

FOOD AND BEVERAGE

Britain's Newby vies for US hospitality, retail partners for its luxury teas

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Newby Teas' Zodiac Collection, introduced in 2014. Image credit: Newby Teas

By MICKEY ALAM KHAN

While coffee has been more democratically consumed in the United States, British-based Newby Teas is eyeing an opportunity to introduce consumers to the charms of high-quality tea via hotels, restaurants and gourmet specialty stores.

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The brand recently added to its East Lansing, MI office with a New York outpost signalling the growing importance of the corporate market for luxury teas. **Newby Teas** founder/chairman Nirmal Sethia, known for his collection of rare tea-ritual paraphernalia in his British homeland, senses an opportunity to make inroads into the U.S. luxury hospitality market.

"Many of the hotels and restaurants seek cheap prices and not product quality because they do not employ tea experts as tea has become just another mass commodity," Mr. Sethia said.

"Newby prides itself on being a company that is substantially owned by a British registered charity and our mission is not only profit, but working and serving with honesty and having the courage to expose unscrupulous products, if required or requested," he said.



Newby Teas 'Silken Collection'

Teeing up

Mr. Sethia is founder of the N. Sethia Group, which is involved in banknote-related industries, sugar refining, tea plantation, global real estate, investment banking and tea packaging. Tea represents less than 1 percent of his global business.

More than 65 percent of Newby Teas U.K. is now owned by non-profit N. Sethia Foundation. The foundation also owns the single largest collection of tea antiquities dating from the 10th century BC till the current times, with some 1,700 objects.

Mr. Sethia's connection with tea dates back to the 1950s when luck led him to his first job as a 14-year-old apprentice tea taster. Within two years, he started his own tea-buying business in Calcutta, India, which led to him buying a tea garden in the Northeastern Indian state of Assam, where he lived modestly to learn every aspect of the craft.

Unable to pursue his tea career further due to family obligations and the resultant focus on his industrial conglomerate, Mr. Sethia's contribution to tea culture was not met until 2000 when Newby Teas was born.

In this dialogue, Mr. Sethia explains his love for fine teas and the rationale behind the business, the opportunity in a coffee-consuming market such as the U.S. and **Newby Teas'** active search for distribution and retail partners in the world's largest consumer market. Please read on:

Newby Teas is trying to crack the United States. What makes this market so attractive?

Historically, the U.S. is a nation of tea consumers and it has a significant importance in the history of tea culture. The Boston Tea Party is proof of that.

After Colonial America, tea lost its popularity. However, in the last 10 to 15 years, the speciality tea movement has steadily increased in the United States, with more Americans including tea in their daily routine.

American consumers prefer coffee to tea, although the latter's consumption seems to be on the upswing. Is that what you're seeing?

The tea culture decline began after the invention of the teabag in the early 20th century. Unscrupulous tea merchants started producing poorer quality tea, which was not visible to the eye, and steadily tea started to decline.

Coffee then entered the market as a choice of hot beverage.

The decline of fine tea also brought about the introduction of infusions, a mixture of fruits, flowers and fragrances, to give some status and meaning to cheap and poor quality tea.

The progression of infusions resulted in a higher consumption of iced tea.

The 21st century saw the arrival of computers, the Internet, electronic marketing and social media, which has helped

to bring about the revival of the tea culture.

The concept of luxury teas is foreign to quite a few markets, including India, China and even in Europe. It does seem to be limited to high-end restaurants and luxury hotels. Is that what Newby Teas is aiming for in the U.S.? It would be misrepresentative to say that luxury tea is foreign to China and India or Europe, for that matter.

According to legend, tea was invented 2700 BC in China by Emperor Shen Nueng. Research has been ongoing for thousands of years to analyse the richness of the teas produced in China and Japan.

Even today, the finest teas are produced in China, Taiwan and Japan. Originally, Da Hong Pao sold for \$12 million to \$14 million per kilo.

The ultimate and finest tea production is barely 1 percent of the total tea production in China, Taiwan, India and Japan.

Seventy percent of the tea produced is of average to poor quality, which currently most international brands are marketing.

If the truth be told, the tea culture and history has been camouflaged by greedy marketing and greed of some of the tea merchants. The markets have been flooded with average- to poor-quality teas.

The consumers' innocence has been exploited by some of the service industry whose only mission is to buy cheap and sell expensively in the name of branding, ambience and false marketing.

What's your pitch to hotels and restaurants in the U.S.?

Newby was created to reintroduce this lost tea culture.

The tea packers or merchants, truthfully, do not create an awareness on how to make and brew a good cup of tea because good teas are rare and very expensive and, therefore, difficult for the service industry to make any profit from.

Many of the hotels and restaurants seek cheap prices and not product quality because they do not employ tea experts as tea has become just another mass commodity.

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Newby Teas: The team behind London's luxury tea company

How does Newby Teas differ from other luxury tea brands? Who are some of your competitors in the U.S.? And overseas?

Newby is the only tea brand in the world who has introduced the concept of tea preservation at their packaging facility.

Our quality teas have been entered in world competitions, and, to our credit, we have earned more than 130 awards in the last 10 years, including with NATC.

In all honesty, there is no other international tea company, either in the U.S. or anywhere else in the world, who is our competitor.

Some of the international brands have their own production facility, but many do not, and their packaging takes place in common and cheap work facilities. One only has to look at their balance sheets to see that some of these brands do not have the financial means to buy their own production facility, just enough to rent the machinery.

A packaging unit that packs a hundred different tea brands cannot produce any quality tea because of contamination with other teas.

Besides which, Newby is the only international brand who guarantees that all our black teas are of the second-flush production as we do not buy any autumn or fag-end-of-season teas.

Newby products may not be cheap, but they are affordable and our product quality is far superior to most international brands.

Which corporate clients has Newby signed up so far in the U.S.?

Newby is grateful to have developed strong hospitality partners since the year of opening in the United States. Some

include Aman, Waldorf Astoria and InterContinental.

Which is Newby's biggest market by consumption? What lessons have you learned from there that can be applied in the U.S.?

Presently, Russia is our biggest market where some of the most important dignitaries drink only Newby Teas.

The lesson we have learned is true tea connoisseurs cannot be misled by false marketing.

Newby Teas is totally affordable and competitive considering its quality. Multi-international personalities are committed Newby Tea drinkers, but I am unable to name them due to confidentiality reasons.

What next for Newby in terms of expansion?

Newby has been established in the U.S. since August of 2017, with a focus of developing hospitality partners nationwide.

We have recently expanded our team to New York, where you will soon find us in more luxury hotels, restaurants and specialty gourmet stores.

Founder's take: Rediscovering the art of tea

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