



NSBM Green University

Faculty of Computing

Management Information System

Entrepreneurship

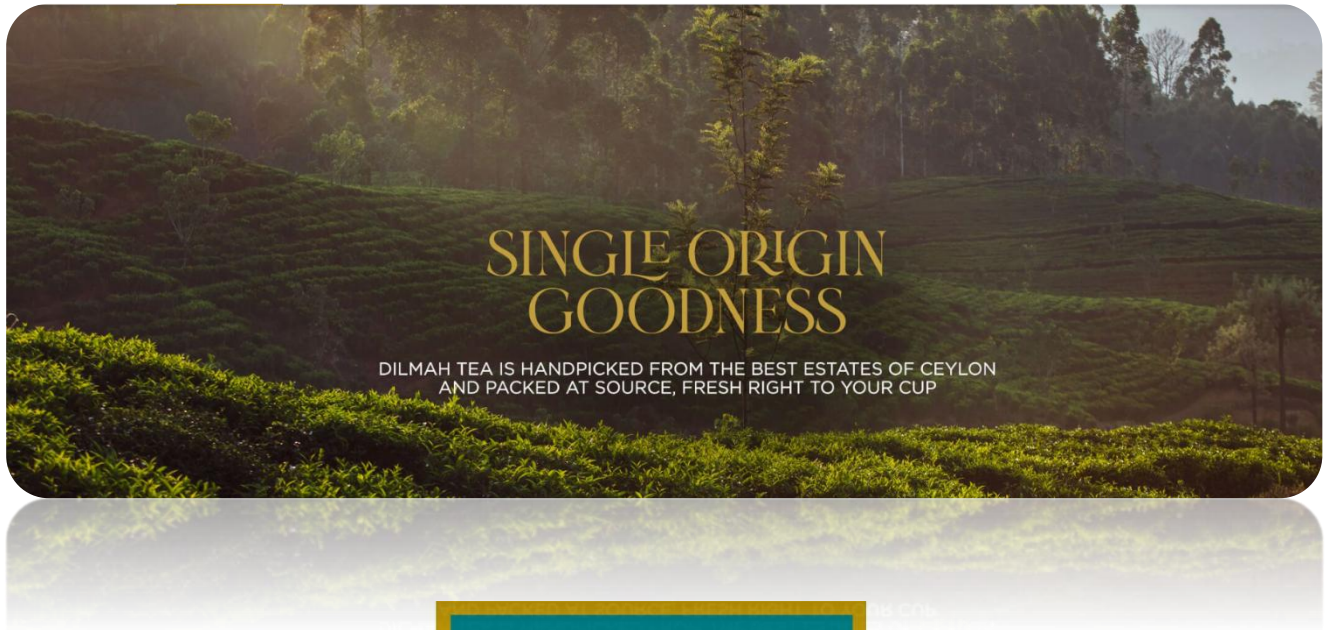
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Selected Company:

Dilmah Ceylon Tea Company PLC



Journey of the Company

History and Evolution of Dilmah Tea

Dilmah Tea has a rich history rooted in Sri Lanka's proud tea heritage. The company was founded with a mission to deliver high-quality Ceylon tea to both local and international markets. From the beginning, Dilmah Tea focused on preserving the authenticity of Sri Lankan tea, ensuring that its products reflect the superior taste, aroma, and tradition of Ceylon's finest plantations.

Early Beginnings

The company started as a passionate venture to bring the world pure, unblended Ceylon tea. During its early years, the tea industry was dominated by multinational brands that blended teas from different countries, often compromising quality. Dilmah Tea took a different path focusing on single origin, high quality Ceylon tea to maintain its natural taste and richness.

Growth and Global Reach

As demand for authentic Ceylon tea grew, Dilmah Tea expanded its reach beyond SL, exporting its products to multiple countries. The brand diversified its tea offerings, introducing black, green, herbal, and specialty teas, catering to changing consumer preferences. Through strong partnerships and a commitment to quality, Dilmah Tea became a recognized name in the global tea market.

