

From Plantations to Teacups: Analyzing Tea Preferences in India

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Abstract

This study explores the tea consumption patterns of Indian citizens, drawing on a primary survey conducted by Ecofundomics LLP in 2024. The survey, involving 170 respondents from diverse demographic backgrounds, aims to understand the factors influencing tea preferences in India. The findings reveal that tea remains a staple in Indian households, with 65.3% of respondents consuming it daily. Milk tea is the preferred choice for most (68%), while black tea, green tea, and herbal tea are less popular. The survey also highlights the continued reliance on traditional retail outlets, with 60.9% of respondents purchasing tea from local grocery stores. Brand reputation plays a minimal role in influencing tea choices, as taste, flavour, and freshness are the primary considerations for most consumers. Additionally, the study sheds light on the significant domestic demand for tea, which, coupled with export requirements, places pressure on India's tea production. These insights contribute to understanding tea consumption trends and their implications for the industry.

Keywords: Tea, Consumer Preference, Indian Case Study

JEL Classifications: Q13, D12, O57

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Introduction

Tea is among the most widely consumed beverages globally (Valavanidis, 2019), boasting a rich and captivating historical lineage. While deeply rooted in Chinese society, tea has gradually embedded itself into Indian culture (Sigley, 2015). Its introduction to India dates back to the 19th century, when the British sought to challenge China's monopoly on tea production (Liu, 2020). The initial plantations were established in the Himalayan foothills surrounding Darjeeling during the 1850s (Rai, 2015). Subsequently, tea cultivation expanded to the plains of Assam following the discovery of a wild tea species in the region. By the late 19th century, the British further extended tea plantations to the southern hilly regions of India, including the renowned Nilgiri Massif (Venugopal, 2004). Although tea culture in India began with British-led cultivation, it faced several challenges in gaining widespread acceptance. Over time, however, tea became an integral part of Indian society and emerged as the nation's most cherished beverage.

India is currently the second-largest contributor to global tea cultivation (Tea Board of India, 2024), accounting for 20% of the total tea-producing area and 25% of global production. Six countries – India, China, Kenya, Sri Lanka, Turkey, and Indonesia – jointly produce 80% of the world's tea. However, the productivity of tea in India remains lower than that of Kenya (2.15 tonnes/ha), Japan (1.98 tonnes/ha), and Turkey (1.82 tonnes/ha). Despite expansion in tea-growing areas, India has recorded minimal growth in yield over the past decade and a half, with an annual growth rate of just 0.23% (Pramod Kumar, P.S. Badal, N.P. Singh, & R.P. Singh, 2008). Consequently, future production growth is contingent on enhancing yield efficiency rather than expanding cultivation areas.

In recent years, there has been a noticeable proliferation of roadside tea stalls across India. These stalls often serve as a livelihood alternative during economic downturns or periods of unemployment, offering a feasible entrepreneurial option for individuals seeking financial stability. To better understand the underlying factors driving the rise of roadside tea stalls, a survey was conducted to explore the preferences and cultural significance of tea consumption in India.

Data Source

In 2024, the research team at Ecofunomics LLP conducted a primary survey over a three-month data collection period, PAN India. The survey gathered responses from 170 anonymous participants.

Methodology

This descriptive study, based on primary data, sought to establish a foundational understanding of the demand preferences of Indian citizens. Although the sample size is relatively limited and may not comprehensively represent the broader population, the findings provide meaningful insights into consumer behaviours and preferences.

Tea occupies a dual role in India as both a cultural cornerstone and a unifying beverage that bridges the diverse preferences of its population across regions and religions. The findings of this survey offer an in-depth exploration of these preferences, shedding light on how Indians engage with their favoured beverage. To accurately capture the nuances of tea consumption patterns, a total of 170 individuals were surveyed, encompassing diverse religious backgrounds, regional identities, age groups, and income strata.

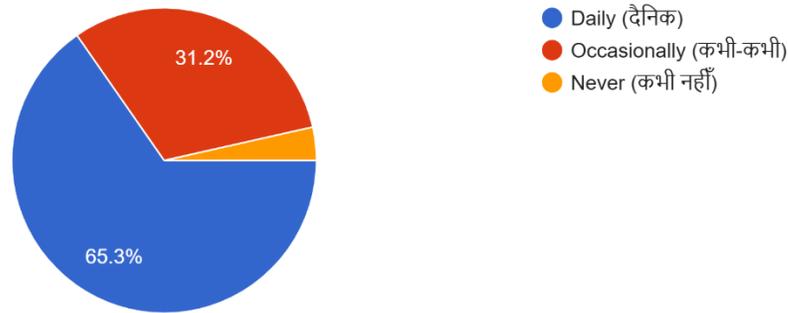
Result

The survey findings indicate that 65.3% of respondents consume tea daily, 31.2% consume it occasionally, and only 3.5% abstain from tea consumption altogether. These statistics provide a compelling explanation for the prevalence of roadside tea shops and the continued emergence of new entrants into this market.

