THE POTENTIALI-TEA OF LIPTON IN A BREWING TEA MARKET

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UNILEVER

Unilever was founded in 1929 through the merger of the Dutch margarine producer, Margarine Unie, and British soapmaker, Lever Brothers. Starting off as a producer of soap and edible fats such as margarine, Unilever increasingly diversified and expanded its productions worldwide[1]. Unilever is now one of the largest multinational consumer goods companies globally.

Today, with over 400 brands available in 190 countries, seven out of every ten households around the world contain at least one Unilever product[2]. Unilever is the owner of several world-leading, household-name brands. Its products can be divided into four main categories – Food, Beverages, Home Care, and Personal Care. Through its products, Unilever seeks to meet every day needs for nutrition, hygiene and personal care, providing its consumers around the world with products they need to look good, feel good, and get more out of life[3].

MARKET ANALYSIS

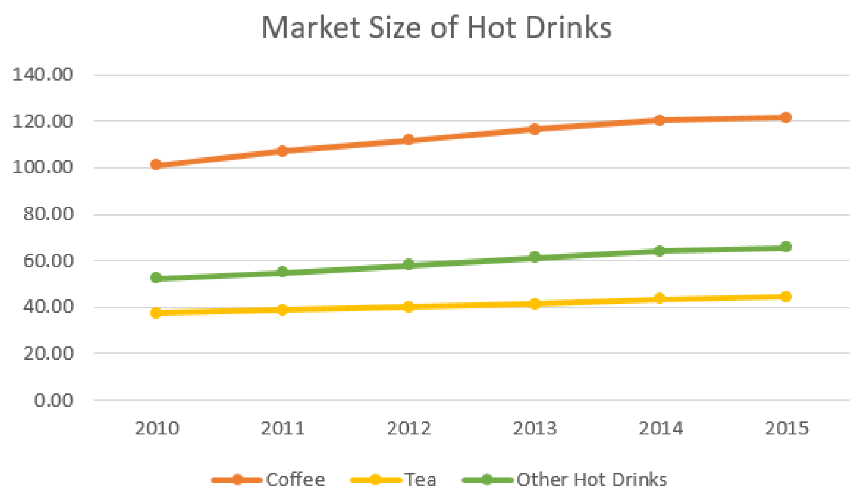

Figure 1.1: Market Size of Coffee, Tea and other Hot Drinks based on Retail Sale Price (RSP)

Market Size - The consumer base of tea market is relatively small, compared to coffee and other hot drinks[4]. This is due to a strong coffee culture in Singapore. Also, there is distinctive product positioning – tea is generally consumed for its health and emotional benefits, whereas coffee is the go-to drink for a caffeine fix. Thus, consumers tend to stick to the same type of hot drinks over the years, resulting in little movement across the categories.

On the other hand, tea is likely able to attract health-conscious consumers due to their strong health positioning. Despite a lower market size, it reflects potential growth for the tea market.

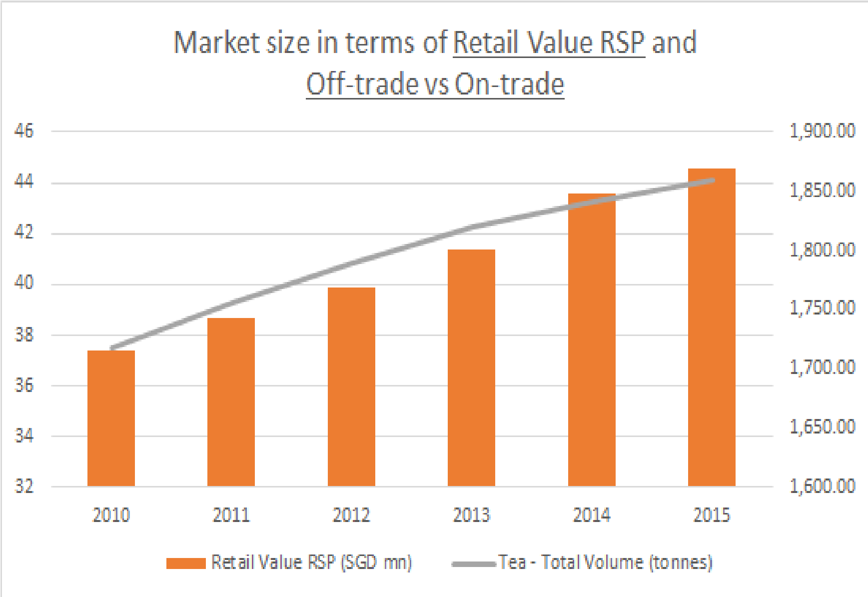

Figure 1.2: Market Size of Tea in terms of Retail Value RSP and Total Volume

Growth Rate - Figure 1.2 shows a general increase in demand for tea from 2010 to 2015. While there is a growth, the rate of growth has been declining steadily as shown by the gentler gradient of the line. The average unit price for tea increased by 1% in current terms in 2015, due to increased consumer preference for black specialized tea and fruit/ herbal tea, which are sold at higher unit prices than black standard tea[5].