Commitment to Quality and Sustainability

Understanding the importance of sustainability, Dilmah Tea has taken steps to ensure ethical sourcing and environmental responsibility. The company actively supports tea plantation workers and promotes sustainable farming practices to preserve the rich biodiversity of Sri Lanka's tea-growing regions.

Innovation and Future Vision

Today, Dilmah Tea continues to evolve, embracing modern tea trends while staying true to its roots. The company is focused on innovation, offering new flavors, organic teas, and wellness blends to meet the growing demand for healthier tea options. With a firm commitment to quality and authenticity, Dilmah Tea aims to further strengthen Sri Lanka's position as a leader in the global tea industry.

Main Highlights of Dilmah Tea Journey

Phase	Details
Founder & Vision	Merrill J. Fernando founded Dilmah Tea in 1988 with the vision of producing pure Ceylon tea , ensuring freshness and authenticity by packaging at the source.
Early Challenges	The global tea industry was dominated by multinational companies blending teas from various origins. Merrill faced challenges in promoting single-origin, garden-fresh Ceylon tea .
Brand Launch (1988)	The brand was named Dilmah after his sons, Dilhan and Malik . The company introduced the concept of “ Picked, Packed, and Shipped ” from Sri Lanka to maintain quality and authenticity.
Global Expansion	Dilmah expanded to over 100 countries , offering black, green, herbal, and flavored teas , while promoting tea gastronomy and tea-inspired beverages .
Sustainability & Social Impact	Established the MJF Charitable Foundation and Dilmah Conservation , supporting education, healthcare, and environmental sustainability in Sri Lanka.
Current Leadership	Led by Dilhan and Malik , continuing the legacy of ethical tea production, sustainability, and innovation .
Future Vision	Upholding the philosophy of “ Business as a Matter of Human Service ”, ensuring Sri Lanka remains a global leader in premium tea production.

Business Challenges and Mitigation Strategies of Dilmah Tea

Challenge 01

Entry level competition:

In 1988 many multinational tea companies were dominated the tea industry in Sri Lanka. Merrill J. Fernando, founder of the company didn't start this company because he needs a source to live, he started the company because he saw that those multinational companies won't sell quality tea from Sri Lanka, they just want the income so that they sold low quality products.

Some of the competitors at that time were,

- Lipton: Owned by Unilever, Lipton was one of the most recognized brands worldwide,
- Tetley: Part of Tata global Beverages, Tetley was another major player in the tea industry.
- Twinings: Owned by Associated British Foods, Twinings was known for its wide range of premium teas.
- Brooke bond: Also owned by Unilever, Brooke bond was a significant brand in Europe.
- PG Tips: Another Unilever brand, PG Tips was particularly popular in the UK

Mitigation Strategies based on research:

So, how did they carve out a niche in the competitive tea market?

1. **Focus on Quality and Authenticity:** Dilmah emphasized single-origin, unblended tea, which was a significant departure from the blended teas offered by competitors. This focus on quality and authenticity resonated with consumers looking for premium products.

Why unblended tea over blended tea: this is because blended tea always offers the same taste because they were blended with some other tea leaves. These were done to maintain a unique signature of the brand not the tea. blended tea also gives some number of benefits to the companies they sell and to the consumer,

- **Consistency:** Blended teas combine leaves from different regions or estates to create a consistent flavor profile. This is beneficial for brands that want to offer a uniform taste year-round, regardless of variations in individual harvests.
- **Flavor Balance:** Blending allows tea makers to balance flavors, creating a harmonious and often more complex taste. This can be particularly appealing for those who enjoy a more rounded and predictable flavor.
- **Cost Effective:** Blended teas can be more cost-effective as they often include a mix of higher and lower quality tea leaves. This makes them more accessible to a broader audience.

So, Dilmah chose to give their premium customer, unblended tea to attract who are more tea enthusiasts, why?