Given the significant proportion of daily tea drinkers, many of whom consume tea multiple times a day, roadside tea stalls serve as a convenient option, particularly in today's fast-paced lifestyle. These establishments cater especially to individuals who work outdoors or have limited time to prepare tea at home. Consequently, the consumer base for roadside tea stalls is expanding rather than contracting, reflecting the enduring demand for accessible and affordable tea options.

Graph 1

How frequently do you consume tea? (आप कितनी बार चाय का सेवन करते हैं?)
170 responses



Although tea was introduced to India by the British (Vishnu, S., Kurian, A. C., & Sathyan, A. R., 2024), Indians infused it with their own cultural essence by incorporating milk and, occasionally, spices to create the distinctive “chai.” The survey findings further support this cultural adaptation, revealing that 68% of respondents preferred milk tea, highlighting its dominance in Indian tea consumption patterns. Black tea was favoured by 37.3% of respondents, while 26.6% (45 individuals) preferred green or white tea, and 12.4% (21 individuals) chose herbal tea as their preferred option.

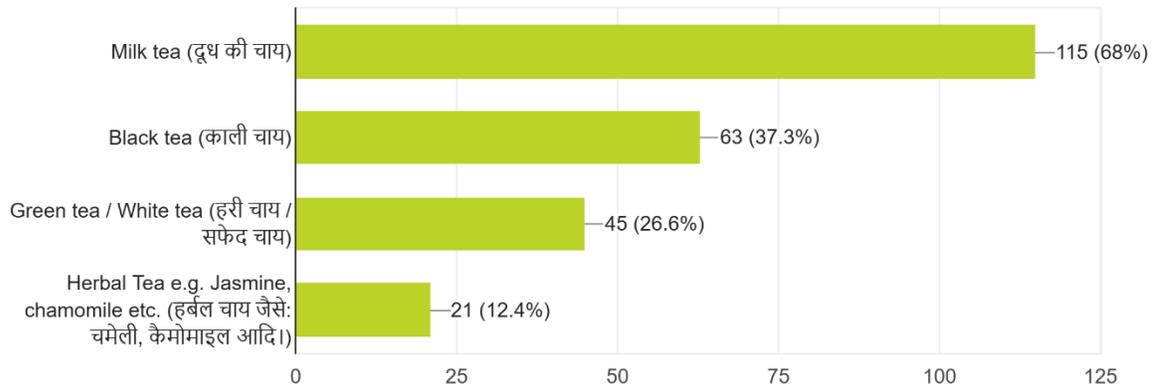
This preference distribution explains why roadside tea stalls predominantly offer milk tea and black tea, aligning with the broader tastes of the population. Some small tea vendors enhance their offerings by flavouring black tea with lemon or creating *masala chai* by adding spices to milk tea. However, green, white, and herbal teas are rarely available at such establishments, as these varieties are typically associated with sophisticated cafés or upscale restaurants. These teas are predominantly consumed by health-conscious individuals who adhere to a strict regimen.

Thus, it can be reasonably concluded that milk tea and black tea represent the primary preferences of the Indian population, reflecting the cultural and practical realities of tea consumption in the country.

Graph 2

What type(s) of tea do you prefer? (आप किस प्रकार की चाय पसंद करते हैं?)

169 responses



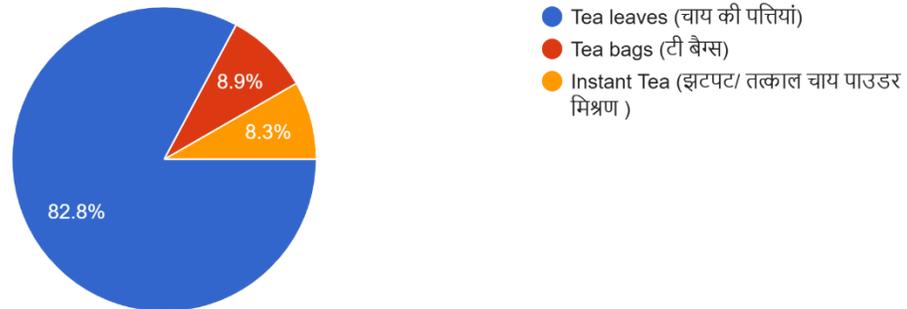
India ranks among the world's leading producers of tea leaves, a fact that appears to influence the preferences of Indian tea drinkers. The survey revealed that 82.8% of respondents typically use tea leaves to prepare their tea, compared to 8.9% who use tea bags and 8.3% who rely on instant tea.

