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Tea Marketing in Tamilnadu: Perceptions of the Influencing Factors

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Abstract

Marketing is the act of selling goods and services to customers. Respondents advertise tea in a number of ways. Because goods must be sold as quickly as they are manufactured in order to satisfy the production target. Sales delays pose a plethora of financial and other issues for manufacturers. Tea is disseminated in a variety of ways. The many sales methods and qualities related with Tea marketing are identified, and attitudes toward each component are investigated.

Keywords: *Retailers, Marketing, Agriculture, Medium Farmers, Commission Agents,*

INTRODUCTION

Indians place a high value on agriculture. Despite its little contribution to national GDP, it is the backbone of the Indian economy because to its large share of employment and livelihood generation. Agriculture's GDP contribution has continuously decreased from 36.4 percent in 1982-1983 to 18.5 percent in 2006-2007, before rebounding to 22.1 percent in 2013. Despite this, this industry employs over 500 million people, accounting for 52% of the workforce. It is also a key source of raw materials and demand for a broad variety of industrial products, such as fertilisers, pesticides, agricultural tools, and consumer goods. Agriculture's growth rate has been lower than that of non-agriculture businesses over time, and this declining trend is cause for concern.

Agriculture requires well-functioning markets to provide development, employment, and economic prosperity in rural areas of the country. To provide dynamism and efficiency to the marketing system, large investments are required in the building of post-harvest and cold chain facilities closer to the farmer's fields. As a consequence, the Ministry of Agriculture published a model Agriculture Produce Marketing Committee (APMC) Act, 2003, and advised revisions to state APMC Acts in order to stimulate investment in marketing infrastructure, corporate sector direct marketing, and a national integrated market.

Statement of the problem

Tea has been an important part of the Indian economy for many decades. In fact, the tea industry is regarded as one of India's most significant agricultural industries. It employs about one million people directly in the country.

Tea provides the most jobs per unit of arable land when compared to other agricultural products. Tea farms employed 12.55 lakh people in 2002. Women accounted for nearly half of the workforce. Many more work in businesses related to tea and tea trade, such as tea equipment, packaging, and ware houses.

Northern India produced the majority of tea, notably in Bengal's Darjeeling and Dooars, Assam, and Cachar. Tea was grown in Tamil Nadu and Kerala's steep western Ghat region in the south, accounting for 77% of total output in 1998. The Assam valley generated the most (46 percent), followed by the Dooars (17 percent) in the south and the Nilgiris of Tamil Nadu (14%). Over 80% of tea produced in India was CTC tea, while average Orthodox tea output was 13% 5, owing to low global tea, rubber, and apparel prices. Recent declines in worldwide tea prices, on the other hand, may affect export earnings6. Prices at the Colombo Tea auctions recovered in the second half of 1999 after a sharp drop during the August 1998 Russian financial crisis, owing to increasing Russian buying and a fall in worldwide supply. The yearly average price in 1999, however, was 14% lower than in 1998.

Although the demand for tea has increased, the Indian government has not taken any measures to promote new tea products. Existing producers are likewise encountering various marketing challenges. Many other elements contribute to the easy marketing of tea, which is why a research was conducted.

Objectives

Following are the objectives of the present study.

- Research the tea industry's profile and the characteristics of the responses.
- To investigate respondents' attitudes toward the services of intermediaries.
- To measure respondents' attitudes regarding marking Tea.

Sampling design

In social science research, a sample size of 300 to 400 is considered appropriate for obtaining valid conclusions; so, the sample size in the current study is limited to 370 respondents.Three hundred and seventy respondents were chosen for the study using the random sample approach, including 145 direct sales respondents, 120 respondents who sell via a single agent, and 105 respondents who sell through other channels. Tippet random sample numbers were employed in the study, and they were chosen at random.

Tools for Analysis

Three hundred and seventy respondents were chosen for the study using the random sample approach, including 145 direct sales respondents, 120 respondents who sell via a single agent, and 105 respondents who sell through other channels. Tippet random sample numbers were employed in the study, and they were chosen at random.

Factors Affecting Tea Marketing

Marketing to Middlemen

Tea manufacturers sell their goods through a variety of methods. The intermediaries, who are a component of the distribution route, are one of such channels. Direct sales are difficult and have numerous obstacles to overcome.

