

Determinants of Ceylon Black Tea Market Penetration in Chinese Tea Market

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A growing economy and a booming middle class makes China a potentially lucrative market for exporters and further, changing younger generation's preference towards black teas creates a new export wave for the black teas to China. In view of this, a study was conducted to explore the factors effect on Ceylon black orthodox tea market penetration in Chinese tea market. The data employed to analyse the factors influencing market penetration of Ceylon black orthodox tea in Chinese tea market were obtained through a questionnaire. 52 Ceylon black tea exporting companies to China were selected as the sample using simple random sampling technique. Both descriptive analysis and multiple linear regression analysis techniques were used for the analysis. The major findings of the study indicated that, the model used for the study is significant at 95% significance level. Moreover, value addition, quality of tea, recognition of brand, consumer focus, competition, promotional activities and trade barriers were identified as significant factors that affect market penetration of Ceylon black tea into Chinese tea market. In addition, value addition, quality of tea, consumer focus, competition, promotional activities and standard barriers are having positive relationships with market penetration while failure rate, recognition of brand, unit price and trade barriers are having negative relationships with the market penetration. The results will assist Ceylon tea exporters in understanding the key necessities of the Chinese tea market and thereby improving the market penetration of Ceylon black tea into Chinese tea market.

Keywords: Ceylon black orthodox tea, Chinese tea market, Market penetration