These findings underscore the significant domestic consumption of India's tea leaf production, with a substantial portion being utilized within the country, while a comparatively smaller share is allocated for export. This trend highlights the strong cultural and practical affinity for tea leaves in Indian households.

Graph 3

What do you use usually to prepare your tea? (आप आमतौर पर अपनी चाय तैयार करने के लिए किसका उपयोग करते हैं?)

169 responses



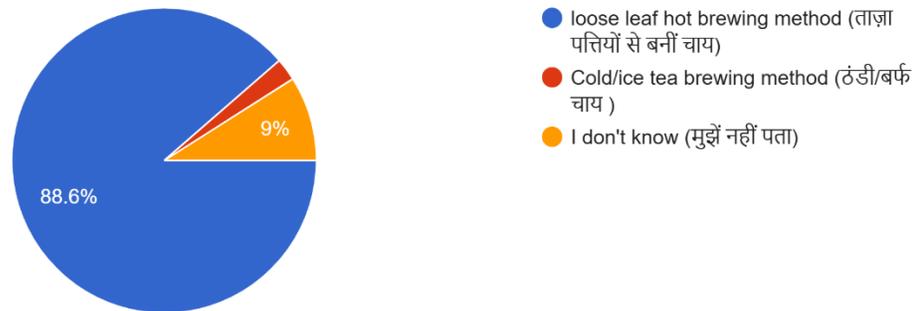
India's vast size and diverse topography contribute to its varied climatic conditions; however, the country is predominantly characterized by a summer-dominated climate. Despite this, Indians exhibit a strong preference for steaming hot tea. The study revealed that 88.6% of respondents favoured the traditional loose-leaf hot brewing method, while only 9% preferred cold or iced brewing. A small minority, 2.4%, expressed no preference for either method.

This cultural inclination towards hot tea explains why most roadside tea stalls exclusively serve piping hot tea, aligning with the dominant preferences of the population.

Graph 4

What is your preferred tea brewing method? (आपकी पसंदीदा चाय बनाने की विधि क्या है?)

167 responses



Despite India's rapid economic transformation, particularly in the post-COVID era, online tea purchases and subscription services have yet to gain significant traction. The survey revealed that 60.9% of respondents preferred purchasing tea from local grocery stores, while 23.1% opted for specialty tea shops. 10.1% procured tea online and only 5.9% directly from farmers and local tea producers, and none reported using tea subscription services.

These findings highlight the continued reliance on traditional retail channels for tea purchases, reflecting entrenched consumer habits and preferences in the Indian market.

Graph 5

From where do you usually purchase your tea? (आप आमतौर पर अपनी चाय कहाँ से खरीदते हैं?)

169 responses



In India, brand reputation plays a minimal role in influencing tea consumption. Instead, taste and flavour are the primary determinants for most Indians. According to the survey, 160 respondents, accounting for 77.4%, identified taste and flavour as the key factor shaping their tea preferences, whereas only 34 respondents (20.2%) considered brand reputation significant.

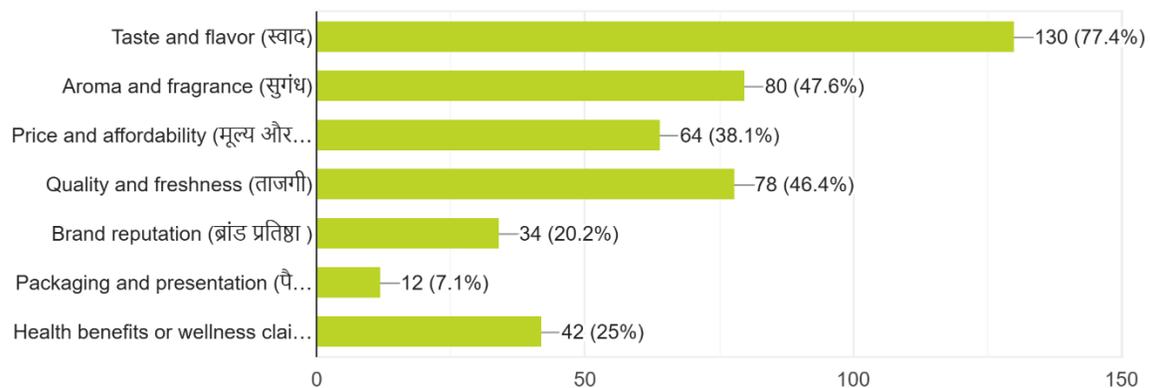
Other factors also influence tea consumption in India. For instance, 47.4% of respondents cited aroma and fragrance as a determining factor, while 46.4% highlighted the importance of quality and freshness. Additionally, 38.1% of respondents emphasized price and affordability as a key consideration. In contrast, only 7.1% prioritized packaging and presentation, whereas 25% regarded health benefits or wellness claims as influential in their tea choices.