- **Authenticity:** Tea enthusiasts often prefer unblended tea for its authenticity and the ability to experience the true flavor of a specific region.
- **Unique Flavors:** The unique and sometimes rare flavors of unblended teas can be a delightful experience for those who appreciate the finer details of tea tasting.
- **Transparency:** knowing exactly where the tea comes from and how it was produced can be important for consumers who value transparency and ethical sourcing.

02. Ethical Practices: Dilmah's commitment to ethical practices, including fair treatment of workers and environmental conservation, helped build a loyal customer base. This ethical stance differentiated them from competitors and appealed to socially conscious consumers.

03. Strong branding and marketing: Dilmah invested heavily in branding and in marketing to educate consumers about the benefits of single-origin tea. Their campaigns highlighted the freshness and quality of their tea, helping to build brands recognition and loyalty.

04. Innovative Products: Dilmah continuously innovated by introducing new tea blends and flavors, catering to diverse consumer preferences. This helped them stay ahead of competitors and attract a broader audience.

What kind of innovative products are we talking about?

- **Dilmah t-series Designer Gourmet Teas:** This range includes a variety of premium, single-origin teas with unique flavors and blends, catering to tea connoisseurs and gourmet markets.
- **Dilmah Elixir of Ceylon Tea:** A concentrated tea extract that can be used to make iced tea, cocktails, and other beverages. This product offers convenience and versatility, appealing to both consumers and the hospitality industry.
- **Tea Mixology and Gastronomy:** Dilmah has pioneered the concept of tea mixology, where tea is used in cocktails and other beverages, and tea gastronomy, where tea is incorporated into culinary dishes. This innovative approach has helped Dilmah create a unique niche in the market.
- **Dilmah Natural Infusions:** A range of herbal and fruit infusions that cater to health-conscious consumers looking for caffeine-free alternatives.

Further, An international competition that encourages chefs and mixologists to create innovative tea-based dishes and beverages. This initiative has helped promote Dilmah's brand and showcase the versatility of their teas. An educational initiative that offers training and certification in tea appreciation and knowledge. This program helps build a community of tea enthusiasts and professionals who are passionate about Dilmah's products.

Challenge 02

How they grabbed Consumer Awareness

One of the key challenges Dilmah Tea faced was creating consumer awareness in a global market dominated by multinational brands offering blended teas. At the time, most consumers were unaware of the concept of single-origin tea or the importance of freshness and authenticity. The market was accustomed to low-cost, mass-produced teas, and educating consumers about the value of pure Ceylon tea required significant effort.

Mitigation Strategies based on research:

Educating consumers about the benefits of single-origin tea and the importance of quality was another challenge. Dilmah invested heavily in marketing and branding to build consumer awareness and loyalty. They emphasized their commitment to ethical practices and the freshness of their tea.

Challenge 03

How Distributions and Logistics were maintained

Another major challenge for Dilmah was managing distribution and logistics while maintaining the freshness and quality of their single-origin tea. Unlike other brands that blended and packaged tea closer to consumer markets, Dilmah insisted on packing their tea at the source in Sri Lanka to preserve its authenticity. This required building an efficient global supply chain from Sri Lanka to over 100 countries, which involved complex logistics, higher costs, and finding reliable international distribution partners.

Mitigation Strategies based on research:

Establishing a reliable distribution network was crucial. Dilmah faced difficulties in ensuring their tea reached international markets while maintaining its quality. They overcame this by setting up efficient logistics and partnering with reputable distributors.

How were Distributions and Logistics helped to rise above?

- **Efficient Supply Chain Management:** Dilmah focused on creating a robust and efficient supply chain. They invested in technology to promote transparency and traceability, ensuring that their products maintained high quality from the plantation to the consumer.
- **Strategic Partnerships:** They partnered with reputable distributors and logistic companies to ensure reliable and timely delivery of their products to international markets.
- **Sustainability initiatives:** Dilmah integrated sustainability into their supply chain, which not only appealed to environmentally conscious consumers but also helped streamline operations. Their supply chain sustainability road map includes best practices for procurement, supplier engagement, and continuous monitoring.
- **Adaptability to External Shocks:** During disruptions like the COVID-19 pandemic, Dilmah adapted by using technology to remotely manage their supply chain and provide necessary support to suppliers.
- **Community and Government Engagement:** Building strong relationships with local communities and governments helped Dilmah navigate periods of economic and political instability ensuring smoother operations.