Table 1 Attitude of Respondents towards Marketing to Middlemen

Sl.No	Perception	Means Score			F Statistics
		Direct Sales	Single Agent	Other Means	
1	Village merchants help me	2.2320	2.3340	2.1301	22.069**
2	Commission agents provide service	2.2157	2.3020	2.2649	7.4739**
3	Regulated market function properly	2.6013	2.7082	2.4944	16.0618**
4	Co-operative market society also renders	2.1637	2.2906	2.0362	0.0212NS
5	Wholesalers help me	2.2222	2.3222	2.1223	0.5994NS
6	Local traders	2.0033	2.0865	1.9200	4.2613*
7	Pre harvesting contractor	2.1144	2.2312	1.9975	2.7897*

Source- Primary data

According to Table 1, the perspective of respondents of single agents was greater in all aspects of Marketing to Middlemen except two, as evidenced by the corresponding mean scores that are higher in the chosen criteria, than that of respondents of direct sales and other ways. The most important variables among respondents in the 'Direct Sales' category are Regulated market work correctly, Village merchants help me, and Wholesalers aid me, with mean scores of 2.6013, 2.2320, and 2.2222, respectively. These criteria are also important to respondents in the 'Single Agent' category: Regulated market work correctly, Village merchants help me, and Wholesalers aid me, with mean scores of 2.7082, 2.3340, and 2.3222, respectively. These variables include Regulated market work correctly, Commission agents give service, and Village merchants aid me, with mean scores of 2.4944, 2.2649, and 2.1301, respectively, within the 'Other Means' group of respondents. Statements Local traders only scored the lowest across all categories of respondents, with mean ratings of 2.0033, 2.0865, and 1.9200, respectively.

Preferring Commission Agents

Because village merchants may not interact effectively with respondents in some research regions, commission brokers play a highly prominent role in selling the Tea generated by the respondents. However, commission agents offer additional services to responders.

Table 2 Attitude of Respondents towards Preferring Commission Agents

Sl. No	Perception	Means Score			F Statistics
		Direct Sales	Single Agent	Other Means	
1	Immediate cash payment	2.0261	2.1135	1.9388	2.2118 NS
2	Advance received is on time	2.4412	2.5523	2.3301	2.632*
3	Transport facilities made available	2.3235	2.4260	2.2211	0.6718 NS
4	Storage facilities made available	2.5915	2.6941	2.4889	0.5582 NS
5	Long term practice is followed	2.4314	2.5374	2.3253	4.1391*
6	Higher price when compared to village merchants/regulated markets	2.2353	2.3496	2.1210	5.6801**

Source: Primary data

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Table 2 reveals that respondents' perceptions of single agents were greater in all aspects of choosing commission agents except two, as evidenced by the corresponding mean scores that are higher in the selected criteria, than respondents' perceptions of direct sales and other ways. Storage facilities made available, advance received on time, and long term practise are highly regarded criteria among respondents in the 'Direct Sales' category, with corresponding mean scores of 2.5915, 2.4412, and 2.4314. These criteria are also important among respondents in the 'Single Agent' group, whose mean scores are 2.6941, 2.5523, and 2.5374. These variables include Storage facilities made available, Advance received on time, and Long term practise is followed, with mean scores of 2.4889, 2.3301, and 2.3253, respectively, among the 'Other Means' group of respondents. Statements Immediate cash payout alone have the lowest mean ratings across all categories of responders, with 2.0261, 2.1135, and 1.9388 mean scores, respectively.

Marketing Expenses

Tea marketing expenditures are one of the selling and distribution expenses. These are unavoidable. However, actions might be taken to eliminate them, resulting in increased profits and a longer business. In this setting, the researcher believed it was critical to focus on the respondents' attitudes regarding marketing to intermediaries.

