

**FACTORS AFFECTING ON VALUE ADDED
TEA PURCHASING**

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ABSTRACT

Sri Lanka is a country with an Agricultural economy. The main Plantation crop grown in Sri Lanka is Tea. Sri Lanka holds its position as the World's second largest exporter of Tea accounting for over 300 million Kilograms of annual production. Sri Lankan Tea holds its exquisite position as the World's finest quality Black Tea producer. Sri Lankan tea exports have focused more towards Value added products as such products produce high revenue compared to conventional type of exports. Such value added products are, Tea in packets, Tea in bags, Flavoured and scented teas, Iced teas, Instant teas, Green teas and etc. in recent years, exporting companies have positioned their value added products at the local market, specially at the super market like outlets and specialty tea shops. The main reason for positioning of such products in Super markets is the prices of those products are high and they targeted a selected market segment.

This research was focused on studying the factors that affect on value added tea purchasing of local consumers. The research was based on a questionnaire survey. Data were collected using a formal questionnaire which was focused on identifying the factors affect on the purchasing decision of value added tea products. The sample size was 200 customers who bought Value added tea products. According to the results derived following factors have exhibit positive relationship with the purchasing decision of VAT consumers; Quality of packaging, Information given in packaging, Quality of packaging material, Brand of the product, Standards and Quality certifications, Origin of ingredients, Shelf life of the product. While factors Level of income and Level of education have shown negative relationship to the purchasing decision of the VAT consumers.

Key Words – *Value added tea products, purchasing decision, Local consumers, Packaging*