







### **Demographic Summary**

The audience for tea is changing as rapidly as the market for tea is expanding. What was once a predominately female, older consumer, has evolved into a much broader target audience depending upon the specific segment and drinking occasion.

Historically, the average purchaser of tea bags in the United States was female, 35-55 years of age. The consumers of the beverage she prepared were also a little older than the average dispersion of age within the population. This indicated that younger people were not being introduced to the joys of drinking tea and new consumers were hard to come by.

A breakdown of the traditional demographics follows:

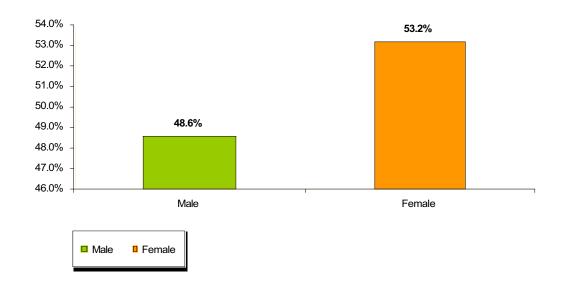






### **Demographic Summary**

By Gender



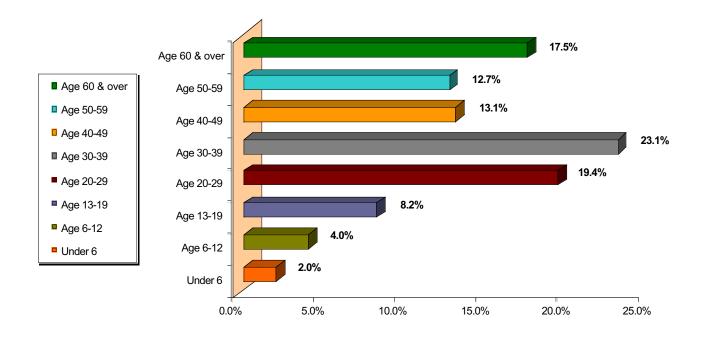






### **Demographic Summary**

By Age Group



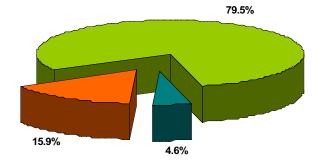






### **Demographic Summary**

**By Location of Consumption** 





■ Another Person's Home

Away From Home

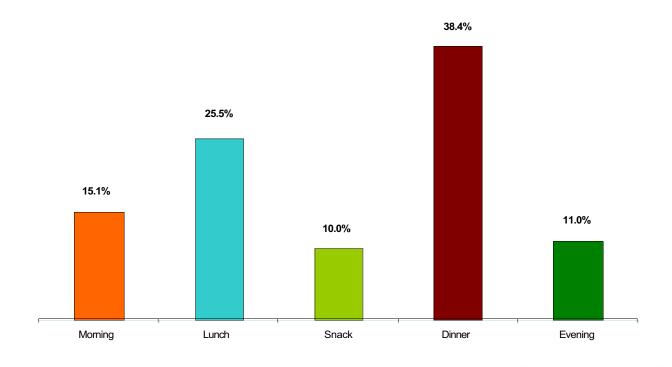






### **Demographic Summary**

By Time of Day









### **Demographic Summary**

With the advent of the Ready-To-Drink segment, demographics have changed dramatically. The target audience is young men between the ages of 14-28. Consumers or R-T-D tea are not unlike consumers of soft drinks. They tend to cross gender lines, age groups and approximate as close to an all-family group as is possible.

Iced tea mixes also tend to skew much younger than the market for tea bags which bodes well for the future of the industry. Young people are the life blood of the tea industry as they will likely be responsible for a significant expansion of the market as they age and experiment with other forms of tea.