These insights underline the multifaceted factors driving tea consumption in India, with a strong emphasis on sensory and practical attributes over branding or aesthetics.

Graph 6

What are the key factors that influence your tea consumption? (आपकी चाय की खरीददारी को प्रभावित करने वाले प्रमुख कारक क्या हैं?)

168 responses

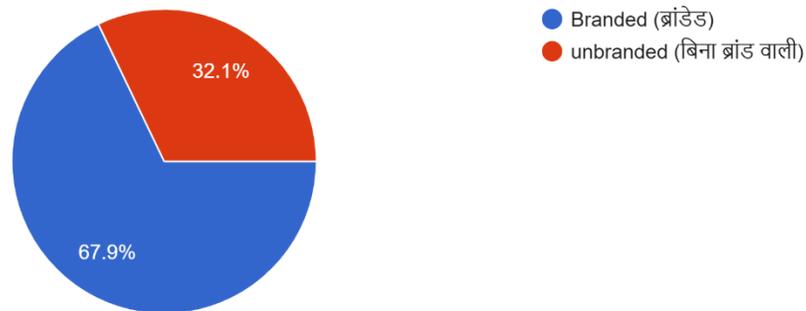


Interestingly, when respondents were asked to choose between branded and unbranded tea, 67.9% preferred branded tea, while only 32.1% opted for unbranded varieties. At first glance, this finding may appear to contradict the earlier result indicating that brand reputation has minimal influence on tea consumption in India. However, a closer analysis reveals no contradiction.

Branded teas often deliver superior taste and flavor, stronger aroma, and assured quality and freshness – factors that significantly influence Indian tea preferences. Thus, the preference for branded tea stems from these attributes rather than brand consciousness itself. Indians prioritize the sensory and quality aspects of tea over its brand name.

Graph 7

Do you prefer branded or unbranded tea? (आप ब्रांडेड चाय पसंद करते हैं या बिना ब्रांड वाली?)
165 responses

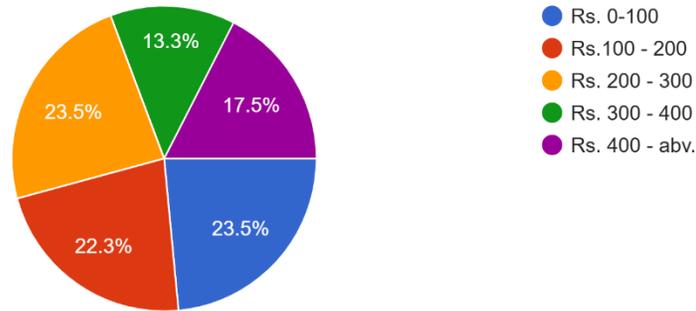


The survey findings indicate that tea consumption expenditure varies across respondents. Specifically, 23.5% of respondents spent up to Rs. 100 per month on tea, while 22.3% spent between Rs. 100 and Rs. 200. Additionally, 23.5% of respondents allocated between Rs. 200 and Rs. 300 per month to tea, and 13.3% spent between Rs. 300 and Rs. 400. Finally, 17.5% of respondents spent over Rs. 400 per month on tea.

These results suggest that while a portion of household income is dedicated to tea consumption, the expenditure is not a substantial proportion of the overall income for most Indian consumers.

Graph 8

What is your tea expenditure per month? (प्रति माह आपका चाय का खर्च क्या है?)
166 responses



The survey results highlight the role of tea as a unifying factor in India, bringing together diverse tastes and preferences. These findings also offer a foundation for further exploration into the cultural and consumption patterns surrounding tea in the country.

