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Reading the tea leaves right



The Chai Waales, Chai Kings and Chai Kanths of the city are brewing a quiet tea revolution

“One masala chai and schezwan Maggi.” “Flask lemon tea parcel.” “Two hibiscus tea and orange khakras.” The orders fly thick and fast. It’s 4 pm at Chai Waale, and the tea café’s Annanagar outlet is bright and cheery, the air fragrant with cinnamon, as groups of tea-lovers, engrossed in conversation, settle down with their flavoured chai and snacks.

Chennai, the land of coffee loyalists, is hosting an increasing number of tea cafes/kiosks. According to analysts tracking tea and coffee consumption in Tamil Nadu, in 2018 there were over 17,000 tea stalls in Chennai, with demand for tea increasing 10-15 per cent annually. Between tea stalls on the roadside and the



Suresh Radhakrishnan (left) and Shankar Subramanian

While the first cup of coffee in the morning may be a sacred South Indian ritual, Suresh Radhakrishnan, founder of Chai Kanth, points to a divergent trend: “Tea consumption is 14 per cent more than coffee and the beverages have very different consumption patterns. Most people prefer having tea, over coffee, several times a day.” Suresh, who worked in IT earlier, felt there was a lack of hygiene at the roadside tea shacks he



Radhakrishnan's former colleagues.

Great leveller

Vidur Maheswari, a graduate in business management from King's College, London, founded Chai Waale in June 2018. Asked what drew him towards tea, he responds, "Chai Waale, quite literally, means a group of people who serve you tea – it's that simple. Tea will always be a beverage of the masses, it's never niche, which is what drew me towards this business. I didn't want to be selective towards consumers, the name is representative of that -- straightforward and relatable." In less than a year since its inception, Chai Waale has six outlets, including a cloud-kitchen in Royapettah and a food court kiosk in Ambit IT Park, Ambattur.



Vidur Maheswari

Different kinds of tea – milk chai, iced chai, herbal chai, and black chai, in many flavours, like *gol mirch* (pepper), hibiscus, *elaichi* and *tulsi* are served. And it's not just tea. There's a host of snacks, such as wheat-based *khakras*, sandwiches, *poha* and *maska* buns, apart from desserts like brownies and cakes, at Chai Waale. Chairman's Special, a sought-after specialty tea, is a concoction of lemon, ginger and *chaat* masala. Cranberry and green apple iced tea are favourites that help beat the heat. There's an array of options in milkshakes too, with sugarcane juice and soda *shikanji* planned for the summer.

Walk-ins, online orders

Chai Kings, jointly owned by Balaji Sadagopan and Jahabar Sadique, was founded in 2016, and offers teas in multiple flavours, sold both through online food aggregators and retail outlets. The company raised Rs.2.1 crore from The Chennai Angels and, as part of its expansion drive, opened an outlet in VR mall recently, in addition to the QSR chain's 16 outlets across the city.

Most of these tea cafes deliver teas in neatly packaged flasks that can retain the temperature for hours.

Suresh, explaining the kind of orders at Chai Kanth's 10 outlets, says: "Our main focus is the retail outlets; 700-800 cups are sold in each store every day. Although we have an online presence, having partnered with Zomato and Swiggy, 70 per cent of our revenue comes from regulars at our stores."

As a young entrepreneur, Vidur has a somewhat different view: "The online orders depend on the locations of the outlets. It's easy to generate online orders once you have an established physical outlet. The kiosk at Kilpauk gets predominantly online orders, and in Anna Nagar a number of office-goers, students, and residents are regulars in the mornings and after dinner. In Sowcarpet, which used to generate a lot of revenue from walk-in orders, customer visits fell when online delivery services opened, as many of them preferred ordering online. This pushed up costs as the outlet had to shell out more for commissions and packaging costs."

ChaiKanth, located at walking distance from many IT companies, sees techies flock to its outlets during tea-breaks. Most customers stop by the QSR kiosk several times a day to grab a quick cuppa, served in regular and large sizes, with three sweetener options -- sugar, cane-sugar and honey, in 21 flavours. Almost 70 per cent of customers are regular tea-drinkers.

Room for growth

With an increasing number of tea-rooms and alluring options to choose from, Vidur believes there's space for everyone. "I don't look at it as competition; together we make tea relevant in a city like Chennai. Quality is the cornerstone of any business and customer is the king." With sales of 700-800 cups a day, each outlet is profitable at an operational level, even if the initial fixed investments are yet to be recovered fully, and Chai Waale is looking for investors to expand in the coming years.

Although the business of tea is not as simplistic as it seems, and involves a lot of nitty-gritty in terms of execution, Suresh believes there's still potential for start-ups venturing into this market, if they get their long-term vision right and have a strong backend.



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