# **Percent of Households Buying**

By Form

Tea Type	1992	1993	1994
Total Tea	74.7	76.3	77.9
Tea Bags*	49.8	48.5	46.7
Convenient Teas	27.9	27.6	25.8
Ready-To-Drink	15.2	28.1	36.7

<sup>\*</sup>Includes Specialty/Herbal







### **Household Lifestage Segments**

Based On HH Composition Vs. Age Of Male/Female Head Vs Age/Presence Of Children

Singles (Includes Widow/ers)	Young Singles	Middle-aged Singles	Older Singles
	Female or Male 18-34	Female or Male 35-54	Female or Male 55+
Couples (Includes Live-In Adult Companions)	Childless Younger Couples	Middle-Aged Childless Couples	Empty Nesters
	No Children Present 2 Adults (>2 Possible) 18-34 / 18-54	No Children Present 2 Adults (>2 Possible) 34-54 / 35+	No Children Present 2 Adults (>2 Possible) 35+/55+
Families	New Families	Maturing Families	Established Families
Families (Defined Based on Kids' Ages)	Kid(s) <6 Only	Kid(s) Not All <6 Nor All >12	Kid(s) >12 Only







### Regular Tea Bags Average Price (In Cents) Per 8 Oz. Serving

Total U.S. - Calendar 1994









### Regular Tea Bags Buyer and Volume Indices

Total U.S. - Calendar 1994

	Young Singles	Middle-aged Singles	Older Singles
% HH's	4.4	8.4	11.8
% Lbs	1.3	3.6	7.0
% Volume Index	29	44	59
Buyer Index	58	62	77
	Childless Younger Couples	Middle-Aged Childless Couples	Empty Nesters
% HH's	6.1	11.7	22.7
% Lbs	3.7	12.7	28.0
% Volume Index	61	109	124
Buyer Index	93	102	115
	New Families	Maturing Families	Established Families
% HH's	6.7	21.2	7.1
% Lbs	6.5	26.7	10.6
% Volume Index	97	126	149
Buyer Index	97	111	124

