

Something Special



The cup is still half full for specialty teas

By Frank Weber

When looking around the ever-growing specialty tea market in Canada and the U.S., one can't help but feel we have reached the saturation point. The truth is, we've only just begun.



Canada, in particular, has done a phenomenal job in accepting and embracing the myriad new and upscale specialty tea choices. This is a young and diverse market and Canadian consumers are open-minded when it comes to new culinary options. When compared to the Far East and even Europe, Canada's market is still on the cusp of being developed.

CREATES CONSUMER AWARENESS

The first wave of specialty tea boutiques made loose leaf tea acceptable to consumers and created widespread awareness of the varieties, origins and health benefits of specialty tea. Tea is rapidly emerging as a healthy tonic, and it generates the same foodie excitement as an exotic treat from distant lands. It's as affordable as it is elegant, and offers the novelty and diversity to reach a wide demographic. Canada is now looked at as a world leader in developing the specialty tea market; no other country has taken to fine loose leaf tea as quickly.

Canadians have discovered loose leaf and specialty teas and tea sales will continue to

grow in the double-digit range for many years. Current trends show a significant shift towards loose leaf over tea bags and this should be welcome news to restaurants. Loose leaf tea has a lower cost and a higher perception of value to customers than premium tea bags. Restaurant owners can easily charge more and increase their margins. For example, a serving of loose leaf tea should range in cost from 15-20 cents and most coffee shops can charge upwards of \$2.50 for a cup of tea. Restaurants serving pots are typically able to charge between \$4.50 and \$8.00 depending on the type of establishment.

FLAVOUR INFUSIONS

The most significant growth in the tea category is found in flavoured green teas and herbal or fruit infusions. This is the segment that shows much innovation and is embraced by the widest demographic of

consumers. However, staples such as Breakfast blends or variations of Earl Grey should not be left off a good tea menu.

Chai latte and Matcha-based beverages have also been growing in the double digits and show no signs of slowing down. Matcha in particular is hailed for its potent health benefits and tea suppliers now offer a variety of easy-to-use chai latte mixes. Hot or cold chai lattes offer an opportunity for high additional profits and come with a low cost as well as a high "wow factor."

It comes as no surprise that the "ready-to-drink" (RTD) market has moved away from sugar-laden soft drinks and juices. Bottled iced tea has made its mark here as well and low sugar, organic and non-GMO infusions are gaining much traction. These pure leaf infusions cater to a more health-conscious consumer and are naturally pricier than artificially flavoured counterparts. Margins, however, are typically not affected as consumers are trading up to a better product.

Hot tea is losing its "cold weather stigma." It is being enjoyed year round just as coffee is enjoyed in the summer. By the same token, iced tea products are ever more popular summer choices that can be enjoyed in the winter just as a cola would be consumed year round.

The tea industry will continue to see new emerging brands that represent the best in tea choices, blends and flavours. Restaurants will also continue to realize that the switch to these new teas is inevitable and quality will be the driving force to success.

The cup is more than half full indeed.

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