

ASSESSING CEYLON TEA PERFORMANCE IN UK MARKET

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ABSTRACT

As the highest net foreign exchange generator, tea is considered to be the most important agribusiness in the country at present. As far as exports are concerned, Sri Lankan tea industry is in very crucial situation due to facing a problem of losing its grip in the conventional tea market. In this situation during the year 2012, the Sri Lanka tea board Promotional Division made three years Strategic Marketing Plan and identified 25 top target markets for high focused tea promotional activities. UK is a conventional and lost market identified for promotion during global campaign. This Study develops with the aim of formulation of promotional strategies to increase the Ceylon tea performance in UK market. In this study Descriptive Analysis and BCG Matrix were used to identify the market situation and also, SWOT method has been applied to examine and consider to the strengths, Weaknesses, opportunities, and threats existing on the Ceylon tea export to UK.

The main objective of this study is to formulate the strategies to increase Ceylon tea performance in UK. First, according to the survey carried out on business and promotional environment, the list of strengths, weaknesses, opportunities and threats were identified. Second, with the use of questionnaire and an opinion of the tea exporters who exports tea to UK, identified factors and they were summarized and rank to each factor in order to calculate the score of each of these factors and IFE Matrix and EFE matrix obtained. Then using SWOT Matrix Strategies were formulated .Ultimately, using QSPM (Quantitative Strategic Planning Matrix) identified strategies were prioritized. Overall score for IFE is 2.68 and for EFE are 2.58. Total 11 strategies were formulated. Among them highest score obtained strategies are, Product diversification regain tea council membership, Niche marketing and premium prizing and Registration of Ceylon tea regional Indications in UK.

Key words: Promotion, strategies, IFE and EFE matrix, SWOT, QSPM