

Factors Affecting Purchase of Value Added Tea Products

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Introduction

Tea is considered to be the most widely consumed beverage in the world next to water. More than four billion of people from more than 150 countries consume Tea. Recently, value added tea becomes very popular in both local and international markets. The term value addition generally refers added some value to a basic product. The stages of value addition can be either at secondary processing such as, blending, flavoring, instant tea and any other type of secondary processing or packaging tea in tea bags, gift packs and any other type of packaging and also production of specialty tea such as green tea and organic tea (Ariyawardana, 2001). The importance of a change from bulk tea exports to value added tea products is highlighted by many scholars and businessmen to face the challenges in the increasingly competitive beverage market.

There is a huge growing demand for Value added teas in the domestic market due to improved awareness of health benefits realized through the consumption of Tea and due to huge advertising campaigns using the mass media regarding the value added forms of tea. But, most of the value added products in the local market are positioned in special niche markets, for instance in Super markets, Food cities etc. The main objective of this research is to examine the factors that influence purchasing decision of consumers in the event of buying Value added Tea products.

Methodology

The study was carried out in Colombo district where large numbers of super markets are available. The population of the study was the consumers who purchase value added tea products from different super markets in Colombo district. Pre-tested structured questionnaire was used in the survey. 20 supermarkets were selected for the study and two hundred randomly selected costumers were interviewed with the questionnaire. First ten consumers from each super market were interviewed.

Thirteen factors that could affect on amount of value added tea purchasing, namely, Quality of Packaging, Information given in Packaging, Durability of Package, Quality of Packaging Material, Recyclability of Packaging Material, Brand of the product, Standard and Quality Certification, Origin of Ingredients, Shelf-life, Gender, Income Level and Educational Level were used in the multiple regression model. Further the characteristics of value added tea consumers such as gender, age category, place of purchasing and reasons for preferred value added products were also collected and analyzed by means of descriptive statistics.

Results and Discussion

According to the results, from the sample of 200 respondents, the majority of value added tea (VAT) consumers were male (64.5 %) and majority of value added tea consumers (51.8 %) fallen into the age category of 41- 50. Majority (70.4 %) of consumers purchased about 0 to 1 kg of value added tea. The results revealed that most of the consumers (80.4 %) used to purchase VAT from super markets as most of the VAT are available in super market. Majority of the consumers (67 %) prefer to purchase VAT due to the convenience.

The mean value of consumer satisfaction regarding promotional activities was 1.7186 which indicates that consumers are dissatisfied with the current promotional activities regarding value added tea products. The mean value of satisfaction for current availability of VAT was calculated as 2.0955 which specify that consumers are dissatisfied with the current availability of value added tea products around the market. Consumer satisfaction regarding current innovation recorded a mean value of 3.2362 which denotes that the consumers are neither satisfied nor dissatisfied with the current innovations in value addition in tea sector.

Table 1: Results of multiple linear regression analysis

Parameter	Co- efficient	P - value
Quality of Packaging (QP)	0.1771	0.002*
Information given in Package (IP)	0.4744	0.004*
Quality of Packaging Material (QPM)	0.8033	0.000*
Brand of the product (BP)	0.2799	0.026
Standard and Quality Certification (SQC)	0.2564	0.021
Origin of Ingredients (OI)	0.1309	0.042*
Shelf-life (SL)	0.3283	0.007*
Income Level (IL)	-0.1702	0.015*
Educational Level (EL)	-0.4278	0.037*

It is revealed that the value added tea purchasing decision is significantly determined by the Quality of packaging, information given in the package, quality of packaging material, branding, quality standards and certifications, origin of ingredients, shelf-life of the product, level of income and level of education at 5% probability level (Table 1). According to the analysis, there was no significant relationship between value added tea purchasing decision and the durability of the packaging material, and recyclability of the packaging material. Further, co-efficient values revealed that the quality of packaging, information given in package quality of packaging material, brand, standard and Quality Certifications, and shelf-life have positive relationship with the VAT purchasing decision. It suggests that improvement of above factors could promote the purchase of VAT. Income and purchasing of value added tea is negatively related and this may be due to the reasons like as the income level increases the consumers move from consumption of VAT to another type of beverages may be pure premium tea, and some other beverages like fruit juices, fresh milk, coffee etc. Educational level also shows a negative relationship with the decision of VAT purchasing and this may be due the fact that the educated consumers may be feeling that the pure tea is superior over the any product come as value added products.

Conclusions

The Quality of packaging, information given in the package, quality of packaging material, branding, quality standards and certifications, origin of ingredients, shelf-life of the product, level of income and level of education are the important factors that have bearing towards the decision of VAT purchasing. Therefore to promote the VAT purchasing in the local market, the producers and marketers should take these factors into account.

References

Ariyawardana A. 2001. Performance of the Sri Lankan Value Added Tea Producers: In Integration of Resource & Strategy Perspec, Agri Busi. at Messey Univ., New Zealand.