Table 3 Attitude of Respondents towards Marketing Expenses on Tea

Sl. No	Perception	Means Score			F Statistics
		Direct Sales	Single Agent	Other Means	
1	I bear packing in gunny bags	2.4150	2.5181	2.3119	0.2450 NS
2	I bear loading	2.3203	2.4151	2.2255	3.2729*
3	I bear transport cost	2.3170	2.4152	2.2188	14.6299**
4	Unloading cost is also there	2.3595	2.4711	2.2478	1.7290 NS
5	Market fee is also there	2.1699	2.2724	2.0674	7.4662**
6	Association charge paid to traders	2.3922	2.4844	2.2992	2.6762*
7	Establishment charges reduced profit	2.6797	2.7961	2.5633	8.6273**
8	Weighing charges are also borne	2.4346	2.5415	2.3278	4.9533*
9	Traveling expenses adds loss (Collection cost)	2.2418	2.3238	2.1598	2.8055*

Source: Primary data

Table 3 shows that respondents' perceptions of single agents were greater in all aspects of marketing expenditures except two, as evidenced by the respective mean scores that are higher in the chosen criteria, than respondents' perceptions of direct sales and other ways. Establishment costs lowered profit, Weighing charges are also carried, and I bear packaging in gunny bags are the most strongly regarded factors among respondents in the 'Direct Sales' category, with mean scores of 2.6796, 2.4346, and 2.4150, respectively. Establishment costs lowered profit, Weighing charges are also carried, and I bear packaging in gunny bags are among the 'Single Agent' group of responses to these criteria, with mean scores of 2.7961, 2.5457, and 2.5181 respectively. These criteria include Establishment costs lowered profit, Weighing charges are also carried, and I bear packaging in gunny bags, with mean scores of 2.5633, 2.3278, and 2.3119, respectively, within the 'Other Means' group of responders. Statements Market charge is also there have scored the lowest among all categories of responders, with mean scores of 2.1699, 2.2724, and 2.0674 correspondingly.

Marketing Cost

All goods have the same price. It is the expense spent following manufacturing but before to sales. Between manufacturing and sales, there are several expenses. The majority of them are direct costs. In this setting, the researcher believed it was critical to focus on the respondents' attitudes regarding marketing to intermediaries.

Table 4 Attitude of Respondents towards Marketing Cost

Sl. No	Perception	Means Score			F Statistics
		Direct Sales	Single Agent	Other Means	
1	Plucking cost in borne	2.3660	2.4643	2.2677	3.0241*
2	Loading cost is there	2.3039	2.4075	2.2003	0.2982 NS
3	Transporting cost is there	2.4314	2.5276	2.3353	0.6069 NS
4	Unloading cost is there	2.2255	2.3108	2.1402	2.9524*
5	Storage cost affects profit	2.4542	2.5665	2.3420	2.4621 NS
6	Commission charges affects profit	2.1209	2.2161	2.0257	12.632**

Source: Primary data

Table 5 Attitude of Respondents towards Marketing Cost

Sl. No	Perception	Means Score			F Statistics
		Direct Sales	Single Agent	Other Means	
1	Plucking cost in borne	2.3660	2.4643	2.2677	3.0241*
2	Loading cost is there	2.3039	2.4075	2.2003	0.2982 NS
3	Transporting cost is there	2.4314	2.5276	2.3353	0.6069 NS
4	Unloading cost is there	2.2255	2.3108	2.1402	2.9524*
5	Storage cost affects profit	2.4542	2.5665	2.3420	2.4621 NS
6	Commission charges affects profit	2.1209	2.2161	2.0257	12.632**

Source: Primary data

Table 5 reveals that respondents' perceptions of single agents were greater in all aspects of marketing expense except two, as evidenced by higher mean scores in the selected criteria, than respondents' perceptions of direct sales and other ways. Storage costs effect profit, transportation costs exist, and picking costs must be borne, according to respondents in the 'Direct Sales' category, whose mean scores are 2.4542, 2.4314, and 2.3660, respectively.

These variables also impact the 'Single Agent' group of respondents, whose mean scores are 2.5665, 2.5276, and 2.4643. Among responders in the 'Other Means' category, these criteria are Storage cost influences profit, Transporting cost is present, and Plucking cost is borne, with mean scores of 2.3420, 2.3352, and 2.2677, respectively.

Statements Commission charges affect profit solely scored the lowest across all categories of respondents, with mean scores of 2.1209, 2.2161, and 2.0257, respectively.

Payment

It refers to the money paid by agents or intermediaries to tea makers. If the payment is received as soon as possible, it may assist the producers in doing business. It is possible that it will have no effect on their working capital. In this setting, the researcher believed it was critical to focus on the respondents' attitudes regarding marketing to intermediaries.