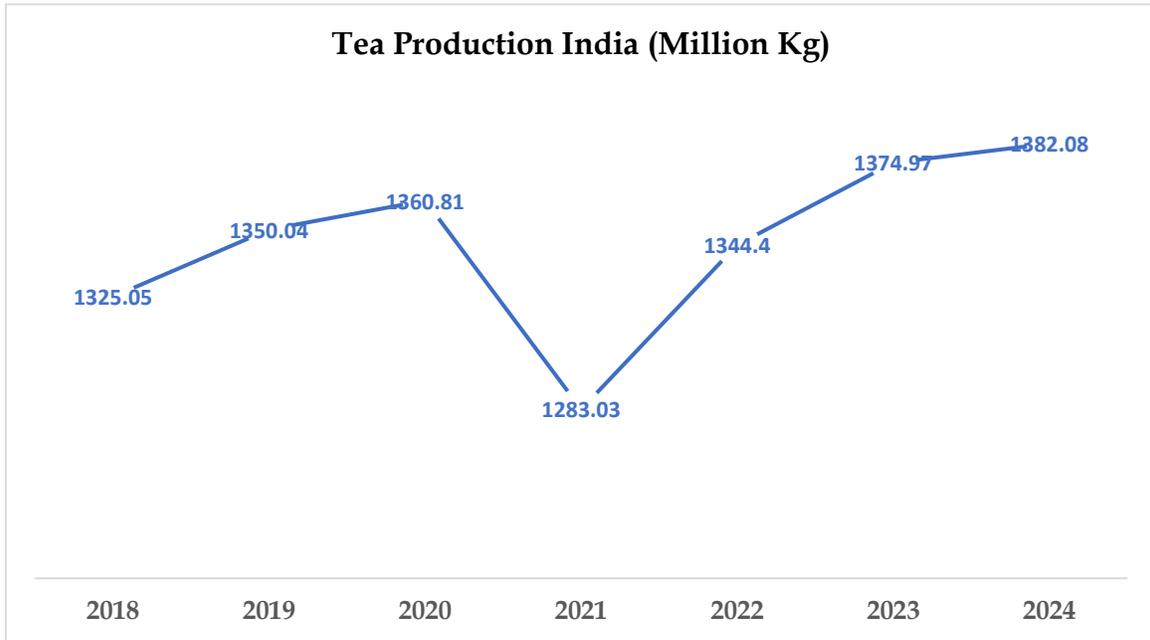
Discussion

From the above survey result we see that Indian citizens prefer consuming tea. According to the Ecofunomics LLP. Data only 3.5% of the sample population abstain from tea consumption. Therefore, the demand for tea domestically and for export purpose creates a pressure on the Indian Tea production. Also, The Indian Government have taken measure to improve tea production by programs such as Tea Development and Promotion Scheme, launched by the Tea Board of India in November 2021 for the period 2021-2026, aims to improve the productivity and quality of tea production in India.

Indian tea is renowned worldwide for its exceptional quality, attributed to its strong geographical indications, significant investments in tea processing facilities, continuous innovation, expanded product offerings, and strategic market growth. As of 2022, approximately 6.19 lakh hectares of land in India were dedicated to tea cultivation. India is also one of the largest tea consumers globally, with 80% of the tea produced in the country being consumed domestically. In the 2023-24 period, India's tea production reached 1,382.03 million kilograms, slightly

higher than the 1,374.97 million kilograms produced in 2022-23.

Graph 9



Data Source: Tea Board of India, 2024

Tea production in India is primarily concentrated in specific regions: Assam's Assam Valley and Cachar regions, West Bengal's Dooars, Terai, and Darjeeling regions, and the southern states of Tamil Nadu, Kerala, and Karnataka, which together contribute approximately 17% of the country's total production.

Conclusion

In conclusion, the survey results provide valuable insights into the tea consumption patterns of Indian citizens, highlighting the strong cultural and practical importance of tea across diverse regions and demographics. The findings emphasize that tea is deeply embedded in Indian daily life, with the majority of respondents (65.3%) consuming tea daily, and a significant preference for milk tea (68%) over other varieties such as black, green, and herbal teas. This preference underscores the unique cultural adaptation of tea in India, with the traditional brewing method using loose tea leaves dominating over modern alternatives like tea bags or instant tea.

Despite the economic changes in India, including the rise of online shopping and subscription services, tea consumption largely remains rooted in traditional retail channels. The survey reveals that most consumers continue to purchase tea from local grocery stores (60.9%), rather than opting for online or subscription services, highlighting a preference for familiar, accessible sources.

Furthermore, while brand reputation does not play a major role in influencing tea choices, consumers are attentive to the sensory attributes of tea, such as taste, flavor, aroma, and freshness. This preference aligns with the fact that India remains one of the largest producers and consumers of tea globally, with the domestic market absorbing a significant portion of its production.

The findings of this study not only confirm tea's central role in Indian culture but also provide a foundation for further research into the evolving dynamics of tea consumption, production, and market trends in India.

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