

Research Article

Empirical Study On Consumer Brand Preference Of Tea

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Abstract

Tea consumption has always been a social and habitual concept for the majority of people all over the world. In India, the food and beverage industry accounted for roughly 40% of the consumer-packaged goods industry. Tea is the most popular beverage in the northern regions, whereas in the southern regions, tea and coffee are equally popular hot beverages. Consumers play a significant role in the regional, national, and international markets. The consumer is the market's king. The level of satisfaction obtained by using a particular product is used to determine consumer preference. The consumer's taste evolves over time. This study is to know about the brand preference of tea among consumers in Nilgiris District. The sample size selected for the survey is 150 and Convenience sampling method is used for this study.

Keywords: Beverage Industry, Consumer Preference, Brand Preference, Nilgiris District, Convenience Sampling

INTRODUCTION

Consumption of Tea has always been a social and habitual concept for most of the people living around the world. The food and beverage industry in India constituted about 40 percent of its consumer-packaged goods industry. The market size of the food and beverages industry across the nation was estimated to be around 46 billion U.S. dollars in 2020. Tea is the most common beverage in the northern parts, while in the south, the affection towards a hot beverage is shared between tea and coffee equally. Fruit juices and soft drinks are the commonly consumed non-alcoholic beverages throughout the nation.

Published by Statista Research Department on Aug 2, 2019 India is the second largest producer of tea in the world after China and as of 2011, the largest consumer of the beverage using nearly 30 percent of the world's tea output. Despite this, the country also exports the most tea globally behind China and Sri Lanka.

Tea is indispensable for most of the people. Tea keeps us warm when we feel cold, relieves us when we are stressed, calms us when we are excited, and awakens us when we are sleepy. In short, we can call tea as a therapy in a cup. Tea is available in two forms namely branded tea and

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loose tea. Brand tea is those tea that has a brand name and is performing well in the market and is preferred at national and international level. Loose tea is those tea that are preferred at regional markets and competes in the local market.

In order to become a successful marketer, the person must know about the likings of the consumer so that he can market the products likewise and earn a good profit. Consumer plays an important role in the regional, national and in the international market. Consumer is the king in the market. Consumer preference is measured by the level of satisfaction he obtains by using a particular product. The taste of the consumer changes over time. This study is to know about the brand preference of tea among consumers in Nilgiris District.

GLOBAL TEA MARKET

As per the analysis of Market Research Future (MRF), the global tea market is expanding rapidly and is expected to reach a significant high over the forecast period of 2018-2023. One of the preliminary factors driving the growth of the tea market is the health benefits associated with it. Tea is proven to have plentiful health benefits such as strengthening the body's immune system, bones, and teeth. Moreover, being loaded with antioxidants, the intake of tea is also considered to reduce the risk of cardiovascular diseases, cancer, and kidney stones other than improving cholesterol levels and blood vessel functions. Tea has gradually earned its popularity as a beverage which has been instrumental in shaping the tea market.

Health-conscious consumers invariably prefer functional drinks over other carbonated beverages. To tap these consumers, various F&B companies are foraying into the tea space and launching different variants of tea-based beverages. In addition, the introduction of newer varieties of teas such as purple tea, green tea, and matcha have also contributed to the growth of the global tea market. Green tea, kombucha, and matcha tea, of late, has gained immense foothold in the tea market since they have functional properties, the most desirable one being weight loss. Moreover, such tea varieties are increasingly being introduced as ready-to-drink beverages which further augments the growth of the market.

REVIEW OF LITERATURE

A literature review is a comprehensive summary of previous research on a topic. The literature review surveys scholarly articles, books, and other sources relevant to a particular area of research. The review of literature of this study is the following.

Vetrivel.V et.al (2015, 2020) investigated that the brand preference will affect the brand performance, brand association, brand trust, brand extension and brand equity. This study suggested that marketers must concentrate on making strategy in aspect of brand preference. It is common for all the product and services.

R.Mohana, and DR.K.Kamalakannan(2018) in their study on Consumer Brand Preference towards Green Tea in Thoothukudi City states that Green Tea may help to reduce the risk of cancer, promote oral health, reduce blood pressure, and help with weight control. Green Tea has been historically promoted for having a variety of positive health benefits. The study finds that majority of the respondents are having green tea in evening alone and most of the respondents are said the

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green tea price is high. The study also reveals that majority of respondents feel the green tea for diet support.

Gahi S. Ramawat N. (2013), study found the discoveries of the examination uncovers that the market tea is sought after driven and faces a relentless rivalry subsequently to survive that ,few advertising techniques should be utilized. It can reason that purchasers are wellbeing cognizant they give high need to their wellbeing and security. Numerous Respondents purchase natural tea once in a month which delineates their uplifting disposition towards it.

