

6.9 Future prospects of value added tea sector of Sri Lanka: comparative study

W.M.C.B. Wanninayake/ D.M.R. Dissanayake
Department of Marketing Management, University of Kelaniya

ABSTRACT

Sri Lanka has been position in the world as one of leading tea manufactures and it has more than 100 years of experience for Sri Lankan tea industry. The world tea market has been rapidly growing with newly emerging customer needs. Specially it could be identified that the relative importance of unbranded (basic) tea consumption is being decreased among those high end segments all over the world. Although Sri Lankan tea industry had been mainly focused on bulk tea from the beginning now, Sri Lankan tea sector is being diversified into value added trends with some value added strategies in terms of new product levels, value features, branding and packaging too.

But again, the major international tea competitors such as Kenya, China, India, Indonesia, Vietnam and Argentina are also aggressively following those value added strategies to penetrate and capture the potential markets. With this background Sri Lankan value added tea sector has to scan the existing and potential competitive forces to develop effective competitive strategies for having sustainable marketing results.

Here, this research focuses on identifying the present competitive situation of Sri Lankan value added tea sector compared to international competition and further it discusses the existing strategies followed by this sector in terms of international brand development.

The research has been broadly based on secondary data published by Central Bank of Sri Lanka, Sri Lankan Tea board, web site published articles, journals and news papers. Further some primary data has been collected through unstructured personal interviews. Finally researchers have found following major findings.

- ❖ The relative importance of value added tea in Sri Lankan tea industry has been growing tremendously.
- ❖ It has achieved relatively higher net gain by Sri Lankan value added tea than other competitive countries.
- ❖ Sri Lankan tea sector is following tea import strategy and re-export them with added values successfully.
- ❖ The overall brand development in Sri Lankan tea industry should be further developed so that it can acquire a higher competitive share.

Here the researchers have concluded some recommendations for competitive development in Sri Lankan value added tea sector.