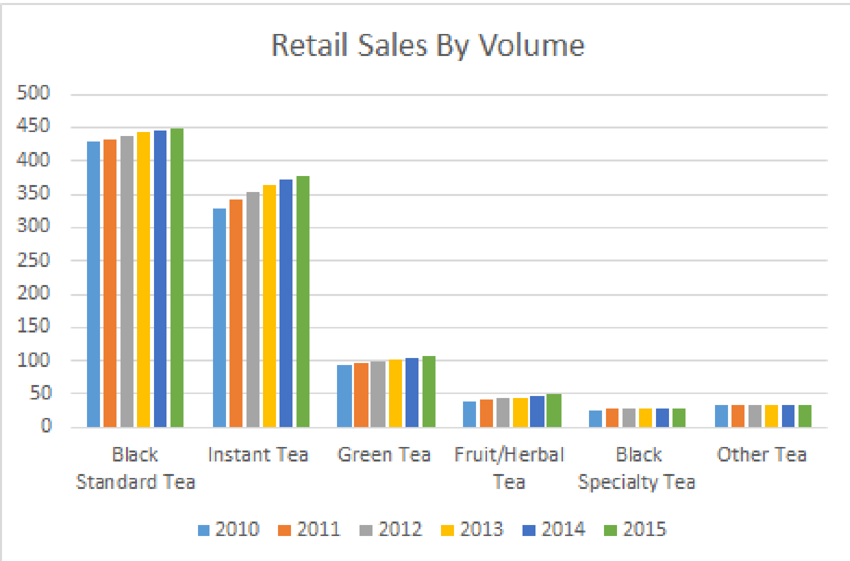

Figure 1.3 – Tea Retail Sales by Volumes

Key Trends

Consumer Preference - There is a stronger preference for black standard tea, instant tea and green tea. Figure 1.3 demonstrates that black standard tea generates the highest retail sales by volume, with at least 400 units sold each year, followed by instant tea and green tea[6]. This trend has remained consistent throughout the 6 years. Other less preferred teas have less than 50 units sold in a year.

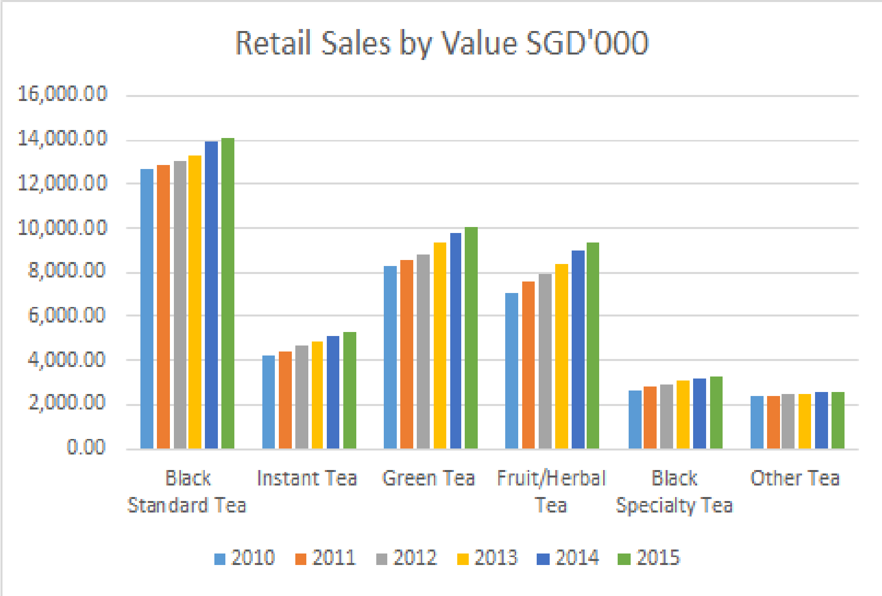

Figure 1.4: Tea Retail Sales by Value

Profitable Teas - Black standard tea, green tea and fruit/ herbal tea are the most profitable teas. As seen in figure 1.4, they generate the most retail sales by value[7]. Black standard tea and green tea have consistently maintained as the top two teas with high retail sales by volume and value.