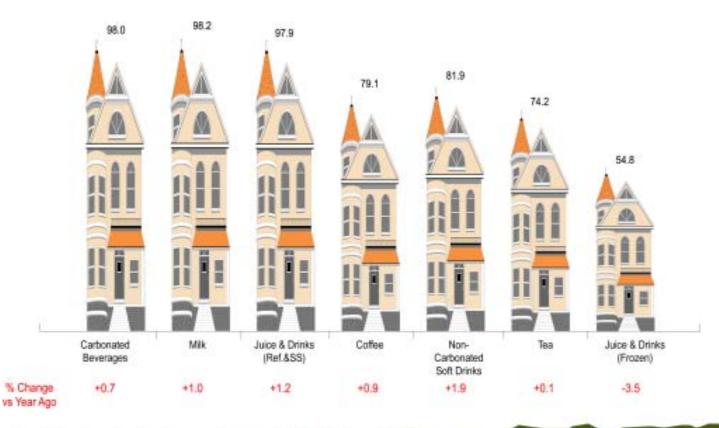






### # Of Households Purchasing (Millions) All Outlets — Total U.S.

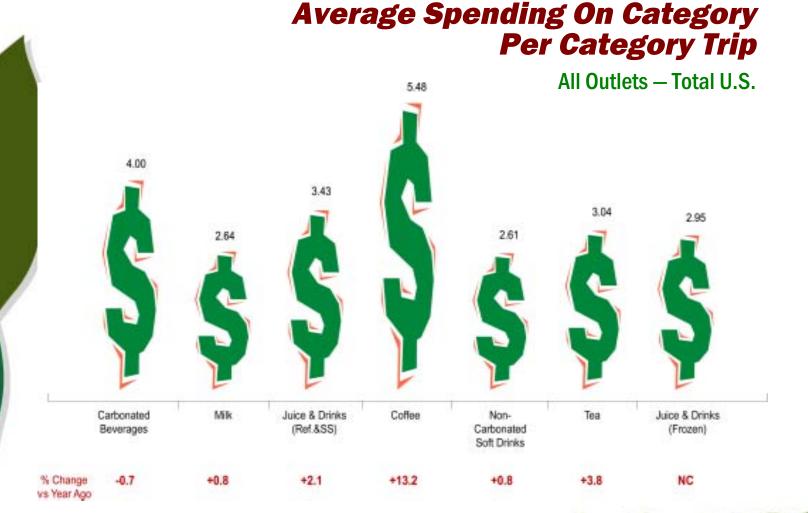
Total # Of Households — 98.5 Million











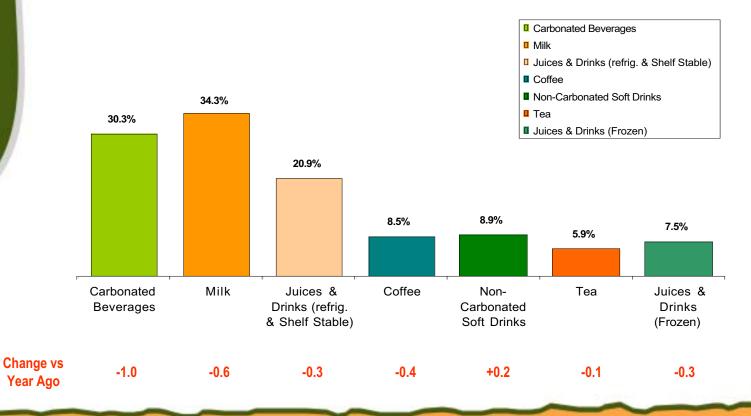






### Average # Of Category Purchases Per Year Among Category Buyers

All Outlets - Total U.S.



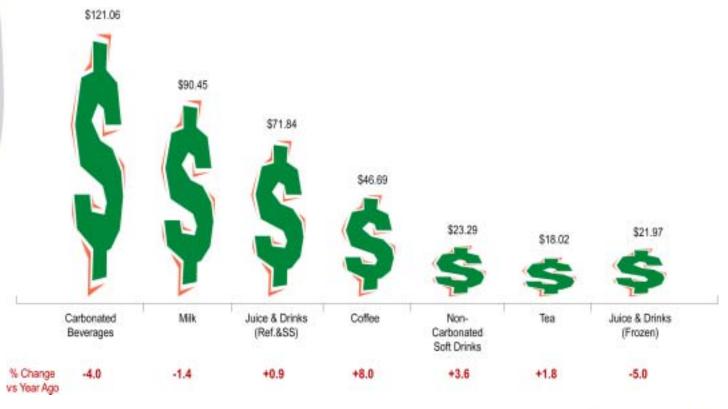






### Annual Category Spending Per Buyer

All Outlets - Total U.S.



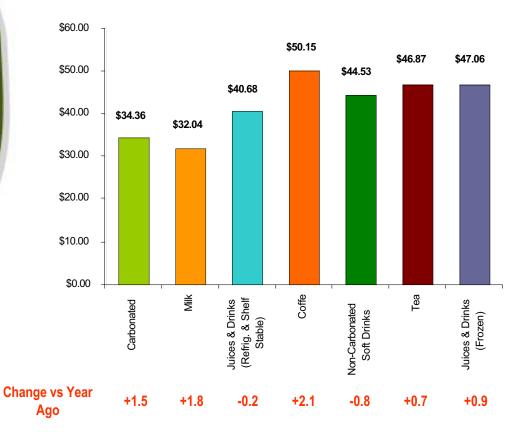






# Average Shopping Basket Size When Category Is Purchased

All Outlets - Total U.S.











# **Shopping Trips In Alternative Channels And Trip Conversion**

#### Total U.S.









# Average Shopping Basket Size When Category Is Purchased In The Channel

Total U.S.







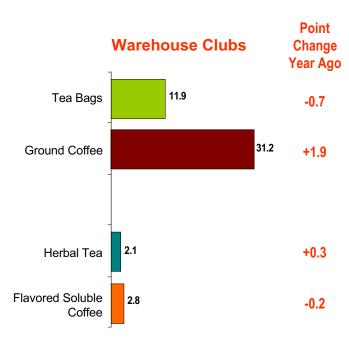




### **Buyer Conversion**

(% Of Category Buyers Who Shop In The Channel And Who Buy The Category In The Channel) Total U.S.





