



## **A study on marketing of tea in Tamilnadu with special reference to Nilgiris district**

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### **Abstract**

Millions of people across the globe prefer and enjoy the beverage called “Tea”. In India Tea was introduced by Chinese and in India it’s being produced in North Assam, Manipur, Imphal and Darjeeling. The botanical name for tea is “Camellia sinensis” is allowed to grow in its own way, could grow to a height of 25 feet with flower and fruit like any other tree. Tea grows at altitudes rising sea level nearly 8,000ft and it’s a continuous commercial harvesting crop throughout the year. In late 17th century a German missionary who did pioneering work in separating Asian plantations and bust that gives liquor, a refresher and stimulate. The present study is an attempt to know about the marketing of tea in Tamilnadu with special reference to Nilgiris District. The tea growers face different problems related to multi channel marketing and various communication types used for marketing. The present study concluded that, tea industries can concentrate at the international sales during the summer season and can develop the tea industries even at international level.

**Keywords:** tea, marketing, multi channel, botanical, premium quality

### **1. Introduction**

Millions of people across the globe prefer and enjoy the beverage called “Tea”. In India Tea was introduced by Chinese and in India it’s being produced in North Assam, Manipur, Imphal and Darjeeling. The botanical name for tea is “Camellia sinensis” is allowed to grow in its own way, could grow to a height of 25 feet with flower and fruit like any other tree. Tea grows at altitudes rising sea level nearly 8,000ft and it’s a continuous commercial harvesting crop throughout the year. In late 17th century a German missionary who did pioneering work in separating Asian plantations and bust that gives liquor, a refresher and stimulate. Tea plantation in India owes its origin to British enterprises. Tea plantation is located in Assam and Darjeeling, Terai and Doorgas in the north Bengal and Mysore, Coorg, Nilgiris, Manjsholai. It’s widely accepted that Darjeeling tea is the champagne of teas.

#### **1.1 About Nilgiris**

The Tea industry in India has given employment to the largest work force in which Nilgiri is not exempted. In South India, tea seeds were planted in an experimental farm at Ketti (Nilgiris) in 1835 by Cerrottet, a French Botanist. But the first scale efforts to plant tea in the Nilgiris were on Thaishola and Dunsandle estates in 1859. Amongst the planting districts in south India, Nilgiris occupy a prestigious position as far as the quality is concerned. Its name is associated with all virtues that go to make good cup of tea and is appropriately referred to as “Southern Darjeeling”. The elevation, cold weather and the marginal rainfall the district receives are all conducive for the production of the premium quality tea. Nilgiris is a district that rises in an elevation to a height of over 2800m from a minimum of 1000m above sea level. The climatic conditions

and troposphere of the area make the Nilgiris the suitable place in south India for cultivation of tea as a result the areas under tea cultivation in Nilgiris are vast and spread.

#### **1.2 Statement of problem**

The last one-and-a-half years, the entire tea industry and the tea growers in India, who achieved this distinction, are facing an extreme crisis. The entire tea industry in the States of Assam, Tripura, West Bengal, Kerala, and a part of Tamil Nadu, especially in Coonoor, is in a disasters. The traditional tea and the CTC (Crush, tear, curl) tea are being sold at a throw-away price. Because of the bought leaf tea, a number of employment opportunities have been generated with the expansion of the tea cultivation programmes. The youngsters form a group and grow tea. They call it bought leaf and go to a factory for packaging. The shocking feature is that third-rate Sri Lankan tea and Kenyan tea, which are dumped in India, are being packed with Indian labels. It is being sold in the international market and is destroying India’s image. The present study about the analysis of marketing of tea in Tamilnadu will be more helpful to support the tea industry.

#### **1.3 Need of the study**

The main need of the study is to promote the marketing of tea in Tamilnadu. The tea situation is such in India that the demand of Indian tea is gradually coming down in the whole world market. Russia is the best market of Indian Tea, and that too now is being reduced very seriously. Government of Tea industry should be really very cautious and a full discussion is urgently necessary because tea brings foreign money for our country. If this industry gets affected then the economy of the country will be affected. Therefore, this matter needs to be

taken up seriously without any delay. The present study will give some information about the present market scenario of tea trading in Tamilnadu.

#### 1.4 Objectives of the study

1. To know the level of demand in the market towards tea types every year.
2. To know the level of sales volume in region wise based on different seasons.
3. To identify the level of opinion by the use of multi channel marketing and various communication types used for marketing tea.
4. To identify the current organization's biggest challenges with multichannel for marketing tea.

#### 1.5 Scope of the study

The scope of the study is to identify and study the marketing of tea in Tamilnadu with special reference to Nilgiris district. The research will be helpful in understanding the current position of the tea marketing industry in Tamilnadu comparing with other segments. It can be further used to improve the production based on season wise demand and product wise demand.

#### 1.6 Limitations of the study

1. Accuracy of data is subjected to the respondent's statements and views. The sample size of the study is relatively restricted to 200 respondents only.
2. The data were collected only from Nilgiris district. The ratio of factories, wholesalers, distributors and retailers respondents in this study may not reflect the definite entire participation in the Tamilnadu Tea industry.