Although there is a strong preference for instant tea in terms of volume sold, it generates a much lower value, ranging from 4 to 6 million throughout the 6 years. In contrast, fruit/ herbal tea generates a higher value, ranging from 7 to 9 million, despite having one of the lowest retail sales by volume.

Increasing Demand for Fruit/Herbal tea - Fruit/ herbal tea recorded the fastest retail volume growth of 4% in 2015[8]. This can be attributed to the rise of specialty tea establishments, such as TWG, which helped create interest in fruit/ herbal tea. Also, market players such as Unilever, Associated British Foods PLC and Teekanne increased shelf space of fruit/ herbal tea products due to eagerness to promote higher-priced items. Consumers were attracted by the health benefits associated with fruit/ herbal tea, such as uplifting moods, aiding digestion, and calming effects.

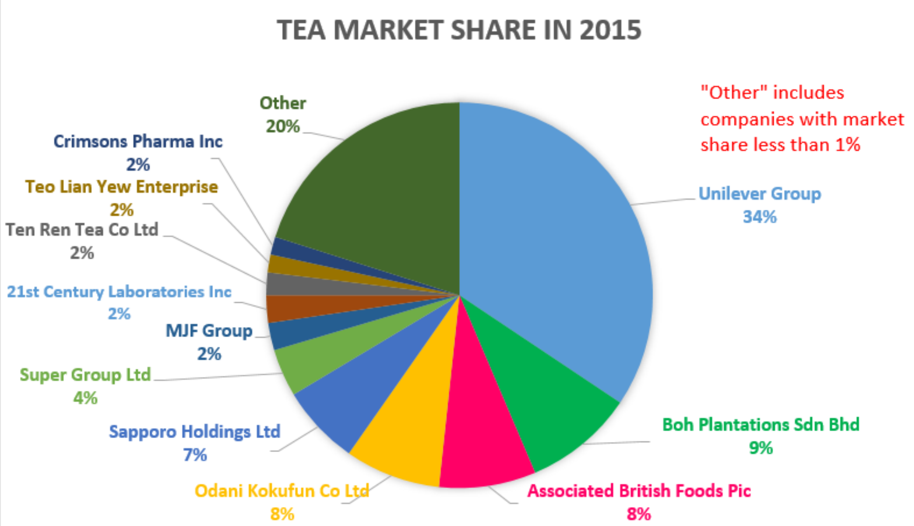

Figure 1.5: Tea Market Shares in Singapore in 2015 (by retail value RSP).

Market Share in Singapore - Unilever has a strong and large market share in the Tea market in Singapore. From Figure 1.5 we can tell that as of 2015, Unilever has the greatest market share of 34% in the Tea Market, nearly 4 times of the next highest mark shareholder – Boh Plantations Sn Bhd, at 9%[9]. The top 5 largest market shareholders have maintained their positions from 2010 to 2015[10]. Hence, Unilever is at a rather favorable position to explore current trends, such as the increasing demand for fruit/ herbal tea, to maximize profits.

MACRO-ENVIRONMENTAL FACTORS

In analyzing the macro-environmental factors which influence the tea market, the PESTEL framework will be adopted. The key macro-environmental factors that affect the tea market are (1) Economic, (2) Social, and (3) Technological factors.

Economic - Based on Figure 1.6, there has been a consistent growth in Gross Domestic Product (GDP) from 2010 to 2015[11]. This is a strong indicator of a healthy economy and there is rising affluence among Singaporeans. This gives rise to the trend of premiumization, where consumers are willing to pay more for "premium" products such as fruit/ herbal tea, as they are often associated with prestige and higher social status. This accounts for the increasing sales of fruit/ herbal tea throughout the years.