Challenge 04

How they bounce back in Economic and political instability

Dilmah faced significant challenges due to economic and political instability in Sri Lanka, including fluctuations in currency, changes in trade policies, and civil unrest. These factors posed risks to production, export operations, and overall business continuity. Despite this, Dilmah remained resilient by maintaining strong international partnerships, diversifying its global markets, and investing in sustainable practices that built long-term brand trust.

Mitigation Strategies based on research:

Operating in Sri Lanka, Dilmah had to navigate periods of economic and political instability. They focused on building strong relationships with local communities and the government, which helped them maintain operations during challenging times. Additionally, the company prioritized local sourcing and self-sufficiency in production to reduce dependency on external factors. By diversifying their export markets and maintaining a strong international presence, Dilmah was able to cushion the impact of local instability. Their long-term commitment to ethical practices and community development through the MJF Foundation also fostered goodwill and resilience, helping the company sustain its operations and reputation during difficult periods.

Challenge 05

Transforming operations to align with sustainable and ethical practices in a cost-driven global tea industry.

Dilmah faced the challenge of transforming its operations to align with sustainable and ethical practices in a cost-driven global tea industry, where many competitors focused on mass production and profit maximization.

Mitigation Strategies based on research:

From the beginning, Dilmah was committed to sustainable and ethical practices. This included fair treatment of workers and environmental conservation. These values resonated with consumers and helped build a loyal customer.

We can divide their sustainable practices into main categories,

- **Environmental Sustainability:**
 - **Carbon Neutrality:** Dilmah embarked on a journey to become carbon neutral, reducing their carbon footprint through various initiatives.
 - **Renewable energy:** They have increased their renewable energy capacity by 40%, utilizing solar and other renewable sources.
 - **Waste management:** Dilmah has achieved a 99.89% diversion of waste from landfills, focusing on recycling and upcycling packaging waste.
- **Ethical Labor Practices:**
 - **Fair Treatment of Workers:** Dilmah ensures fair wages and good working conditions for their employees. They are committed to ethical labor practices and the well-being of their workers.
 - **Community Support:** Through the MJF Charitable Foundation, Dilmah has contributed significantly to the welfare of underprivileged Sri Lankans, benefiting over 100,000 people to date.
- **Biodiversity and Conservation:**
 - **Dilmah Conservation:** This initiative focuses on environmental conservation, including the protection of biodiversity and sustainable agricultural practices.

- **Sustainable Agriculture:** Dilmah promotes sustainable farming methods that protect the environment and ensure the long-term viability of tea plantations.
- Education and Awareness:
 - **Dilmah School of tea:** This educational initiative offers training and certification in tea appreciation and knowledge, promoting a deeper understanding of tea and its cultural significance.

Challenge 06

Adapting Operations During the Pandemic

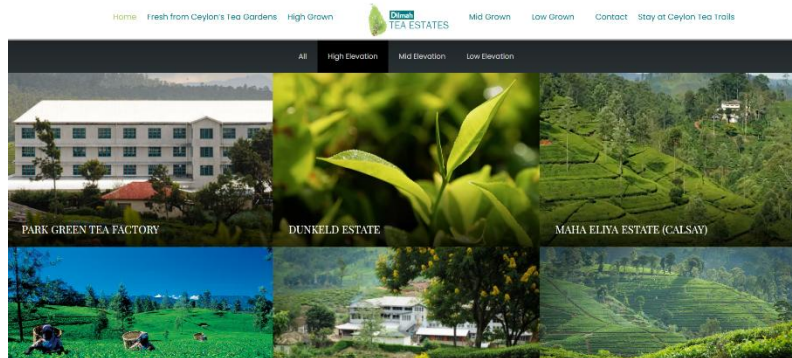
The COVID-19 pandemic posed a significant challenge for Dilmah as it disrupted global supply chains, hindered production processes, and restricted international trade. With lockdowns and travel restrictions, Dilmah faced difficulties in sourcing raw materials, maintaining timely production, and ensuring the safe delivery of products to international markets. Furthermore, the increased uncertainty affected consumer behavior, as demand for premium products like Dilmah Tea fluctuated.