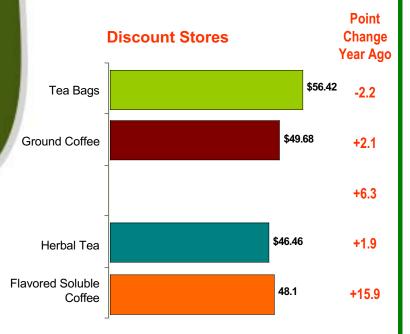


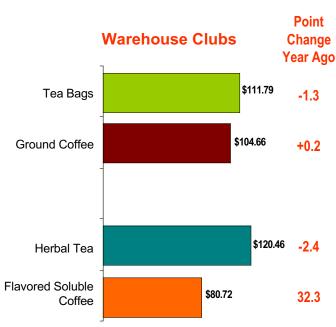




# Average Shopping Basket Size When Category Is Purchased In The Channel

Total U.S.







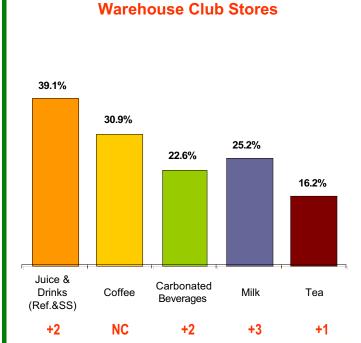




### **Buyer Conversion**

(% Of Category Buyers Who Shop In The Channel And Who Buy The Category In The Channel) Total U.S.

#### **Discount Stores (Mass Merchandisers)** 54.0% 39.7% 31.6% 31.2% 19.5% Juice & Non-Carbonated Drinks Carbonated Coffee Tea Beverages (Ref.&SS) Soft Drinks Pt Chg YA: +2 NC +2 +3









### **Specialty Tea Institute**

**Per Capita Global Tea Consumption Patterns** 

Americans consume more than 50 billion servings of tea a year, nearly 85% of which is iced. Over 90% of the tea consumed is Black Tea, about 5% Green Tea, 1% Oolong Tea and the balance flavored, scented, or mixed teas.

About 200 million pounds of tea leaves (bagged & loose) are shipped into the United States each year as well as significant quantities of instant tea. Nearly 80% of U.S. Households buy tea and about half the population is consuming tea on a daily basis.

Relative to citizens in other countries, the market for tea in the United States is significantly under developed. However, despite that, the United States is still the 4th largest tea-importing nation in the world after the United Kingdom, the former Soviet Union, and Pakistan.







### Specialty Tea Institute

Per Capita Global Tea Consumption Patterns
On a per capita basis, the following statistics will put
the U.S. tea consumption patterns into global perspective

Country	Per Capita Consumption (Pounds)	Annual # of Servings	Daily # Of Servings
United Kingdom	5.73	1,146.0	3.14
Ireland Republic	7.08	1,415.0	3.88
Soviet Countries	1.01	202.8	0.56
Canada	1.06	211.6	0.58
USA	0.77	154.3	0.42
Hong Kong	3.57	714.0	1.96
India	1.39	278.0	0.76
Iran	3.22	644.0	1.76
Japan	2.29	459.0	1.26
Turkey	4.59	917.0	2.51
Australia	2.12	423.0	1.16
Italy	0.20	39.7	0.11
France	0.49	97.0	0.27







### Today's Specialty Tea Consumer

As seen in *NASFT* Showcase

The *NASFT* is pleased to present groundbreaking demographic research on Today's Specialty Tea Consumer. In previous issues of *NASFT Showcase* we presented vital demographic information on specialty food consumers in general. In this issue, we delve into the factors that specifically influence specialty tea purchases.

Throughout 1999, *NASFT Showcase* will present additional statistics on the demographics of buyers of specific categories, such as chocolates, coffees, jams and jellies, olive oil, cheese and so on.

#### **About The Research**

The *NASFT* research is based on information provided by Spectra, a market research company that combines data from many sources to develop a demographic profile of consumers. Databases used by Spectra include the U.S. Census Bureau, the A.C. Nielsen Homescan Household Panel, Scarborough Reports, MRI and so on. To create the specialty tea consumer profile, the NASFT amalgamated nine specialty tea brands into one list – in essence a single brand of specialty tea.