MathurM. K., (2012) explained that most of the companies have tea in all pack size - 2kg, 1kg, 500gm, 250gm, 100gm, 50gm and 25gm packaging. There are also sachets, which are priced as low as Re.1. Various regions have distinctive packaging preference for poly pack and box pack (mono cartons). 250 gm size is the most preferred size. Branded tea penetration is quite high in cities like Delhi and Ahmadabad when compared to other major cities in India.

STATEMENT OF THE PROBLEM

The taste of the people changes over time. Changes can be internal as well as external. Based on the changes in the taste or due to other influence people switch from one brand to another. But some customers may still use the same brand and will be brand loyal. This study is to find out the brand preference of tea and the reason behind the preference of a specific brand.

OBJECTIVES OF THE STUDY

The following are the objectives of the study:

- ❖ To get an idea about the brand preference of tea among consumers of Nilgiris district.
- ❖ To know about the factor that will influence the consumers to prefer a particular brand

SCOPE OF THE STUDY

The study covers the respondents of the Nilgiri District. The research covers the consumer's perception towards tea and their brand decisions and understand about the factor that has influenced their brand decision. Moreover, the research also finds out the sources of brand awareness of tea their opinion regarding the price they pay for their brand.

RESEARCH METHODOLOGY

Research Methodology is a set of systematic technique used in research. This is a guide to research and how it is conducted. It describes and analysis methods and throws light on the limitations and resources. Present investigation is to know about the brand preference of consumers, reason for the preference of particular brand and their buying behavior. Questionnaire is prepared on the basis of each objective and data is collected.

RESEARCH DESIGN

Research design is the process of taking. It can be called as the blue print as it is the outline of what the researcher is going to do.

SAMPLE SIZE AND METHOD

Sample size refers to the number of units selected for the study from a given population. It is assumed that the opinion of the selected respondents will indicate the opinion of the population as a whole. The sample size selected for the survey is 150. The sampling method which is used is Convenience sampling method.

AREA OF STUDY

The sampling area is Nilgiris District.

CHI SQUARE TEST

To determine whether there is any significant relationship between age of respondents and the frequency of drinking tea in a day.

H0: There is no significant relationship between age of the respondents and frequency of drinking tea in a day.

H1: There is significant relationship between age of the respondents and frequency of drinking tea in a day.

OBSERVED FREQUENCY

AGE					
TIMES	1	2	3	>3	TOTAL
Upto 20 years	3	8	5	7	23
21-30	11	41	24	13	89
31-40	0	11	9	5	25
>40 years	2	3	4	4	13
TOTAL	16	62	44	28	150

EXPECTED FREQUENCY

$16*23/150=2.45$	$62*23/150=9.51$	$44*23/150=6.75$	$28*23/150=4.29$
$16*89/150=9.49$	$62*89/150=36.79$	$44*89/150=26.11$	$28*89/150=16.61$
$16*25/150=2.67$	$62*25/150=10.33$	$44*25/150=7.33$	$28*25/150=4.67$
$16*13/150=1.39$	$62*13/150=5.34$	$44*13/150=3.81$	$28*13/150=2.43$

O	E	O-E	(O-E)²
3	2.45	0.55	0.3025
8	9.51	-1.51	2.2801
5	6.75	-1.75	3.0625
7	4.29	2.71	7.3441

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11	9.49	1.51	2.2801
41	36.79	4.21	17.7241
24	26.11	-2.11	4.4521
13	16.61	-3.61	13.0321
0	2.67	-2.67	7.1289
11	10.33	0.67	0.4489
9	7.33	1.67	2.7889
5	4.67	0.33	0.1089
2	1.39	0.61	0.3721
3	5.34	-2.34	5.4756
4	3.81	0.19	0.0361
4	2.43	1.57	2.4649
TOTAL	149.97		69.3019

$$X^2 = \frac{(O-E)^2}{E}$$

$$X^2 = \frac{69.3019}{149.97}$$

$$= 0.462$$

$$\text{Degree of freedom} = (C-1)(R-1) = (4-1)(4-1) = 9$$

Level of Significance is 5%

All level of significance is 5% the table value is 16.919

The table value is greater than the calculated value(0.462), So null hypothesis is accepted.i.e., there is no significant relationship between age of the respondents and frequency of drinking tea in a day.

To determine whether there is any significant relationship between qualification of respondents and awareness of tea varieties and brands.

H0: There is no significant relationship between relationship between qualification of respondents and awareness of tea varieties and brands.

H1: There is significant relationship between age relationship between qualification of respondents and awareness of tea varieties and brands.