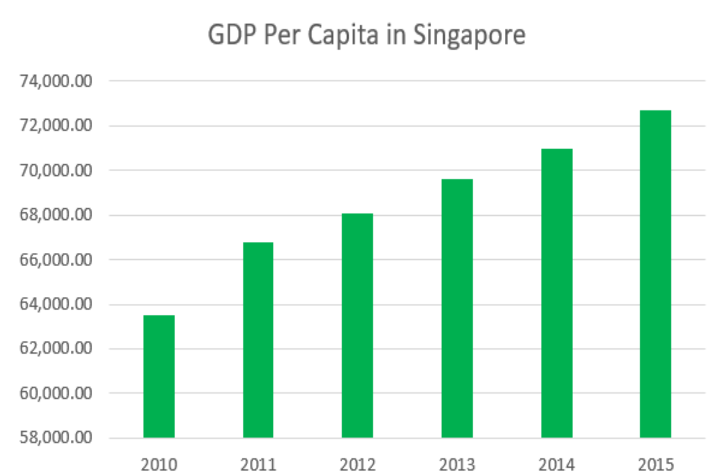

Figure 1.6 – GDP Per Capita in Singapore

Social - Singapore has consistently maintained population growth [12], and the population is projected to reach 6.9 million as of 2030. This reflects the potential for the tea market to continue growing[13], accounting for the growth rate in tea market.

There is also an increasing health and wellness trend in Singapore. This is partly due to the growing problem of diabetes in Singapore, with Singapore having the second highest diabetes prevalence among developed nations[14]. Thus, increasingly health-conscious consumers are looking out for products with natural ingredients and low fat or sugar content. Products with the "Healthier Choice" symbol are a key indicator. The rising demand for healthier lifestyles and products has driven the growth of green tea and fruit/ herbal tea, as they are often linked with various health benefits[15].

Additionally, there is an increasing trend of younger consumers drinking tea to participate in a certain "lifestyle"[16]. The rise in specialist tea boutiques such as TWG have provided consumers with an option to participate in a gourmet lifestyle by drinking tea at exquisite yet accessible boutique shops. This has increased the demand for a variety of tea flavours, such as a combination of fruit tea flavours.

Technological - The advent of technology has led to increased efficiency in the entire supply chain of tea. Modern machineries and equipment have increased the production of tea leaves, while lower freight costs have led to increased distribution of tea products all over the world to fuel the rising demand of tea. Furthermore, research and development has led to the creation of innovative tea flavours such as fruit/herbal teas, and tea latte. These have led to increased demand for tea.

In 2016, online purchases are predicted to account for 7.4% of global retail spending, amounting to approximately $1.67 trillion. This figure is expected to increase further to 8.8% by 2018, and 12.4% by 2019[17]. With more consumers purchasing online, firms have created online distribution channels to provide convenience to customers. Simultaneously, firms utilize social media as an advertising and informative platform, for greater outreach to potential consumers. Cumulatively, this has led to an overall rise in demand for tea, and a more competitive environment in the tea market.

CONSUMER SEGMENTS AND BUYING BEHAVIOUR

The consumers of the tea sector can be segmented based on their age groups: (1) elderly, (2) adults, and (3) youth. Tea is a medium-involvement purchase that requires consumers to make limited problem solving. Consumers are likely to be substantially involved in their purchase decision process, and their buying behavior is likely to be influenced by various psychological and sociocultural influences[18] as discussed below.

Elderly - With Singapore's ageing population[19] the older generation forms the traditional consumer base for tea. There is a demand among the elderly for drinks with health benefits and calming emotional effects, such as traditional black tea[20]. Moreover, elderlies who have been drinking tea for many years are likely to form the habit of buying the same tea on a routine and regular basis, forging brand loyalty.

Adults - Working adults typically have hectic, busy lifestyles, due to the Singapore's fast pace. This has bolstered the demand for ready-to-drink teas over loose teabags, as consumers look out for quick, convenient beverages to cater to their busy lives.

Additionally, there is an increasing trend for healthy living[21]. The increasingly health-conscious adults seek to reduce sugar intakes, leading to increased purchases in fruit/ herbal tea, as it contains natural ingredients and is perceived to have health benefits. This growing trend signals that adult consumers may be more receptive to unsweetened beverages than before.

With the improved economic activity and rising affluence of working adults in Singapore, consumers start to have more sophisticated palettes. Thus, there is greater willingness to pay for premium drinks fruit/ herbal tea, despite its higher price, as such drinks are associated with prestige and higher social status.

Youth - At a young age, consumers have more adventurous taste palates. Hence younger consumers are more willing to try new, exciting flavours, such as milk tea lattes or fruit-flavoured tea, compared to traditional black tea.