By Ronald Tanner and Denise Shoukas Editor and Managing Editor, respectively, NASFT Showcase





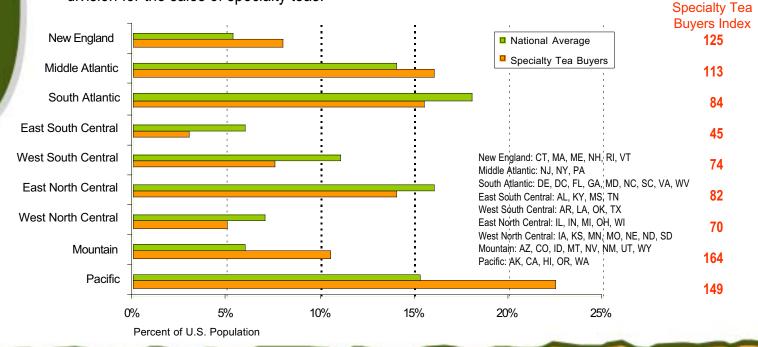




### Today's Specialty Tea Consumer

#### Where They Live

Specialty tea consumption is much higher in the West, where people are more apt to sit back and enjoy life sip by sip. Consumers in the Mountain region are the most likely to purchase specialty teas (+64%), followed by those in the Pacific region (+49%). New England is also a good census division for the sales of specialty teas.









### Today's Specialty Tea Consumer

The Demographics

Census division, household income and education are the three most influential factors in specialty tea consumption. The best consumers have household incomes of more than \$100,000 (+50%), especially if they live in the Mountain region (+64%), and are college graduates (+49). Age is also a significant factor, with the aging baby boomers (45-54 years old) being the best specialty tea drinkers.



A breakdown of the demographics follows:









# Today's Specialty Tea Consumer

**Number of Persons — Demographics** 

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
One Person	25.0	19.2	77
Two Persons	32.1	36.7	114
Three Persons	17.8	19.2	108
Four Persons	14.7	14.4	98
Five or More Persons	10.5	11.1	105









# Today's Specialty Tea Consumer

**Household Income — Demographics** 

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
Under \$10,000	11.1	7.9	72
\$10,000-\$19,999	15.0	10.8	72
\$20,000-\$29,000	13.5	11.8	88
\$30,000-\$39,000	12.1	10.8	89
\$40,000-\$49,000	10.5	10.3	98
\$50,000-\$74,000	18.8	23.1	123
\$74,000-\$99,999	8.8	10.8	122
\$100,000 and Over	9.8	14.7	150









# Today's Specialty Tea Consumer

**Householder Age — Demographics** 

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
18-24	5.2	4.0	77
25-34	17.8	15.0	84
35-44	23.5	24.3	103
45-54	19.5	23.5	120
55-64	12.4	13.2	107
65 and Older	21.6	20.2	93









# Today's Specialty Tea Consumer

Race — Demographics

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
White	78.6	78.6	100
Black	10.8	10.5	98
Hispanic	7.5	7.5	100
Other Races	3.2	3.5	109









# Today's Specialty Tea Consumer

**Age And Presence Of Children — Demographics** 

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
Children Under 6 Years Old	9.5	9.5	100
Children 6-17 Years Old	18.5	19.5	106
Children U-6 and 6-17yrs old	7.5	6.5	86
No Children	64.1	64.1	100









# Today's Specialty Tea Consumer

**Housing Tenure — Demographics** 

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
Owned Housing	64.8	67.3	104
Rented Housing	34.8	32.6	93









# Today's Specialty Tea Consumer

**Householder Education — Demographics** 

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
Grade School	10.8	7.9	74
Some High School	14.4	9.5	66
High School Graduate	28.2	23.5	83
Some College	25.8	27.8	108
College Degree	20.9	31.2	149









