Changing Consumer Needs and Opportunities for Tea in Asia Pacific

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INTRODUCTION

Scope

Key findings

TEA IN ASIA PACIFIC

Tea records the second largest growth in Asia Pacific between 2017 and 2022

Black tea remains dominant in Asia Pacific, but innovations observed in other types of tea

Tea has tended to trail the overall inflation rate

Commodity prices and labour costs remain challenges for tea players

Case study: The crisis in Darjeeling threatens one of the world's premier teas

Rising disposable incomes offer opportunities for premiumisation in tea

Tea brands use retail e-commerce to promote their premium products

Wellbeing and its evolving meaning for Asia Pacific consumers provides opportunities for tea

Inflation further pushes demand towards calming and sleep-promoting functionalities in tea

Stress relief teas are part of a wider "anxiety economy"

Relaxation and sleep aids are top health claims in tea in Asia Pacific

Health functionalities such as mood, detox and beauty are also addressed by fruit/herbal tea

Immunity-boosting tea continues to remain relevant post-pandemic

Cold brew tea set to gain prominence as tea players expand offering for young consumers

Targeting young consumers is key to sustaining growth in tea

RTD TEA IN ASIA PACIFIC

RTD tea remains popular in Asia Pacific, due to consumers' taste preferences

Tea prices at retail have risen but by less than the average grocery basket

Cold brew and sparkling RTD tea set to gain momentum in Asia Pacific

Saicho's sparkling tea appeals to mindful drinking while catering to indulgence

Healthy ingredients in RTD tea still hold strong appeal to health-conscious consumers

Fruit flavours in RTD tea continue to shape product variants in Asia Pacific

RTD milk tea dominated by Japanese and Chinese brands in Asia Pacific

Minimal price change observed across top RTD milk tea brands in e-commerce

CONCLUSION

How to win in tea and ready-to drink tea in Asia Pacific

Key findings

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