Mitigation Strategies based on research:

- **Workforce Protection:** Dilmah swiftly moved to protect their employees by coordinating with wholesalers, mobile operators, and banks to ensure staff had access to food and medicine. They also provided protective clothing and test kits through MJF Charitable Foundation.
- **Adaptation of Manufacturing:** Dilmah adapted their manufacturing processes to comply with health guidelines. They resumed operations with a skeleton team and maintained social distancing among workers on tea plantations
- **Support of public health:** Dilmah collaborated with national health authorities to support public testing for the virus using cutting-edge biotechnology.
- **Philanthropic Efforts:** The MJF Charitable Foundation reinforced its welfare systems at the grassroots level, providing support to staff and their families during the pandemic.
- **Community Engagement:** Dilmah emphasized the importance of humane family values and called for a recalibration of society post COVID-19, advocating for family business to lead in creating a kinder society.

Business Strategic Approaches Adopted by Dilmah Ceylon Tea

- Single-Origin, Pure Ceylon Tea



Dilmah's commitment to **single-origin, pure Ceylon tea** ensures authenticity and superior quality. Unlike blended teas that mix leaves from multiple regions, Dilmah sources exclusively from Sri Lanka, preserving the unique

terroir of Ceylon tea. This guarantees a pure, unadulterated flavor cherished by tea connoisseurs. The brand's strict quality control from handpicking to packaging and maintains freshness and consistency. By avoiding mass-market blending, Dilmah appeals to health-conscious consumers seeking natural, premium teas. This strategy also reinforces Sri Lanka's tea heritage, differentiating Dilmah in a crowded market.

- Innovation & Premium Positioning

Dilmah elevates tea beyond a beverage through continuous innovation and luxury positioning. Its **Tea Gastronomy** initiative partners with chefs and mixologists to create tea-infused gourmet experiences. The **Elixir of Ceylon** line offers premium bottled tea extracts, catering to modern convenience without compromising quality. Exclusive **t-Lounge by Dilmah** tea bars worldwide promote tea culture, blending tradition with contemporary trends. These efforts position Dilmah as a lifestyle brand, attracting discerning consumers willing to pay a premium. By reinventing tea's role in dining and mixology, Dilmah stays ahead of competitors.