The buying behaviour of youths is often influenced by social surroundings, as youths are constantly seeking the latest trends. Hence, there is greater inclination towards fruit/ herbal tea, which is perceived as a fashionable lifestyle product. There was also a recent craze over the bottled Taiwanese milk tea "Chun Cui He" [22]. The massive hype for Taiwan milk tea was perpetuated through social media. As such, many youths jumped on the bandwagon and flocked to purchase the drink as well, resulting in the drink being sold out nation-wide.

KEY COMPETITORS

The two key competitors of Lipton are BOH Plantations Sdn Bhd ("BOH") and Twinings.

BOH Plantations Sdn Bhd ("BOH")

BOH is an established Malaysian brand that has branched out into Singapore. It is one of the local market leaders, with the second largest market share of 9% as of 2015[23]

Image extracted from:
https://www.boh.com.my/shop/catalog_category/26/Tea-Leaves/

Image extracted from: https://yt3.ggpht.com/-iB6LpA9CGHA/AAAAAAAAAAI/AAAAAAAAAAA/jHhxVavR4-A/s900-c-k-no/photo.jpg

Promotion - BOH portrays a consumer-friendly brand image, through their tagline "Share the Ummp". This targets the average household, in an attempt to make the brand appealing to the masses.

BOH focuses on Corporate Social Responsibility ("CSR") as well, projecting an environmentally responsible brand image. For instance, BOH is actively involved in nurturing Malaysia's performing arts scene. In 2002, BOH introduced the BOH Cameronian Arts Awards, the country's first awards ceremony for performing arts[24]. All these play a role in improving publicity for BOH, thereby increasing consumer awareness.

Pricing - BOH's key strategy is to provide affordable prices, to secure a large market share. This is made possible as BOH is one of the world's few vertically integrated tea companies. Their wide-ranging operations of growing, picking, processing, packaging, and marketing tea[25] makes them less dependent on external suppliers, translating to lower production cost and allowing them to maintain low retail prices.

Product - BOH engages in product diversification to gain greater market share. BOH currently offers the Cameronian Gold Blend, gourmet Garden Teas, the Seri Songket range, 3-in-1 sachets, and an array of herb and fruit infusions[26]. This helps BOH to open up new markets, creating new demand, while reinforcing existing demand.

Placing - Malaysia's abundant natural resources such as land, and favourable tropical weather for the cultivation of tea leaves has enabled BOH to have their own tea plantations in Habu, Fairlie Tea Garden, and Sungai Palas Tea Garden[27]. There are packaging factories near the plantations so distribution is easy and quick. BOH products are readily available to the masses in supermarkets such as Fairprice, and personal care stores such as Watson.

Twinings

Image extracted from: http://lifeinahouseoftestosterone.com/wp-content/uploads/2014/12/Twinings12-1024x522.jpg

Twinings is an established international brand, with up to 4.2% share of the global tea market[28]. Locally, Twinings recorded its best performance in 2015, increasing its market share to 8%, but falling behind rivals Lipton and BOH[29].

Promotion - Twinings relies on social media advertising, to promote their products and connect closely with young adults. They allocate large amounts of funds to advertising; for instance, 10 million pounds was spent on their "Get you back to you" video campaign, to create advertising that drives real appraisal[30].

Twinings is also heavily involved in CSR[31]. For instance, Twinings collaborated with UNICEF and the Assam Branch of India Tea Association (ABITA) in 2011, to reduce the prevalence of anemia among 7000 adolescent girls in Assam India, through workshops and the distribution of iron folic acid tablets. This well-publicized partnership enabled Twinings to gain positive media coverage among the public.

Pricing - Twining engages in premium pricing strategy[32]. By pricing their products higher, buyers are incentivized to purchase them by correlating this to higher quality. The premium pricing also forms part of Twining's brand identity as an established luxury brand for tea.

Product - Twinings focuses on research and development, to constantly improve its current products and add on new products, staying ahead of market trends. It also separates its tea products from other brands using brightly coloured hues and modern designs in its packaging[33], which catches the eyes of customers.

Placing - Twinings operates internationally, with strong brand establishment in Europe. In Singapore, Twinings leverages on subsidiary brands such as Ovaltine[34] to gain brand recognition and distribution channels in Southeast Asian countries. One can easily purchase Twinings at grocery stores such as Fairprice and Cold Storage.

LIPTON'S MARKETING STRATEGY

Product

Wide Ranging Product Development - Lipton has a strong focus on product development, as it is continually launching new product flavours and variants. For instance, there was an emerging consumer preference for Tea Latte among younger consumers in 2015[35]. Lipton rode on this trend, releasing new product lines such as Lipton Milk Tea Latte Classic and Lipton Milk Tea Latte Teh Tarik[36].