#### 1.7 Research Methodology

Research in common parlance refers to a search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic. In fact, research is an art of scientific investigation. Research Methodology is a way to systematically solve the research problems. It may be understood as a science of studying how research is done scientifically. The methodology of the study would include conducting research with target audience as the tea sellers in Nilgiris District, Tamilnadu. This includes primary data collection by person administered survey for analysis and final interpretation of data.

#### Type of research

It is descriptive type of research. The term descriptive research refers to the type of research question, design, and data analysis that will be applied to a given topic. Descriptive statistics tell what is, while inferential statistics try to determine cause and effect.

#### Sampling Technique

**Area Sampling:** Area sampling is quite close to cluster sampling and is often talked about when the total Nilgiris District area of interest happens to be big one. Under area sampling we first divide the total Nilgiris District into a number of smaller non-overlapping areas, generally called geographical clusters, then a number of these smaller areas are

randomly selected, and all units in these small areas under Nilgiris District are included in the sample.

#### Sample Size

The sellers of the tea in Nilgiris district are the target population. The total population of this study is 200.

- Factory - 36
- Distributors – 83
- Wholesalers – 48
- Retailers - 33

#### Period of the study

This study conducted for a period of 6 months.

#### Data collection method

The source of project depends on accurate data. That's why data collecting the appropriate data, which differ considerable in context money, cost, time and other resources at the disposal researcher.

There are two types of data collection methods available:-

1. Primary Data Collection Method.
2. Secondary Data Collection Method.

#### Primary data collection method

Primary data are those that are obtained by the user for fulfillment their purpose. The primary data has taken through personal visit to the various tea sellers in Nilgiris District at all levels and observation methods to get more reliable information. The primary data has been collected in filled questionnaire by the sellers of tea in Nilgiris district; this data helped to justify the statements that have made in this project.

#### Secondary data collection method

The Secondary Data is that which is already collected and stored. The secondary data collected from the journals, records, newspapers, magazines, articles, internet etc. And also the secondary data has been collected by referring some specimen of companies and by referring some books and web sites of companies from internet.

#### Statistical tools used

To arrive at certain conclusions regarding the hypothesis advanced in the present investigation, the following statistical tools for analysis of data were employed to consolidate, classify and analyze the data with reference to the selected objectives of the study. i.e., Simple Percentage Analysis, Weighted Average Score and Factor Analysis. Statistical calculations have been made making extensive use of Microsoft Excel and SPSS Software Packages on the computer.

#### Simple percentage analysis

Percentage analysis is a simplest tool of all. It is used to give the clear cut information about the analysis.

$$\text{Percentage} = \frac{\text{Individual respondents}}{\text{Total number of respondents}} \times 100$$

#### Weighted average score analysis

The researcher has adopted weighted average method to rank

the performance according to respondents view. The researcher used a five point scale for each feature. Each scale was given a score according to its importance starting from 5 to 1.

$$XW = \frac{WX}{W}$$

Where

XW, represents the weighted arithmetic mean

X = The Variable

W = Weights attached to the variable X.

### Factor Analysis

Factor Analysis is a multivariate statistical technique used to condense and simplify the set of large number of variables to smaller number of variables called factors. This technique is helpful to identify the underlying factors that determine the relationship between the observed variables and to provide an empirical classification scheme of clustering of variables into groups called factors. This test is applied to measure the distribution of variables related to MSPs.

### 2. Review of literature

Chandrasekaran *et al.* (2016) <sup>[1]</sup>, attempted a study to examine the trends in growth of tea Industry in Tamilnadu in terms of area, production, export and productivity of Indian Tea Industry. A sample size of 400 respondents have been collected from small, medium and large exporter. The author recommended from the study that investments in plantations and manufacturing machines must come from the industry without any subsidy from the Government. Since the industry has to compete globally, it is necessary that they have access to capital at globally competitive interest rates. The subsidies have always been a stumbling block in developing competitive industries. The author concluded that the bilateral agreements are mostly ending, the markets for tea in commodity forms are shrinking, Countries are exercising their option to purchase tea from wherever it suits those best in terms of quality and pricing, and the other global producers are keenly eyeing the Indian market.

Erani Mohan (2016) <sup>[2]</sup>, stated that small Tea Growers (STGs) constitute an integral part of tea industry with a sample size of 100 respondents from Sivasagar District by using purposive sampling method. The author founds out that STGs covered 2.5 lakh hectares of land in India. Tea Board of India defines the Small Tea Growers holding area up to 10.12 hectares. Small Tea Growers contribute 25 per cent of total tea production of Assam, which is 500 million kg per year. The STGs of Sivasagar district play initiative role in tea production. Sivasagar alone has 10116 Small Tea Growers out of 1.2 lakh in the state. The study highlighted the Small Tea Growers socio-economic condition, various problems of Small Tea Growers.

