

**STUDY OF CONSUMER BEHAVIOR ON PURCHASING OF
DIFFERENT BRANDS OF TEA & IDENTIFY TEA TRADERS
MARKETING SENSITIVITY OF TEA IN COLOMBO CITY LIMITS**

MR.Y.M. ARUNA LANKATHILAKA YAPA



FAG554



Project Report
Library - EUSL

DEPARTMENT OF AGRICULTURAL ECONOMICS

FACULTY OF AGRICULTURE

EASTERN UNIVERSITY

SRI LANKA

SEPTEMBER 2018

PROCESSED
Main Library, EUSL

ABSTRACT

Tea is one of the most popular beverages consumed in Sri Lanka. According to the statistics provided by economic and social statistics, Sri Lanka continues to retain in the position of being the third largest exporter and the fourth largest producer of tea (Central Bank of Sri Lanka, 2015). The present study was done to study the consumer preference on purchasing of different brands of tea and to identify traders marketing sensitivity of tea in Colombo city limits.

Primary data were collected from Colombo city parts (Colombo 1 to 15 parts) which ten consumers and two tea traders from each city parts were taken as respondents. Two traders of a city part were represented by one supermarket trader and one retail shop seller. Data were collected using a structured questionnaire for 150 consumers and 30 traders. Frequency and mean analysis was employed to study the socio-economic data of consumer and trader (gender, civil status, age, no. of family members, education level, monthly household income). From the consumer socio-economic data 56% of the consumers were female and the remaining 44% was male. The 49.3% of respondents were married and the 48.7% and 2% of consumers were single and divorced respectively. 51.3% of the consumers were aged between 18-30 years which the mean age value was 38.02 years. The mean value for the consumer family members shown as 3.80 members. 47.3% of consumers were educated up to GCE Advanced Level. The percentages for the GCE Ordinary level passed and Bachelor degree holders were respectively 36.0 % and 16.7%. The mean income value calculated for the consumers was 38250.00 Rupees.

From trader socio economic data analysis 93.3% from 30 traders was male and remaining 6.7% was female. 90% traders were married and remaining were unmarried. Above half of the traders were aged between 31-40 years which the percentage was 53.3. The mean age value of the trader population was obtained as 38.6 years.66.7% of traders were educated up to GCE O/L and remaining had education level of GCE A/L. 52.0% of consumers were gained knowledge of tea brands and qualities by day to day communication with people around them. 26.7% by Tv, radio, newspapers and 16.0% by Publications, Articles, Books and remaining 5.3% by Social Media (Facebook, YouTube, Twitter, Blogs). 57.3% consumers buy tea once in a month time period. About 60% of the respondents from consumers sample buy about 0.5Kg-1.00Kg of tea in a month period. The mean value of buying tea quantity in a month period was 735.00g (0.735Kg). Most of the consumers were willing to pay about 251-750 Rupees in a month period which the percentage of 78. The mean value expense for tea in a month period was about 656.00 Rupees for 735.00g of tea. 90% of traders buy tea bags/packets from the Private tea firms which the frequency is 27 out of 30 traders. Remaining traders buy from wholesalers. Consumer highest preferred tea brand was Lipton tea brand. And tea quality type was PEKOE type. Also, consumer had better behavior level on purchasing of different brands of tea and the trader had moderate level of sensitivity in their tea marketing process at supermarket or retail shop. And the traders were able to supply the consumer tea demand in the Colombo city limits.

Keywords: Sri Lanka, Tea, Consumers, Traders, Preference, Behavior, Quality

CONTENTS

ABSTRACT.....	I
ACKNOWLEDGEMENT.....	III
CONTENTS.....	IV
LIST OF TABLES.....	VII
LIST OF FIGURES.....	VII
ABBREVIATIONS.....	VIII
CHAPTER 1.....	1
INTRODUCTION.....	1
1.1 Background.....	1
1.2 Tea Cultivation.....	2
1.3 Growing and harvesting of tea.....	3
1.4 Tea Processing.....	4
1.5 Tea consumption in Sri Lanka.....	5
1.6 Tea market in Sri Lanka.....	6
1.7 Problem Statement.....	7
1.8 Objectives.....	7
1.9 Limitations of Study.....	7
CHAPTER 2.....	8
LITERATURE REVIEW.....	8
2.1 Development of tea industry in Sri Lanka.....	8
2.2 Marketing of tea in Sri Lanka.....	12
2.2.1 The Tea Supply Chain.....	12
2.2.2 Tea marketing brands in Sri Lanka.....	13

2.2.3 Tea grades nomenclature	13
2.2.4 Demand for tea in Sri Lanka.....	14
2.3 Present generation consumers and their buying behavior	15
2.4 Sri Lankan studies on tea marketing.....	16
2.5 Export market of tea in Sri Lanka	18
CHAPTER 3.....	20
RESEARCH METHODOLOGY	20
3.1 Location of Study	20
3.2 Sources of data.....	21
3.3 Data collection.....	21
3.3.1 Secondary Data	21
3.3.2 Primary Data	22
3.4 Sampling method.....	22
3.5 Data analysis.....	22
3.5.1 Descriptive analysis	22
3.6 Consumer data analysis	23
3.6.1 Evaluation method for identify consumer mostly preferred tea brand and tea quality type.....	23
3.7 Trader data analysis.....	24
3.7.1 Evaluation method for identify most selling tea brand and quality type.	24
3.8 Identification of consumer behavior on purchasing tea.....	26
3.9 Identification of trader marketing sensitivity of tea	27
CHAPTER 4.....	29
RESULTS & DISCUSSION.....	29
4.1 Consumer data analysis.....	29

4.1.1: Consumer socio-economic characteristics data	29
4.1.2 Consumer mostly preferred tea brand Analysis.....	33
4.1.3 Consumer mostly preferred tea quality type analysis	34
4.2 Trader data analysis	35
4.2.1 Trader socio characteristics data analysis (N=30)	35
Trader tea packets/bags purchasing source analysis	36
4.2.2 Trader mostly sold tea brand analysis.....	37
4.2.3 Trader mostly sold tea quality type analysis.....	38
4.3 Identification of consumer behavior on purchasing different tea brands.	39
4.4 Identification of tea traders marketing sensitivity.	40
4.5 Data analysis related to the problem statement	41
CHAPTER 5.....	43
SUMMARY AND CONCLUSION.....	43
5.1. Summary for the result of first objective	43
5.2 Summary for the result of second objective	43
5.3 Summary for the result of third objective	43
5.4 Summary for the result of forth objective.....	44
5.5 Summary related to the problem statement	44
5.6 Conclusion.....	45
REFERENCES.....	46
WEBSITE VISITED.....	47
ANNEXTURES.....	i
ANNEXTURE - A	i
ANNEXTURE - B	vii