# Today's Specialty Tea Consumer

Nielsen County Size — Demographics

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
A Counties	39.6	44.6	113
B Counties	30.4	29.9	99
C Counties	15.6	13.2	85
D Counties	14.4	12.4	86









# Today's Specialty Tea Consumer

**Household Income — Demographics** 

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
New England	5.2	6.5	125
Middle Atlantic	14.1	15.9	113
South Atlantic	18.5	15.6	84
East South Central	6.3	2.8	45
West South Central	10.8	7.9	74
East South Central	16.5	13.5	82
West North Central	7.1	5.0	70
Mountain	6.3	10.3	164
Pacific	15.3	22.7	149





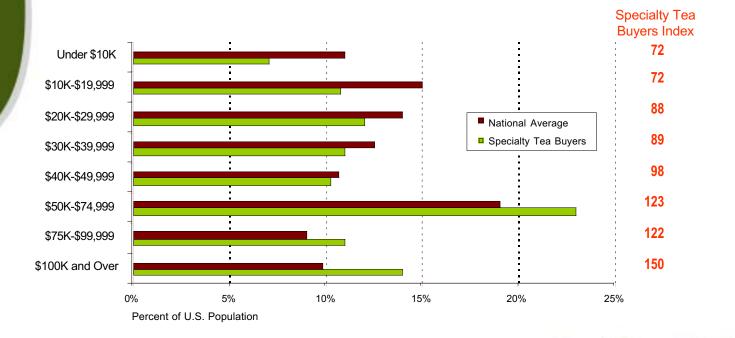




### Today's Specialty Tea Consumer

**How Much They Earn?** 

All households with incomes in excess of \$50,000 are better than average buyers of specialty teas, proving that specialty tea is not just a beverage for the wealthy.







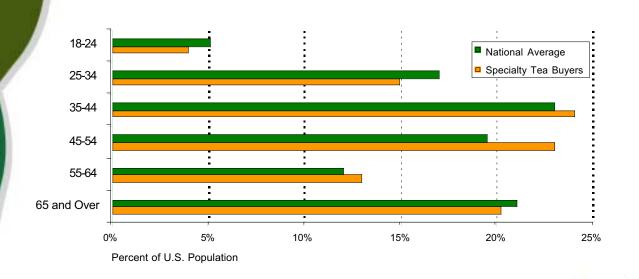




# Today's Specialty Tea Consumer

**How Old Are They?** 

The aging baby boomers, age 45-54, are by far the best consumers of specialty teas, 20% more likely than the average consumer to purchase. Perhaps these people are concerned about caffeine consumption and have switched over to specialty and herbal teas. The Pepsi Generation, people aged 18-24, are the least likely to buy specialty teas (-23%).



Specialty Tea Buyers Index 77 84 103 120 107 93







## **Today's Specialty Food Consumer**

The Lifestyles

The NASFT is pleased to present groundbreaking demographic research on the lifestyles of Today's Specialty Food Consumer. This information will help retailers, restaurateurs, caterers, manufacturers, gift shop owners, importers and others who sell specialty food understand how their customers live.

In the January/February issue of *NASFT Showcase*, we presented vital demographic information on specialty food consumers. Some of the highlights included:

- Education is the second most important demographic factor, with college graduates 51% more likely to buy.
- Two-person households are more likely to purchase than people who live alone or in larger households.
- Income is the most significant factor in determining specialty food purchases, with households earning in excess of \$100,000 being 85% more likely to purchase.
- Factors such as age and even the presence of children are not as significant as income and education.







# **Today's Specialty Food Consumer**

The Lifestyles

In this issue, we delve into the geographic and lifestyle factors that influence specialty food purchases.

Throughout 1999, *NASFT Showcase* will present additional statistics on specialty food consumers, including data on the demographics of buyers of specific categories, such as chocolates, coffees, jams and jellies, olive oil and cheese.







# **Today's Specialty Food Consumer**

The Lifestyles

People who enjoy an elite and affluent lifestyles are, understandably, the strongest purchasers of specialty foods. The best buyers live in the suburbs, not in the city. Surprisingly, consumers in secondary cities are just as likely to buy specialty foods as those that live in Suburban centers.

