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## Typhoo Tea

# INDIAN OWNERS INFUSE TYPHOO WITH SUCCESS

Typhoo Tea was an iconic British brand for more than a century, but is now expanding at record rate under its Indian owners, the Apeejay Surrendra Group.

The Kolkata-based conglomerate acquired Typhoo for £80m in 2005, after identifying the significant potential for growth, once the business was vertically integrated with its existing tea-growing and distribution interests.

Typhoo now retails in almost 50 countries, and is on course to become a \$10m brand by 2016, as Renu Kakkar, Vice President, Technology & Corporate Communications explains.

"After reviewing the market dynamics, we decided the best option was to set up a manufacturing site in Kolkata, to take advantage of the local accessibility to tea, and develop innovative blends for Typhoo India.

"We launched Typhoo into India at the 2008 IPL. Local technical expertise, combined with our UK skills, enabled us to position the company as a premium brand in the FMCG sector - which is growing 20% year-on-year in India - and we developed both black tea, and fruit and herb infusions.

"We used design cues from Typhoo's UK tea-packs, to develop a premium selection of teas for India. However, the market is the opposite of the UK, as 98% of tea bought by Indian consumers is sold loose."

Typhoo India's distribution network was built from scratch, adopting a 'Hub & Spoke' model; with the Kolkata factory as the mother warehouse, and mini-warehouses at locations which generated strong sales.

"Careful targeting, based on extensive research of the food and beverage market, had us zeroing in on the most receptive sectors, particularly among high-spending consumer groups focused on health and wellness," recalls Renu.



"We first introduced Typhoo in the top Indian metro markets, followed by the emerging urban metros, through both large format and mid-size food and beverage stores.

"The out-of-home segment was very large, so we gave this an equal and simultaneous focus through special distributors. Training a new sales force, with the skills and local knowledge to match what the 'many Indias' require was one of our early achievements.

"To connect with consumers, we spurned a conventional mass media approach in favour of high shelf visibility, and merchandising - across multiple points - at stores with the highest footfall.

"Consumer engagement in modern retail has to be both intense and sophisticated, and Typhoo India has begun to interact even more closely with potential customers, through 'tea and food pairing' concepts which have been received very well.

"Going forward, we hope our successful sustainability innovations from the UK, which have won much recognition, will be matched to Indian consumer needs.

"As to how other companies should proceed, we strongly recommend collaboration and communication between brand teams, which generated tremendous benefits for us.

"Success in general branding terms also requires thorough market research, and companies must also assess very closely what their product will deliver to the Indian consumer.

"Decide the best operational structure to suit your business, either importing directly, or setting up a new venture, which will depend on import duties, and finally, take time to find the right partner.

"Every Indian has an entrepreneurial streak, so identify the correct individual - or company - and you will be solidly on the road to success."



Apeejay Surrendra is a Kolkata-headquartered conglomerate, whose interests stretch from tea, retail and hospitality, to real estate, shipping and logistics. Founded - and still owned - by the Paul family, it celebrated its centenary in 2010.

### What Next?

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