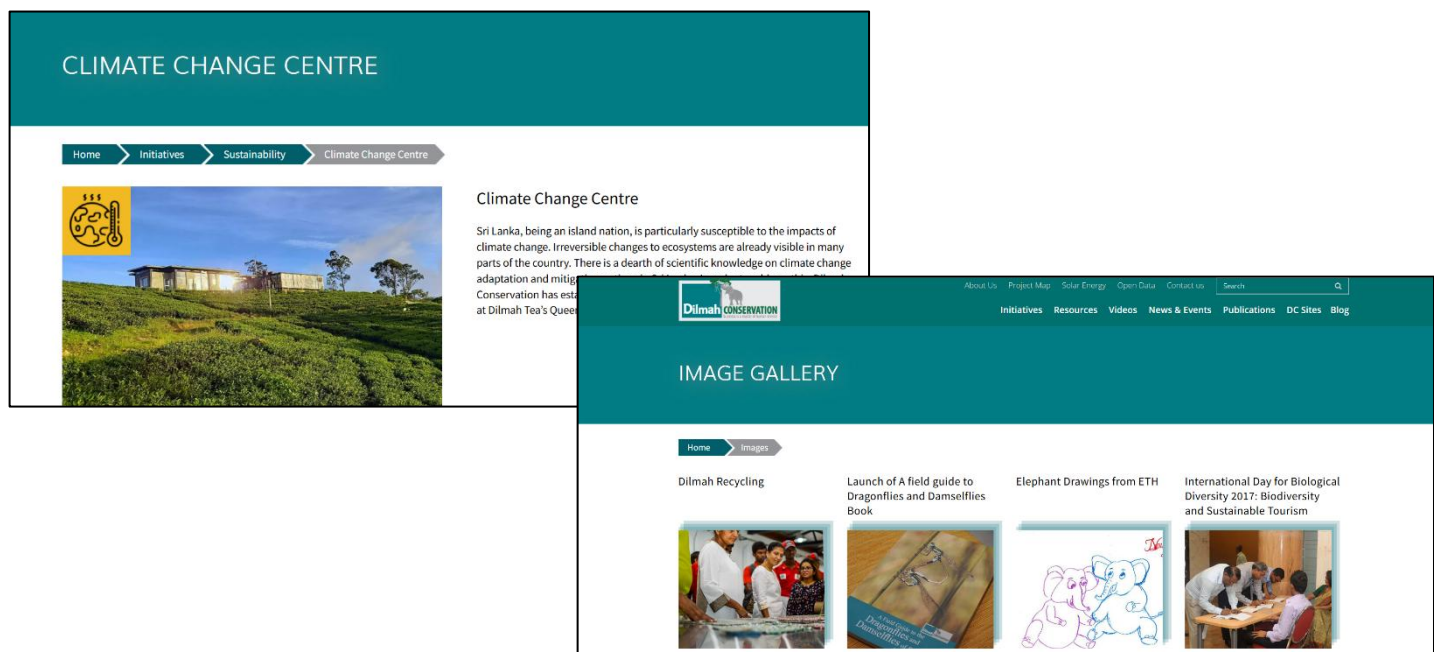
- Ethical Business Model ("Profit-with-Purpose")



Dilmah operates on a "**profit-with-purpose**" philosophy, aligning business success with social impact. The **MJF Charitable Foundation** supports education, healthcare, and livelihoods for tea workers and local communities. Fair wages and ethical sourcing empower farmers, ensuring long-term sustainability. This model fosters **consumer trust and loyalty**, as buyers know their purchase contributes to positive change. Unlike conventional brands focused solely on profits, Dilmah's ethical approach resonates with today's socially conscious shoppers, enhancing brand reputation and competitive edge.

- Conservation & Sustainability ("Dilmah Conservation")

Dilmah integrates **environmental stewardship** into its core operations through **Dilmah Conservation**. Initiatives include Sri Lanka's first **private Climate Change Research Station**, studying agricultural resilience. Reforestation projects protect biodiversity, while sustainable packaging and solar energy reduce its carbon footprint. These efforts go beyond token CSR, embedding sustainability in Dilmah's DNA. By addressing climate challenges and preserving ecosystems, the brand appeals to eco-aware consumers and sets an industry benchmark for responsible business practices. **More Details :** <https://www.dilmahconservation.org/>



- Global Expansion with Local Roots

Dilmah masterfully balances global growth with an unwavering commitment to its Sri Lankan heritage, ensuring its expansion never dilutes its authenticity. While competing brands often sacrifice origin identity for mass-market appeal, Dilmah leverages its **Ceylon tea legacy** as a premium differentiator. It strategically enters international markets—from high-end supermarkets to boutique tea lounges—while maintaining traceability and ethical sourcing. This approach not only strengthens its **luxury positioning** but also safeguards the livelihoods of local tea growers. By embedding Sri Lanka's tea culture into its global narrative, Dilmah turns tradition into a competitive advantage, resonating with consumers who value **storytelling and provenance**.



Business unique value proposition of Dilmah Ceylon Tea.