Image extracted from: http://static1.squarespace.com/static/52536652e4b007332ef4ecf4/t/53222915e4b06a9133ab0ab8/1394747670987/

As the market leader, Lipton can leverage the strength of its brand equity to provide wide ranging products suited to different consumer segments with varying tastes and preferences. Thus, its focus on product diversification is effective, as it allows Lipton to continually tap on new growth opportunities and widen its consumer base, reinforcing its position as the market leader.

On the flip side, this strategy may backfire as Lipton is targeting too many consumer markets. Consumers tend to associate themselves with the brand they are purchasing. A CEO having Lipton tea at an important client meeting would not want to associate himself with a child drinking a bottle of Lipton Iced Tea at the playground. This points to a lack of brand identity. When consumers think of Lipton, there is no clear picture of a distinctive identity that consumers can relate to.

Healthy Brand Image - Against its competitors, Lipton seeks to position its tea as a healthier beverage. For instance, a typical bottled Lipton Green Tea has lower sugar content than a bottle of Pokka Green Tea. Lipton uses stevia, a natural sweetener, giving its tea a sweeter, more pleasant taste. Although Lipton's green tea levels are low, this translates to lower caffeine levels as well, which is healthier. The presence of flavournoids also increases the antioxidant properties of Lipton tea. 1 cup of Lipton green tea contains close to 0 calories[37] while the same volume of Pokka green tea contains 76 calories[38].

This is an effective strategy given the increasing number of health-conscious consumers will be inclined to purchase Lipton's tea over other tea brands for increased health benefits. However, Lipton's product packaging does not emphasize its health benefits over its competitors. Thus, consumers who are unaware of the difference in ingredients are unlikely to choose Lipton over other brands for health reasons.

Packaging - Lipton distinguishes themselves from other brands using its trademark yellow label tea. Lipton has also sought to promote their Yellow Label as a blend of tea that is fresh and of high-quality[39].

The bright yellow packaging has created an iconic brand image for Lipton, that consumers can easily identify when faced with numerous substitutes on supermarket shelved. Thus, it is effective in promoting product recognition, and associating the Yellow Label with tea of high-quality tastes. However, the similar and almost homogenous yellow packaging across all its products may also be ineffective in allowing consumers to differentiate between the different product lines offered by Lipton.

Image extracted from: http://www.greenpeace.org/eastasia/publications/reports/food-agriculture/2012/lipton-pesticides-tea-report/

Figure 5.1: Lipton has the same yellow packaging for all its products

Pricing

Premium Price Strategy - Using premium price strategy, Lipton endeavours to encourage favorable perceptions among buyers. Customers will take into consideration the artificially high price of the product and have the impression that the product they are buying is of a higher quality. For example, TLY Japan Green Tea 50s is priced at $5.80, while Lipton's Clear Green Tea 50s are priced at $7.05[40].

Given the rising affluence of Singaporeans and increase in disposable income, Lipton's premium pricing is effective as consumers can afford paying higher prices. As tea is an affordable household item, the difference in price between Lipton and other brands is negligible, encouraging consumers to spend more on a seemingly more luxurious tea. Moreover, there is a psychological correlation between the price and quality of goods, reinforcing a positive brand image for Lipton as a maker of high-quality tea.

Placing

Online Sales - Lipton places strong emphasis on making their products easily accessible. Thus, its products are sold at large supermarkets such as NTUC and Fairprice, making their tea conveniently available to the masses.

Lipton also maintains an online presence where its products can be ordered and purchased from its website. In USA, teas are sold in large quantities, and online sales make up to approximately 10% of Lipton's gross income[41]. However, this data may not be able to be extrapolated to Singapore, as consumers may be less accustomed to buying consumables online.

Lipton teas can be considered non-perishables, as they do not expire quickly and can be stored at room temperature. It requires little precautionary measures in packing, storing and delivery as well. Thus, online sales are viable and effective for Lipton, as it is convenient for consumers, yet not too logistically taxing on the company. This allows Lipton to maximize profits without compromising on product quality.

Increasing Distribution Channels with PepsiCo - The Pepsi Lipton Tea Partnership is a joint venture between Unilever and PepsiCo, to expand the marketing and distribution of Lipton's RTD Tea. Bottled Lipton teas are distributed through PepsiCo's distribution channels[42].