OBSERVED FREQUENCY

QUALIFICATION	YES	NO	TOTAL
OPINION			
Below matriculation	10	4	14

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SSLC	12	10	22
Plus Two	18	12	28
Graduate	45	11	56
Post Graduate	23	5	28
TOTAL	108	42	150

EXPECTED FREQUENCY

108*14/150=10.08	42*14/150=3.92
108*22/150=15.84	42*22/150=6.16
108*28/150=20.16	42*28/150=7.84
108*56/150=40.32	42*56/150=15.68
108*28/150=20.16	42*28/150=7.84

O	E	O-E	(O-E)²
10	10.08	-0.08	0.0064
4	3.92	0.08	0.0064
12	15.84	-3.84	14.7456
10	6.16	3.84	14.7456
18	20.16	-2.16	4.6656
12	7.84	4.16	17.3056
45	40.32	4.68	21.9024
11	15.68	-4.68	21.9024
23	20.16	2.84	8.0656
5	7.84	-2.84	8.0656
TOTAL	148		111.4112

$$X^2 = \frac{(O-E)^2}{E}$$

$$X^2 = \frac{111.4112}{148}$$

148

=0.753

Degree of freedom =(C-1)(R-1)=(5-1)(2-1)=4

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Level of Significance is 5%

All level of significance is 5% the table value is 9.488.

The table value is greater than the calculated value (0.753), So null hypothesis is accepted. i.e., there is no relationship between qualification of the respondents and awareness of the tea varieties and brand.

To determine whether there is any significant relationship between income of respondents and the amount they spend on purchasing tea.

H₀: There is no significant relationship between income of respondents and the amount they spend on purchasing tea.

H₁: There is significant relationship between income of respondents and the amount they spend on purchasing tea.

OBSERVED FREQUENCY

INCOME	Below 200	200-300	301-400	Above 400	TOTAL
AMOUNT					
Less than 100000	24	17	15	10	66
100000-300000	17	22	14	4	57
300001-500000	3	6	8	2	19
Above 500000	3	1	2	2	8
TOTAL	47	46	39	18	150

EXPECTED FREQUENCY

$47 \cdot 66 / 150 = 20.68$	$46 \cdot 66 / 150 = 20.24$	$39 \cdot 66 / 150 = 17.16$	$18 \cdot 66 / 150 = 7.92$
$47 \cdot 57 / 150 = 17.86$	$46 \cdot 57 / 150 = 17.48$	$39 \cdot 57 / 150 = 14.82$	$18 \cdot 57 / 150 = 6.84$
$47 \cdot 19 / 150 = 5.95333$	$46 \cdot 19 / 150 = 5.82667$	$39 \cdot 19 / 150 = 4.94$	$18 \cdot 19 / 150 = 2.28$
$47 \cdot 8 / 150 = 2.50667$	$46 \cdot 8 / 150 = 2.45333$	$39 \cdot 8 / 150 = 2.08$	$18 \cdot 8 / 150 = 0.96$

O	E	O-E	(O-E) ²
24	20.68	3.32	11.0224
17	20.24	-3.24	10.4976
15	17.16	-2.16	4.6656

10	7.92	2.08	4.3264
17	17.86	-0.86	0.7396
22	17.48	4.52	20.4304
14	14.82	-0.82	0.6724
4	6.84	-2.84	8.0656
3	5.95333	-2.95333	8.722178
6	5.82667	0.173333	0.030044
8	4.94	3.06	9.3636
2	2.28	-0.28	0.0784
3	2.50667	0.493333	0.243378
1	2.45333	-1.45333	2.112178
2	2.08	-0.08	0.0064
2	0.96	1.04	1.0816
TOTAL	150		82.05778

$$X^2 = \frac{(O-E)^2}{E}$$

$$X^2 = \frac{82.05778}{150}$$

150

=0.547

Degree of freedom = (C-1)(R-1) = (4-1)(4-1) = 9

Level of Significance is 5%

All level of significance is 5% the table value is 16.919.

The table value is greater than the calculated value(0.547). So null hypothesis is accepted. i.e., there is no significant relationship between income of respondents and the amount they spend on purchasing tea.

CONCLUSION

Tea is an important aspect in everyone's life. Most of the people start their day by drinking tea. Every people prefer different brands. They may stick to the same brand for some years and may be brand loyal. At the same time, there are people who switch their brand and are not brand loyal. They may have their own reasons for it. They have the reasons to stick to a particular brand and at the same time to switch the brand. This study is based on brand preference and it analyzed the factors that govern the people to choose a particular brand. The study shows that majority of the people Red Label. Red Label has a very strong brand portfolio. They use creative advertisement to increase its brand visibility. Red Label has started an ad campaign that acknowledges women empowerment and their need to drink Red Label Tea. Its catchy commercials are aired on

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television, radio, newspaper, and magazines. There are many taglines which has made a strong impression on the minds of Indians. Established supply chain network and an intensive distribution channel that helps in a timely and efficient dispatch to the retail market. The tea is loved by the customers due to its unique flavor and taste. The Customer Loyalty base has increased due to this unique blend. This has helped the brand to establish a good brand recall and equity in the market. Red Label has successfully marked its name and penetrated in both urban market and rural market and thus, in India its products are easily available in every part and corner. The other Tea brands can also prefer the marketing strategies followed by Red label to expand their business.

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