- 100% Pure Ceylon Tea – The Unblended Authenticity Advantage



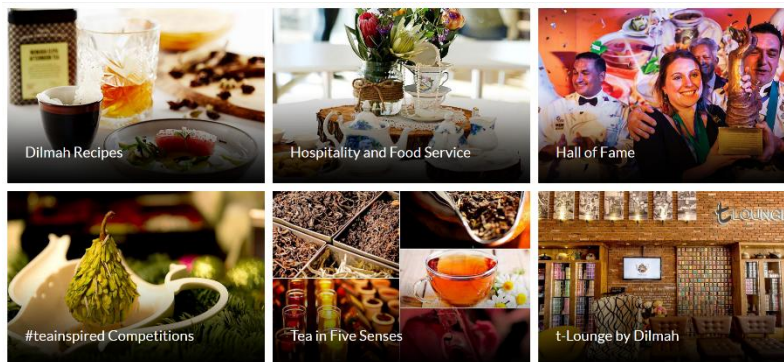
While competitors like Lipton and Twinings blend teas from multiple regions to cut costs, Dilmah stands firm on using **only premium Ceylon tea leaves**. This uncompromising approach preserves the distinctive flavor profile

and aromatic richness that Sri Lankan tea is famous for worldwide. By rejecting the industry practice of bulk blending, Dilmah delivers a **superior, terroir-driven tea experience** that discerning consumers actively seek out. The brand's strict single-origin policy also ensures full traceability from bush to cup - a transparency most mass-market brands cannot match. This purity not only justifies Dilmah's premium pricing but has become its signature differentiator in global markets flooded with generic tea blends.

- Ethical Business Model – Where Profit Meets Purpose

Dilmah rewrites the rules of commercial tea production through its groundbreaking "**Tea with Purpose**" philosophy that competitors struggle to replicate. Unlike multinational corporations criticized for exploitative plantation practices, Dilmah maintains direct relationships with Sri Lankan growers, guaranteeing fair wages and humane working conditions. The brand goes further by channeling 15% of all profits into community development through its MJF Foundation - funding education, healthcare and livelihood programs. This genuine commitment to ethical sourcing and social responsibility resonates powerfully with today's conscious consumers who increasingly reject faceless corporate brands. By making sustainability a core business practice rather than a marketing afterthought, Dilmah has built unmatched credibility in the premium tea segment.

- Tea Innovation – Redefining the Category Boundaries



Dilmah shatters conventional perceptions of tea through groundbreaking initiatives that leave competitors playing catch-up. The brand's **Tea Gastronomy program**, developed with Michelin-star chefs, has elevated tea to gourmet ingredient status in

fine dining establishments worldwide. Its t-Lounge concept stores transform tea drinking into a sophisticated social experience, complete with tea sommeliers and tasting flights - a far cry from standard tea shops. The Elixir range of premium bottled teas captures the convenience market without compromising on quality, while tea mixology collaborations introduce entirely new consumption occasions. These innovations do more than drive sales - they fundamentally expand what tea means to modern consumers, keeping Dilmah at the forefront of category evolution.

- Conservation Leadership – Beyond Greenwashing

Dilmah Conservation represents perhaps the most ambitious environmental initiative in the global tea industry, dwarfing competitors' token sustainability efforts. The brand operates Sri Lanka's first private-sector **Climate Change Research Station**, studying agricultural adaptation strategies that benefit entire ecosystems. Its reforestation projects have restored critical wildlife habitats, while sustainable packaging innovations and solar-powered production facilities demonstrate measurable environmental commitments.

This authentic, science-based approach to conservation provides tangible proof points that resonate with eco-conscious buyers increasingly skeptical of corporate greenwashing. By embedding environmental stewardship into its DNA rather than treating it as a PR exercise, Dilmah has set new benchmarks for responsible business practices in the beverage sector.


- Luxury Brand Partnerships & Global Presence

Dilmah's luxury partnerships with Emirates, Qatar Airways, and The Ritz-Carlton cement its status as a premium global tea brand. These exclusive collaborations position Dilmah alongside fine dining and luxury travel experiences, elevating tea to a symbol of sophistication. Unlike mass-market competitors, Dilmah's presence in five-star venues reinforces its high-end positioning and justifies premium pricing. By curating exceptional tea moments for discerning consumers, Dilmah transforms a daily beverage into a luxury ritual, driving desirability and brand prestige worldwide.