This is a strategic alliance that proves extremely beneficial. It allows Lipton to tap on Pepsi's extensive bottling system, massive distribution network and strong brand equity, creating easy entrance into new markets where Pepsi is already strong[43]. In the local context, PepsiCo often has refrigerators at coffee shops, selling exclusively Pepsi's beverages. Thus, this partnership allows Lipton's bottled tea to reach a significant number of new consumers, in particular, the average Singaporean that frequently visits coffee shops.

Moreover, people who dine at non-air conditioned coffee shops usually want a cold beverage to go with their meal. Tea is also known to have healing properties to cleanse oily food consumed at coffee shops[44]. Thus, these situational factors will inevitably increase the demand for Lipton's products at coffee shops.

Promotion

Marketing through Media - Lipton continuously markets its products through an array of platforms, such as its website, print media, and social media. However, Lipton's social media presence is lackluster and its promotional strategies are rather ineffective. For example, its Facebook presence is rather weak, with infrequent posts. Thus Lipton may be losing out on an opportunity to market its products more aggressively to youths and adults, as the main users of Facebook.

Lipton's website also seems rather rudimentary in terms of design, information, and user-friendliness, as compared to competitor sites. For instance, Twinings provides a more detailed description of each of its products and various product lines, and options for consumers to refine their search (by flavour, product type etc.) for increased consume convenience. Its website is also regularly updated with news related to the brand, increasing consumer awareness of Twinings.

Image extracted from: http://comicbook.com/blog/2014/03/02/the-muppets-lipton-be-more-tea-oscars-commercial/

Figure 6.2: Lipton's "Be More Tea" Campaign featuring Disney's Muppets

Lipton's main promotional strategy is to position its product as the most refreshing, energizing and healthy beverage available in the market, such as from its 2014 "Be More Tea" campaign, featuring Disney's Muppets and how consumers should "embrace each new day with a playful mindset"[45]. However, Lipton's tagline 'Be More Tea' is ambiguous in nature, possibly due to the lack of brand identity of Lipton, thus consumers might be unable to relate to it or know the underlying message.

Corporate Social Responsibility - Lipton involves itself with CSR activities, such as working with the Rainforest Alliance[46] to promote environmental sustainability. They aim to improve the livelihood of local farmers [47], and contribute back to the local's society.

As target consumers in Singapore are mostly well educated, consumers demand firms to care about the environment and society, while achieving business goals[48]. As seen from the Greenpeace Kit Kat Movement in 2010[49], consumers are fully cognizant of the importance of social and environmental concerns, making it critical that Lipton plays its part in its CSR efforts. Lipton's focus on CSR therefore reinforces a positive image as a responsible brand.

RECOMMENDATIONS

Product

Image extracted from: www.liptontea.com and http://www.twinings.com/home.php

Figure 6.1: Lipton (left) should seek to make its Fruit/ Herbal line more colourful, like Twinings (right).

Repackage Existing Products - While Lipton should maintain its hallmark yellow box packaging for its Yellow Label Tea, it should repackage its fruit/ herbal tea line, to allow for greater differentiation between its different product lines. Moreover, by making its fruit/ herbal tea packaging more vibrant and colourful, it is more likely to attract the younger generation, which has been identified as the main consumer segment for this product type, increasing Lipton's market share in the tea market.

Image extracted from: www.liptontea.com

Figure 6.2: Lipton's current Yellow Label Tea does not feature the words "100% Natural" prominently.

Emphasis on "Clean" Label - Following the growing healthy living in Singapore, Lipton should highlight its clean and healthy label more obviously on its product packaging, to appeal to the increasingly health-conscious consumers. It can seek to attain the "Healthier Choice" logo for all its products, given that Singaporean consumers tend to look out for this symbol in making purchase decisions. Hence, Lipton can further penetrate the market by increasing its market share in the tea market.

Specifically, for its signature black tea, Lipton should make the words "100% natural" on the packaging more visible, to appeal to the increasing consumers who look for products with natural ingredients. It would also justify the higher prices paid.

Given that Lipton reformulated its Iced Tea in 2015 to contain 30% less sugar, Lipton should likewise emphasize that it has 30% less sugar on the packaging, to demonstrate its commitment towards providing healthier choices for its consumers.

Image extracted from: www.liptontea.com and www.delmonte.com/

Figure 6.3: Lipton's Iced Tea (left) can feature prominent words such as "30% less sugar".