Table 6 Attitude of Respondents towards Payment

Sl. No	Perception	Means Score			F Statistics
		Direct Sales	Single Agent	Other Means	
1	Lack of prompt payment	2.3170	2.4315	2.2024	0.719 NS
2	Delay in payment	2.6667	2.7854	2.5479	1.3077 NS
3	Partial payment in sale proceeds	2.7516	2.8645	2.6388	2.2995 NS
4	Interest on crop leadings to delay in payment	2.4771	2.5846	2.3697	18.8539**
5	Marking payment on the basic of installments	2.5556	2.6523	2.4588	4.0158*

Source: Primary data

According to Table 6, the perspective of respondents of direct sales was greater in all aspects of payment except two, as evidenced by the corresponding mean scores that are higher in the chosen criteria, than that of respondents of single agent and other ways. Partial payment in sale profits, Delay in payment, and Marking payment on the basis of instalments are the most strongly regarded characteristics among respondents in the 'Direct Sales' category, with mean scores of 2.7516, 2.6667, and 2.5556, respectively. These variables are also present among respondents in the 'Single Agent' group, with mean scores of 2.8645, 2.7854, and 2.6523, respectively, for partial payment in sale profits, delay in payment, and marking payment on the basis of instalments.

These criteria include Partial payment in sale profits, Delay in payment, and Marking payment on the basis of instalments among respondents in the 'Other Means' group, with mean scores of 2.6388, 2.5479, and 2.4588, respectively.

In all categories of respondents, the statements 'lack of fast payment' scored the lowest with 2.3170, 2.4315, and 2.2024 points, respectively.

Overall perception – Analysis

The overall perception represent the summation of all the perception relating to ‘marketing to middlemen’, ‘village merchants’, ‘preferring commission agents’, ‘marketing expenses on Tea’, ‘market the products immediately after harvest’, ‘marketing cost’, ‘Tea is storing’, ‘considerations in marketing process’, ‘problems associated with tea board’, ‘economic factors’, ‘finance assistance’ and ‘payment’ . The overall problem index is created by

OPI	W1MMI + W2PVMI + W3PCAI + W4MEI + W5MCI + W6IMPI + W7SCI + W8CMPI + W9PATB + W10EFI +W11FAI + W12PI
Where,	
OPI	Overall Performance Index
MMI	Marketing to Middlemen Index
PVMI	Preferring Village Merchants Index
PCAI	Preferring Commission Agents Index
MEI	Marketing Expenses Index
MCI	Marketing Cost Index
IMPI	Market the Products Immediately after Harvest Index
SCI	Storage of Commodities Index
CMPI	Considerations in Marketing Process Index
PATB	Problem Associated with Tea Board Index
EFI	Economic Factors Index
FAI	Financial Assistance Index
PI	Payments Index

W1, W2, W3, W4, W5, W6, W7,
W8, W9, W10, W11, W12 = Weightage of the above said indices

W1 =
∑ MSAMMV
∑ MSAMMV + ∑ MSAPVMV + ∑ MSAPCAV + ∑ MSAMEV +
∑ MSAMCV + ∑ MSAIMPV + ∑ MSASCV + ∑ MSACMPV +
∑ MSAPATBV+ ∑ MSAEFV +∑ MSAFAV + ∑ MSAPV

Where,

MSAMMV = Maximum Score in the Attitude towards Marketing to Middlemen

MSAPVMV = Maximum Score in the Attitude towards Preferring Village Merchants Variable

MSAPCAV = Maximum Score in the Attitude towards Preferring Commission Agents Variable

MSAMEV = Maximum Score in the Attitude towards Marketing Expenses Variable

MSAMCV = Maximum Score in the Attitude towards Marketing Cost Variable

MSAIMPV = Maximum Score in the Attitude towards Market the Products Immediately after Harvest Variable

Likewise W2, W3, W4, W5, W6, W7, W8, W9, W10, W11 and W12 were found out.

The respondents' Overall Perception Index (OPI) is calculated. The OPI among responders is limited to 25-50% and 50-75 percent. Table 5.25 depicts the distribution of responders by on OPI.

