

CHALLENGES AND OPPORTUNITIES FOR BRAND MARKETING
OF TEA IN THE DOMESTIC MARKET OF SRI LANKA.

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ABSTRACT

Sri Lanka is the 4th largest tea producer and the 2nd largest tea exporter in the world. More than 90% of the teas produce in the country are being exported. Per capita consumption of tea in Sri Lanka is recorded as 1.36kg per year. Accordingly total requirement of tea in the domestic market is more than the recorded figures of available tea.

The quality of locally available teas is in a wide range. The majority of teas available in the retail shops is in the bulk form and small quantities available in the value added form, in packets under different brand names or without brand names. Branded teas are available in the Super-markets and Grocery stores. Branded tea is not totally a new concept to the local tea consumers of Sri Lanka, as the world leading tea brands were available in Sri Lanka during the pre nationalization era of the tea industry, prior to 1972.

Success of the brand marketing of tea in the local market depends on the Sri Lanka tea consumers' acceptability of these brands over the widely available commodity of tea even with the reintroduction of Sri Lankan tea brands to the domestic market.

A sample consumer survey was undertaken in the Colombo district to identify the expectations of the tea producers by introducing brand marketing of tea in the local market and also to assess the extent that the consumers have perceived the value of branded tea according to producer's expectation.

From the producer's point of view, making good quality tea available in the local market and controlling the selling of adulterated tea in the local market were considered as the most important objectives of brand marketing. That implies a challenge as well as an opportunity available in the local market. As a major tea

producing country supplying good quality tea into the local market is an opportunity available for the tea industry of Sri Lanka as such teas are not adequately available in the local market to cover all market segments. According to national statistics on tea production, export and consumption a deficit of the supply of tea in the legal form can be observed.

Consumer's perceived value (of the urban consumer category) is positively correlated with the specific type of branded products such as tea bags and teas packed in special containers. That indicates an opportunity to branded tea producers to move into the higher level of product differentiation.

Therefore, it is worth-while to increase the supply of branded tea with appropriate brand characteristics for each market segment of the local market by undertaking detail consumer surveys covering both urban and rural population of the country.