A breakdown of the Lifestyles follows:







# Today's Specialty Tea Consumer

The Lifestyle — Suburban Areas

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
Elite Suburban	2.8	3.8	135
Affluent Suburban	3.0	4.0	134
Upper Mid-scale Suburban	4.8	5.0	104
Mid-scale Suburban	3.5	3.5	100
Lower Mid-scale Suburban	2.7	2.5	91
Downscale Suburban	3.8	3.5	92







# Today's Specialty Tea Consumer

The Lifestyle — Suburban Areas

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
Elite Suburbs	3.1	4.3	139
Affluent Suburbs	4.3	5.7	132
Upper Mid-scale Suburbs	3.2	4.0	123
Mid-scale Suburbs	5.5	5.9	107
Lower to Mid-scale Suburbs	2.5`	2.5	100
Downscale Suburbs	5.2	5.0	135







# Today's Specialty Tea Consumer

The Lifestyle — Secondary Cities

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
Affluent Secondary Cities	3.7	5.0	135
Upper Mid-scale Sec. Cities	2.8	2.8	100
Lower Mid-scale Sec. Cities	3.2	5.1	96
Downscale Secondary Cities	5.2	4.5	87







# Today's Specialty Tea Consumer

The Lifestyle — Towns

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
Affluent Towns	3.7	4.3	117
<b>Upper Mid-scale Towns</b>	4.3	4.8	112
Lower Mid-scale Towns	7.1	6.5	91
Downscale Towns	6.3	4.5	71







# Today's Specialty Tea Consumer

The Lifestyle — Rural Areas

	National Percent	Specialty Buyers Percent	Specialty Buyers Index
Affluent Rural	4.3	4.0	93
Upper Mid-scale Rural	3.4	2.5	73
Mid-scale Rural	4.1	3.2	78
Lower Mid-scale Rural	4.1	2.8	68
Downscale Rural	3.0	2.1	71







### Definitions of Lifestyle Clusters With Above Average Specialty Food Buyers' Index (continued)

#### Elite Urban

Members of this lifestyle are most often older, typically 55-plus, financially established couples either without children or with children already grown. Most are well-educated professionals. They enjoy expensive liquors, classical or jazz music, and traveling overseas.

#### Affluent Urban

These are young, predominantly 25- to 44-year-old, highly educated, single professionals. They rent apartments in densely populated Suburban areas and are career-oriented. Most enjoy sports, public television and foreign travel, focus on health and exercise, and read epicurean magazines.







### Definitions of Lifestyle Clusters With Above Average Specialty Food Buyers' Index (continued)

### Upper/Midscale Urban

Well-educated renters in densely populated Suburban areas with a higher ethnic and immigrant population than the Affluent Suburban. They are in their late 20s and are predominantly single without kids. They are in touch with current trends in fashion, music and entertainment.

#### Elite Suburbs

This group shows peak indices in income, education, occupation and extravagant lifestyle interests. Most of these mid-aged executives are homeowners without children. When not working on their personal computers, they enjoy vacations overseas, elaborate cocktail parties, classical music, sailing, aged brandy or whiskey and reading.





### Definitions of Lifestyle Clusters With Above Average Specialty Food Buyers' Index (continued)

### Affluent Suburbs

These nouveau riche suburban professionals are well educated with high incomes. Most are married with high school age children. They enjoy tennis, boating and jazz/classical music.

### Upper/Midscale Suburbs

These well-educated 30-something are family-oriented. They spend much of their free time with their children. These homeowners are likely to be seen in a family station wagon and prefer bowling or attending a family theme park. They are sports-oriented.







### Definitions of Lifestyle Clusters With Above Average Specialty Food Buyers' Index (continued)

### Midscale Suburbs

Most of these married, well-educated, predominantly white empty nesters are professionals/managers or have recently retired. This group is financially secure and likes to spend and utilize their moderate wealth. They enjoy taking foreign trips, golfing, classical music, watching public television, and attending the theater.