Table 7 Overall Perception Index (OPI) among Respondents

Sl. No	OPI in Percentage	Number of Respondents			Total
		Direct Sales	Single Agent	Other Means	
1	25-50	92 (26.3)	71 (20.3)	79 (22.6)	242 (69.1)
2	50-75	48 (13.7)	39 (11.1)	21 (6.0)	108 (30.9)
	Total	140 (40.0)	110 (31.4)	100 (28.6)	350 (100)

Source: Computed data

Table 7 clearly reveals that a maximum of 69.1 percent of respondents had OPI of 25-50%, while 30.9 percent of respondents had OPI of 50-75%. Direct sales respondents with an OPI of 25-50% made up 26.3 percent of the total, while single agent respondents with an OPI of 25-50% made up 20.3% of the total. In the case of alternative techniques, the number of respondents with an OPI of 25-50% made up 22.6 percent of the total. At the same time, respondents of direct sales with an OPI of 50-75 percent made up 13.7 percent of the total, while respondents of single agents with an OPI of 50-75 percent made up 11.1 percent.

In the case of alternative means, it was 6%.

According to the results of the preceding research, 69.1 percent of the respondents fell below 50% of the OP index. It implies that respondents' overall perception of the study area is satisfactory, and there is good potential for further business development in the study area.

Findings

The following are the findings of the study:

1. All three categories of respondents had a favourable view regarding marketing to middlemen. It means that the research area's impression of marketing to intermediaries is below average, which is a favourable omen for future growth.

2. The respondents from all three categories of respondents' attitudes regarding preferring village agents. The study area's preference for village merchants is below average.

3. The attitude toward Tea marketing costs. It suggests that the perception of Tea marketing expenditures in the research region is below average, which is a favourable indicator for future development.

4. The impression of marketing costs in the research region is below average, which is a favourable indicator for future growth.

5. The impression of commodity storage in the research region is below average, which is a promising indicator for future development.

6. All three categories of respondents have a positive perception of the attitude under consideration in the marketing process. It means that the view of marketing considerations prevalent in the studied region is below average.

7. The perception of difficulties related with the tea board in the research region is below average, which is a promising omen for future development.

8. The total research clearly demonstrates that the perception of all three categories of respondents is good toward the attitude in financial help. It implies that the perception of financial assistance in the study area is below average, which is a positive sign for future development.

9. The investigation It may be deduced that 69.1 percent of respondents fell under less than 50% of the OP index. It means that respondents' overall view of the research region is favourable, and there is good opportunity for additional company development in the study area.

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Suggestions

Based on the findings of the study the following suggestions are made

a) Important marketing information, such as pricing, market, and export, may be communicated to growers and merchants via the media and other methods of communication.

b) Because most of the forest region is distant, we have provided all facilities such as transportation, pricing and commission level meetings for producers and dealers.

c) The Tamil Nadu government contributes to the provision of agricultural clinics to tea producers on the medical applications of tea growing.

d) Cultivators should be urged to deliver their production to market after removing overripe and unhealthy tea leaves in order to obtain a reasonable price for their product.

e) The agricultural department assists in providing Tea siblings to the formers.

f) The agricultural department is responsible for raising awareness of organic farming and its benefits to tea producers, as well as providing farmers with information on bio pest control techniques.

g) Tea planters can receive liberal financial aid such as crop loan development loans for meeting, irrigation facilities, banks, and main agricultural and rural development banks.

h) The Tamil Nadu Ministry of Agriculture, like the Action Centre, may deliver realiable data to growers in the same way.

i) The tea board's electronic auction mechanism is fantastic, but it has to be made foot-proof.

j) The problems in the technological system must be addressed and made more user friendly.

k) To improve market penetration, new goods such as iced tea and herbal tea may be pushed.Flavored tea technology will be made available.

l) Exhibitions, workshops, and other events will be held to promote Nilgiris tea in local and international markets.

m) The Tamil Nadu government may take actions to reduce tea adulteration. Maintaining quality for both home and foreign markets.

CONCLUSION

Tea consumption is becoming increasingly common among people of all socioeconomic groups. As a result, the government must provide pricing, fixing, and grading subsidies to tea producers. The government may take substantial steps to strengthen tea producers' infrastructure. Producers may also be provided good manure and cutting-edge weeding machinery, saving production costs and boosting tea growers' standard of living.

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