricier products under the Brooke Bond Taj Mahal brand and will compete with Ratan Tata-backed Teabox, an online marketplace.

"The foray into ecommerce has been aimed at urging people to consider tea as a gifting option. Our range of gourmet teas and exquisite teaware has been specially curated to offer the finest gifting experience for every oc-

Take Your Tea a New Way

With it's gourmet teas it aims to urge people to consider tea as a gifting option

<p>It will offer pricier products under Brooke Bond Taj Mahal brand</p>	<p>HUL tea & coffee business accounts for about 15% of its overall sales</p>
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₹10,000 crore
Value of India's tea market led by Hindustan Unilever

Co will compete with Ratan Tata backed Teabox



casation and budget," said Sudhir Sitapati, executive director, refreshments, at HUL.

The refreshments business, including tea and coffee, accounts for about 15% of HUL's sales. The company is the leader in India's ₹10,000 crore tea market. Unlike other food and beverage segments that have stagnated or are decli-

ning, tea has been relatively insulated with 8-9% growth annually. HUL does not operate in the mass end of the segment and is betting on premium products even through the online venture.

HUL made its restaurant debut about two years ago by opening the Brooke Bond Taj Mahal Tea House in Bandra, an upmarket suburb of

Mumbai. The company has been using consumer insights from the restaurant to develop new products and blends for its premium tea brand Taj Mahal. HUL could use its online initiative for marketing and understanding consumer behaviour, said analysts.

"HUL has been experimenting with physical retail models for a few of its brands, including Bru and Knorr, not just for sales push but also to increase brand salience. An online initiative for its tea brand is a similar strategy with less cost," Edelweiss Securities senior vice president Abneesh Roy said.

Some rivals have already tried their hands at tea shops. While Tata Tea's Chai Unchai ran aground a few years ago, Kolkata-based Goodricke is running a couple of tea lounges. Gujarat-based Wagh Bakri, which also has tea lounges, and startups such as Teabox and Teamonk have been selling specialty products online for the past few years, attracting customers especially in markets such as the UK and the US.