### 3. Industry Profile

#### Tea production in India

The production rapidly grew in the country. Darjeeling,

Assam, Nilgiris-three distinctly different teas grown in different regions of the country. Darjeeling tea, the Champagne of teas is grown only in the Darjeeling hills of West Bengal in North-East India. It is acknowledgement as the superlative standard for flavour. Assam tea offers rich, full-bodied, bright liquor. The climatic conditions and landscapes of the Blue Mountains or the Nilgiris favour fine flavour and brisk liquor. The combination of fragrance and briskness makes Nilgiri tea a truly unique, found nowhere else in the world. India's average productivity is 1,787 kg per hectare while in the Southern States, it is more than 2,854 kg per hectare. Both these figures are much lower than those achieved internationally as in the case of Kenya which produces 5,340kg per hectare. Area under cultivation was 4,25,966 hectare in the year 1994, which increased to 4,34,376 at present. Assam produced more than 50 percent of the total tea produced in India and 22 percent of the tea produced globally. Tea production is divided in the ratio of 3:1 between Assam and Bengal and the Southern States. Normally in the total production 20-25 per cent is exported. Cooperative too has a place in the tea sector. In the country's total tea production, Cooperatives' contribution is nearly two percent

### 4. Data analysis and interpretation

This chapter deals with the analysis and interpretation of study on Marketing of Tea in Tamilnadu with special reference to Nilgiris district. The data collected from the samples have systematically applied and presented in the tables under various headings in the following pages. They were also arranged in such a way that, a detailed analysis can be made so as to present suitable interpretation for the same. The following tools and techniques were used for analysis of the data collected.

- Simple Percentage Analysis
- Weighted Average Score Analysis
- Factor Analysis

#### Percentage Analysis

**Table 4.1:** Age of the respondents

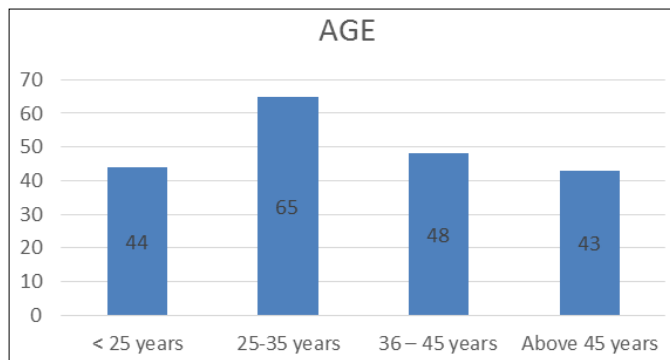
Age	No of respondents	Percent
< 25 years	44	22.0
25-35 years	65	32.5
36 – 45 years	48	24.0
Above 45 years	43	21.5
Total	200	100.0

*Source:* Primary Data

#### Interpretation

From the above table, it is clearly stated that 22% of the respondents are 'Below 25 years' whereas 32.5% of the respondents are between '25-35 years', 24% of the respondents are between '36-45 years' and 21.5% of the respondents are 'Above 45 years'.

The result inferred that majority 32.5% of the respondents are between '25-35 years' of age.

**Exhibit 4.1.1****Age of the respondents****Fig 1****5. Findings, suggestions and conclusion****5.1 Findings****Simple percentage analysis**

Among the 200 respondents, majority 32.5% of the respondents are between '25-35 years' of age. 41.5% of the respondents are 'Distributors' 18% having 'Factory', 24% are 'Wholesalers' and 16.5% are 'Retailers'. Majority 39.5% of the respondents having experience in tea marketing process between '6-10 years'. 44% of the respondents are doing 'National trading', 19.5% of the respondents are doing 'International trading' and the same level involved in all types of trading and 17% of them are doing 'Inside State Trading'. Majority 39% of the respondents stated that the average sales volume of tea dust in kilograms per year is between '25000 kgs to 50000 kgs'.

Majority 32% of average sales volume is between '0.5 to 1 Lakh kgs' per year inside Nilgiris district. Similarly majority 41.5% of average sales volume inside Tamilnadu is between '0.5 to 1 Lakh kgs' per year. Likewise, majority 33.5% of average sales volume is '0.5-1 Lakh kgs' per year in other states of Tamilnadu. In the same way, majority of 33.5% of average sales volume is between '0.5-1 Lakh kgs' per year and finally majority of 34.5% of average sales volume is 'Above 5 Lakhs kgs' per year in international sales.

**5.2 Suggestions**

- The prestigious and quality tea brands of Nilgiris district should be protected from duplicate and mishandling of brands in the global market which should be monitored by the India tea industry. The necessary steps against this problem will lead to the growth of sales volume of branded tea in the market.
- The Tea industry in Tamilnadu should initiate an active link between productions to end customer in order to increase the sales volume. With the help of active link, the end customer can easily approach the producer of the market and this will reduce the duplicate and mishandling of brands in the market.

**5.3 Conclusion**

The present study is an attempt to know about the marketing of tea in Tamilnadu with special reference to Nilgiris District. The tea growers face different problems related to multi

channel marketing and various communication types used for marketing. They have to give emphasis on the investment in tools required to facilitate multichannel campaign management. The tea industries in Nilgiris district has a better development in different seasons and the tea growers can earn a good profit. The tea industries can concentrate at the international sales during the summer season and can develop the tea industries even at international level also.

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