- A Unique Loyalty Program for Tea Connoisseurs

Dilmah's Lovers of Tea Rewards Program redefines tea loyalty by blending premium experiences with meaningful engagement. Unlike generic point systems, it rewards passion for tea culture - from writing expert reviews (10 points each) to purchases (1 point/\$1) - while 200 welcome points instantly delight new members. The program's true distinction lies in its curated approach: points unlock tea-focused rewards and exclusive access, fostering a community of discerning enthusiasts rather than just discount seekers. This thoughtful design reflects Dilmah's heritage as a tea specialist, creating value that resonates with connoisseurs while reinforcing the brand's premium positioning in the competitive tea market.

By rewarding tea knowledge and exploration beyond transactions, Dilmah cultivates authentic connections with its audience. The program's review incentives encourage thoughtful tea discussions, while flexible redemption (1 point = \$0.01) maintains accessibility. Exclusive to Dilmah's online store, it strategically drives digital engagement while preserving the brand's artisanal ethos - a masterful balance of business savvy and tea passion that mass-market competitors cannot replicate. This unique fusion of rewards and tea culture education makes the program an innovative tool for both customer retention and brand storytelling in the premium tea segment.



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USD \$




HOME > DILMAH LOVERS OF TEA REWARDS

DILMAH LOVERS OF TEA REWARDS


Dilmah Lovers of Tea Club



Welcome to the [Dilmah Tea Club](#), created just for lovers of tea. Shopping for your favourite herbal teas and infusions is now more fun and convenient. Earn reward points which you can redeem upon payment, get access to exclusive members-only offers and more!
An exciting journey with [Dilmah Tea](#) awaits you, join the Dilmah Tea Club today.

Dilmah Lovers of Tea Club Reward Points

Reward points can be earned for the following actions:

- **Registering an account** — creating an account on our site will automatically enroll you in our Dilmah Lovers of Tea Club Rewards Program.
- **For your love of tea** — Every time you make a purchase, you earn points based on the total amount you spend on the product purchased.
- **Your tea inspired thoughts** — Earn Reward Points by reviewing our products in our webshop. Your reward points will only be added once the review is approved.

 Rewards
 [Create Account and Sign up](#)

 Reviews
 

1 reward point = \$0.01

Action	Points Earned
Register Account	200 Reward Points
Purchase	1 Reward Point per \$1 spent
Review our products	10 Reward Points per review (once the review is approved)




Redeem Reward Points and Store Credit

You can redeem your Reward Points at checkout. **Each 1 Reward Point will translate to a \$ 0.01 discount on your order.** Reward Points can be used in conjunction with other discounts. Reward Points cannot be redeemed for cash, and value is subject to change without notice.

Manage Your Reward Points

You have the ability to view and manage your total reward points and history of reward points earned and redeemed through **Your Account Dashboard**.

Note: Reward Points are nontransferable and are not redeemable for cash or cash equivalent. No adjustments to previous purchases. Reward Points can only be accrued on purchases made at **Dilmah Online Tea Shop**. Dilmah Ceylon Tea Company PLC reserves the right to modify or terminate this program at any time without notice.

 Rewards
  Reviews
 

Conclusion

Dilmah's success in the global tea industry stems from its unwavering commitment to authenticity, ethical practices, and bold innovation. By championing 100% pure Ceylon tea, the brand preserves the distinctive flavors and heritage of Sri Lankan tea, setting itself apart from mass-market blends. Its "Tea with Purpose" philosophy integrates social responsibility and environmental conservation into its core business model, appealing to today's ethically conscious consumers. Through pioneering initiatives like Tea Gastronomy, luxury partnerships, and experiential retail, Dilmah redefines tea as a premium, gourmet indulgence. Combined with its unique loyalty program and industry-leading sustainability efforts, Dilmah not only dominates the premium tea segment but also shapes the future of tea culture. Ultimately, Dilmah's dedication to quality, purpose, and innovation ensures its enduring leadership in an increasingly competitive market.