### Affluent Secondary Cities

This white-collar second city suburban group skews high in income and education. These married homeowners and their children reside in stable neighborhoods. Most read newspapers, books and magazines, lead epicurean, health-conscious lives and can be found with friends at a cocktail party.







# Definitions of Lifestyle Clusters With Above Average Specialty Food Buyers' Index

### Affluent Towns

These mid-aged families skew similar to the Elite Suburban in regards to income, education and occupations. They keep constant tabs on general news, business and finance trends. Business trips and clubs occupy a portion of their time. These nature lovers play golf, watch television with their family, have barbecues or work in the garden. They spend vacations overseas and give elaborate cocktail parties.

### Upper/Mid-scale Towns

Within their small town, they're in an economic class by themselves. They have a relatively high education level and are generally craftsmen. They usually have a personal computer, are likely to have a family station wagon or truck, and choose country cassettes over CDs. They love the outdoors, observe current health and fitness trends and go camping.



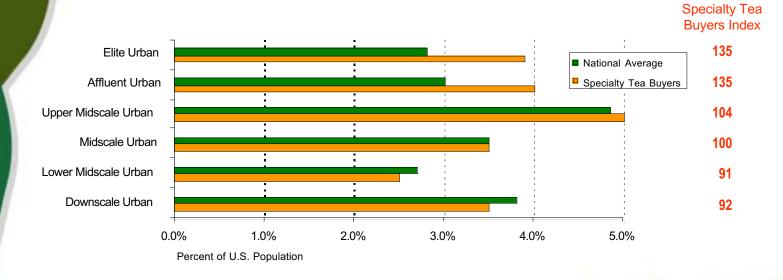




# Today's Specialty Food Consumer

### The Urbanites

People who live in Urban areas represent strong potential for the sales of specialty foods. The elite urban, generally people older than 55 with no children living at home, are the best purchasers, followed closely by the affluent urban, 25- to 44-year-old single professionals who read food magazines.







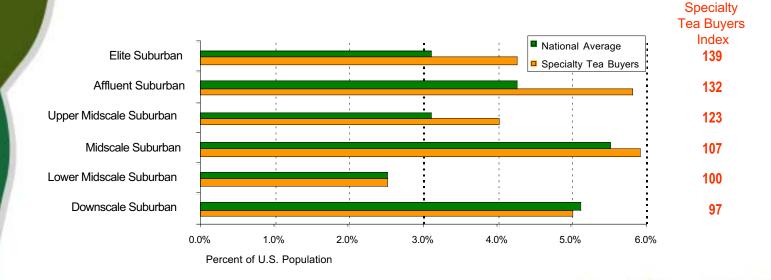




# **Today's Specialty Food Consumer**

### The Suburbanites

The suburban dweller is the best specialty food consumer. Even those living in lower mid-scale suburbs are average purchasers. The elite suburbanite has the most extravagant lifestyle of anybody, and food is an important part of that. Those living in the affluent suburbs are also strong buyers, 32% more likely than the average consumer to purchase.







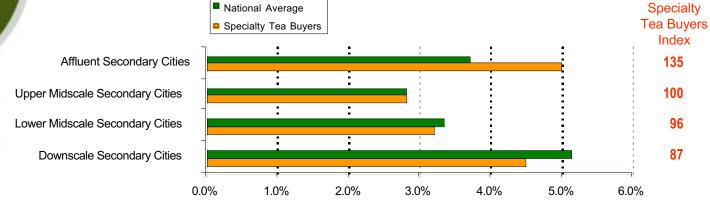




# **Today's Specialty Food Consumer**

### The Small City Dweller

People who live in small cities are just as likely to buy specialty foods as those in large urban centers. The affluent segment leads very health-conscious and food-oriented lifestyles; most are married, own their homes and have children.













# **Today's Specialty Food Consumer**

### Where Do They Live

Specialty food consumption is highly dependent on the region of the country in which people live. The Pacific region is by far the best for specialty foods; while it represents 15.3% of the nation 's population, it accounts for 23.1% of all specialty foods purchased. Other good regions include New England (+37%), Mountain (+23%), and Middle Atlantic (+15%).

Specialty

