



# CRACKING THE CHAI CODE



**VIKRAM SINGH GULIA,**  
VICE PRESIDENT  
AND BUSINESS  
HEAD, CONSUMER  
DIVISION,  
GOODRICKE  
GROUP LTD, ON  
WHAT IT TAKES TO  
PRODUCE THAT  
PERFECT CUPPA

## INSIDER'S PERSPECTIVE

Having worked at plantations and handled operations at Goodricke for two decades, Vikram Singh Gulia appropriately observes that social development and IT have made a significant change in the way the industry operates today. "Unfortunately, only a handful of estate owners have invested in replanting and rejuvenation of tea fields, modernising manufacturing facilities, providing irrigation infrastructure and adopting a sustainable approach to support tea agriculture. As a result, you see estates and companies that are thriving in spite of increasing costs and others who are recording losses," said Gulia.

However, the growth of packet tea category in the country has been impressive, backed with improved infrastructure and logistical support in the country. "Pity is that over the time, the Indian consumer is being supplied with below par teas sourced by blenders and packeteers from industrial production sources rather than estate owned produce, leading to a drastic drop in quality. In a short span of time, genuine, original good quality tea will become a rarity in the Indian retail," asserts Gulia.

## QUALITY IS KING

Tea industry in North-East is doing much better than South or North India, feels Gulia. "The Darjeeling tea industry has high potentials; however, this exalted brew has to be popularised more. With regard to tea consumption, east lags behind the north and west. Darjeeling tea, known as champagne of tea, commands a good share in Kolkata where consumers are very proud and possessive about the quality. Incidentally, Goodricke commands 54% market share in the Darjeeling packet tea category and its brand Goodricke Roasted is a popular household name," points out Gulia.

For plantations, rising costs and stagnant prices for teas remain a challenge, feels Gulia. "For consumer marketing, the big brands are not increasing prices in their pursuit of market share which is threatened by the local, small players. In all this, the quality of tea is being compromised

with. In not too distant a future, the Indian production would largely become of mediocre quality and we shall only reminisce about the glorious days of the Indian cuppa that used to be fragrant when brewed and bursting with freshness," he explains.

## GROWTH TRENDS

Gulia's agenda now is to scale up Goodricke's consumer business to beyond the 150 per cent growth attained over last eight years. Apart from that, he also aspires to take consumer business to a position that the house of Goodricke deserves, which is amongst the top five. The consumer business of Goodricke has grown manifold over the last eight years, from a sub 50 crore turnover in 2010, and it is targeting 280 crore in 2018.

This business, which employed 50 odd employees eight years ago, now has a total direct and indirect employee strength of more than 600 people. "Launching of our e-commerce business backed with digital marketing strategies has been another feather in our cap. Initiating a tea hospitality business in 2012 on a trial basis has grown into an independent

sub vertical where we operate tea lounges, cafes and kiosks. Our signature tea lounge, Margaret's Deck, in Kurseong has become a must visit spot in every Darjeeling visitor's map," he points.

## BRAND BUILDING

Highlighting their focus on quality production to ensure that Goodricke plantations continue to command a premium, he also shares that the company is developing its infrastructure and increasing its distribution reach to make their teas available at more outlets across the country. "We've recently acquired tea business of cigarette major Godfrey Phillips that has provided us with an expanded reach into many states. We're now distributing in J&K, Punjab, HP, Haryana, Rajasthan, Delhi, UP, Uttarakhand, MP, CG, Bihar, Jharkhand, Odisha, Bengal, AP, TN and Andaman and Nicobar islands. Our approach is to raise consumer awareness to ensure that sale output from each retail point goes up," signs off Gulia.

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