Promotion

Improved slogan: Lipton's "Be More Tea" campaign seeks to encourage people to snap out of their routines and embrace each day with a more playful and thoughtful mindset. While the concept is good, the idea of Lipton tea being the most refreshing and energizing drink is not well-portrayed. A better slogan would have a direct, clearer message that is easier to understand on a literal reading, such as "Better Tea, Better Me".

Product

Premium Sub-brand - To establish a stronger brand identity, Lipton should segregate its various product lines more. Lipton can introduce LiptonPremium as a sub-brand, and categorize all its higher end products under it, such as its Tea Pyramids, which are a better quality version of its normal teabags. This will allow different consumer segments to relate more with its different products – for instance, adults who enjoy sophisticated, affluent lifestyles will be more inclined to purchase products from LiptonPremium, while children or ordinary households will veer towards its standard products. LiptonPremium products would also have distinct packaging to further differentiate the product lines.

Promotion

Segregated Promotion - To further increase its product segregation, Lipton can promote different product lines to specific consumer groups. For example, given that the vibrant, exciting flavours in its fruit/ herbal tea line are likely to attract the younger generation of tea drinkers, Lipton can focus on promoting this line through (1) social medial platforms, and (2) brand ambassadors. Lipton can do promotional videos with famous Youtubers like Night Owl Cinematics. As such YouTube videos are mostly viewed by the younger population, Lipton will promote specific products to specific target audiences through such platforms.

Product

Image extracted from: https://www.twinings.co.uk/gifts/tea-caddies

Figure 6.4: Sample of tea caddies for Lipton's premium range.

Introduce tea caddies - Following the trend of premiumization, product packaging is increasingly important. Furthering the idea of a premium sub-brand, LiptonPremium, Lipton can provide consumers with the option to purchase its premium tea in tea caddies. This is advantageous because Lipton can (1) charge even higher prices for the packaging, and (2) promote its tea as not just the product itself, but as a sophisticated lifestyle. Moreover, the more attractive packaging can allow Lipton to capitalize the market of consumers who are looking to buy tea packages as gifts.

Option to mix and match - Lipton can capitalize on the strength of its online sales platform further, by providing customers with an option on its website to mix and match teas in a set. This will allow online purchasers greater exposure to Lipton's various flavours.

Image extracted from: http://www.rakuten.co.uk/shop/theindianteacompany/product/B00PX6UAC4/

Figure 6.5: Lipton can allow online customers to mix and match various tea flavours in a box set.

Product

Lipton Café: Riding on the economic trend of premiumization, Lipton can explore setting up a Lipton Café, targeting affluent consumers. In addition to offering a wide variety of premium tea flavours, the café could serve snacks such as English biscuits and cakes to complement its tea, and high quality tea ware such as teapots and mugs, like Starbucks.

Image extracted from: www.starbucks.com

Figure 6.6: Starbucks sells a wide range of merchandise at its stores, something Lipton could do with its tea.

The Café could feature a section selling wide-ranging premium Lipton tea leaves. Highly trained staff with specialized knowledge can increase promotional efforts, particularly in fruit/ herbal tea, which are the most profitable in the tea market in terms of value. The staff could highlight the health and emotional benefits of fruit/ herbal tea. In addition, free samples could be given out for customers to try out new flavours.

Image extracted from: https://www.amazon.com/Beverage-Dispenser-Drinks-Removable-Chamber/dp/B0057VYMQ0/ref=sr_1_5?ie=UTF8&qid=1477208259&sr=8-5&keywords=Beer+Tower+Dispenser

Figure 6.7: Tea Tower

Image extracted from: http://www.wact.co.jp/en/works/2004/09/lipton-tea-house.html

Figure 6.8: Lipton Café concept

In addition, Lipton could introduce a "Lipton Tea Tower" in the menu, as shown in figure 6.7. Sharing a similar concept to beer tower, this will allow customers to order large volumes of tea to share with their friends, and can even customize and choose a mix of flavours. As this is a novel concept in the tea market, and as shown in figure 6.8, the café will likely attract younger customers and who might try it out with friends.

CONCLUSION

Unilever's Lipton is in a very good position in the tea market industry due to its large market share and versatility of products to cater to a wide range of consumer groups. We think that Lipton has packaged itself as an everyday brand and as the market saturates, coupled with the rise of foreign tea competitors, Lipton can instead target more luxury-seeking consumers. Against its competitors, Unilever can adopt some of Twinings' method of premiumization such as its standalone stores. Additionally, we recommend several methods that aid the premiumization of Lipton tea products, to allow Lipton to tap into this high-end market.

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