

Marketing and Demand Strategy for Tea Grown in Himachal Pradesh

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The present study was conducted in tea grown areas of Himachal Pradesh with a sample of 400 from four areas Palampur, Baijnath, Dharamshala and Joginder Nager from Kangra and Mandi districts. The present study is an attempt to analyze the marketing and demand strategy for tea growers in Himachal Pradesh. The study reveals that majority of respondents marketed tea leaves and the growers are not getting adequate price all the time instead they sometimes get adequate prices for their made tea. The analysis showed that the main strategy used by the majority of respondents was setting up sales counters at tourist places, setting sales counters in local fairs and online advertisement through social media.

[**Keywords** : Demand strategy, Made-tea, Marketed tea, Tea-leaves, Marketing professionals]

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1. Introduction

Tea is the major non-alcoholic beverage in the world. As of now, there are about 160 tea consuming countries in the world. The significance of tea to the human race is not merely one of quenching thirst and meeting the needs of maintaining the health of the body but it is a cultural activity denoting elegance and gentility. It is no wonder that tea is lauded as the most civilized beverage of the country and many people prophesy that the 21st century will be the domain of tea (Sinha, 1999).

India tea is cultivated in 15 states of which Assam, West Bengal, Tamil Nadu and Kerala are the major tea growing states. They account for 98 percent of the total production. Other traditional states where tea is grown are Tripura, Himachal Pradesh, Uttarakhand, Bihar and Karnataka. The non-traditional states that have entered the tea map of India include Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, and Sikkim. Tea farming is one of the significant contributors towards socio-economic well-being of the people of the tea growing areas in the country. It contributes substantially towards the national economy by way of bringing foreign currency besides employment. The Himachal Pradesh Government initiated to start an ambitious plan to double tea production from 10,01,419 kg in 2021-22 to 20,00,000 kg in the next five years. The tea industry has contributed around 20 crores to the economy of Himachal Pradesh. In the last financial year 2020-21, the industry provided direct and indirect employment to about 5,000 people in the state.

2. Review of Literature

Dogra (2018) discovered that the Himachal Pradesh tea sector has been fighting for survival for a very long period. The state's tea production, area, and productivity are all continuing to fall. Due to the low profitability of tea cultivation, the majority of tea planters are tiny tea producers who are avoiding the industry. Numerous tea estates in the state have been abandoned as a result of this. The study also looked at many issues that are impeding the state's tea industry's expansion. These issues are extremely complicated and multi-dimensional, and they can only be resolved gradually and according to a plan. To resurrect the tea business in the region, the Tea Board of India needs to develop a specific action plan. A joint effort by the Tea

Board of India and the government is required to revitalize the tea sector. If the policies are effectively put into practice, the state's tea business has a chance to recover some of its former grandeur.

Manisha et al. (2019) stated that the scent and flavour of Kangra tea are distinct from tea produced in other parts of India because of the peculiar local geographic conditions, which has previously led to international acclaim. The Kangra cooperative tea factory, which once had great production, is now experiencing difficulty with decreased output as a result of a decrease in the area used for tea growing and the number of farmers that supply raw materials. Due to these obstacles, it is currently going through a challenging phase that requires quick attention if tea production and industry development in the Kangra Valley are to proceed. They elaborated that the management, processing, and marketing of tea in India is the issue rather than the tea itself. The study focused on analyzing the main challenges encountered by various Kangra tea value chain players and developing a strategy to restore and revive the tarnished reputation of Kangra tea, particularly with the rising use of geographical indication (GI). Key challenges during the study were cooperative failures, unmarketed GI Labels, high labour costs and labour availability issues, seasonal demand, a lack of market availability, and others.

Awasthi (2020) mentioned that with the goal of "harnessing the export potential of Indian agriculture, through appropriate policy tools, to make India a worldwide force in agriculture, and boost farmer's income", the Agriculture Export Policy (AEP), 2018 was created. The market for Kangra tea has a lot of room to expand. IHBT, Tea Board, and CSK Himachal Pradesh Krishi Vishvavidyalaya's technological advancements and extension initiatives would undoubtedly aid in the growth of this underdeveloped sector in Himachal Pradesh.

Sood (2021) in his article "CSK Himachal Pradesh Agriculture University extends tea cultivation to non-traditional regions" elaborated that the CSK Himachal Pradesh Agriculture University has expanded its tea growing, research, and development efforts to non-traditional locations of the state where tea was not previously grown as a result of climate change in the hills. To create live windows and demonstration/exhibition plots, new tea plantations have been constructed at the university's research stations and Krishi Vigyan Kendras in the districts of Malan, Kangra, Bara, Berthin, Sundernagar, Bajaura, and Dhaulakuan. Farmers will become more

aware of and interested in tea cultivation thanks to this academic project. He also mentioned in his article that the new project, according to VC Dr. H. K. Chaudhry, aims to increase awareness of the effects of climate change on tea production and the potential for expanding tea production in non-traditional areas of the state including Kangra, Hamirpur, Bilaspur, Mandi, Kullu, and Sirmaur. 800 additional tea plants have been planted during the first leg. He stated that “It is a follow-up to the vice chancellor’s meeting with representatives of the Tea Board of India, the state tea wing, and university scientists to raise awareness of the heritage Kangra tea, a product designated under the export policy”.

Thakur and Singh (2022) conducted a study on “Kangra Tea - The Tea from Hills of HP” and mentioned that the Kangra teas are well-known throughout the world for their distinctive flavour, fragrances, and presence of bioactive ingredients. This industry continues to be the state’s main driver of economic expansion. Nutraceuticals play a very important function in this context because individuals are increasingly more focused on changing their typical lifestyle to one that is healthier. Additionally, the study must explore the other health advantages of Kangra tea, enabling everyone to comprehend this common beverage from a nutraceutical perspective. This sector will generate significant state revenue in the ensuing decades. Although a lot of studies have been carried out on tea farming, very limited work has been carried out in the area of demand strategy for tea in Himachal Pradesh. The present study is an attempt to bridge this research gap in the field of demand strategy.

3. Objectives of the Study

Based on the research gap in the study area the specific objectives of this paper are as under :

1. To study the variety of marketed tea, price of the tea and availability of marketing professionals for the sale of tea grown in Himachal Pradesh.
2. To analyze the demand creation Strategy adopted by the tea growers of Himachal Pradesh.

4. Research Methodology

There are two districts namely Kangra and Mandi of Himachal Pradesh where tea farming is being performed. Out of these six regions of tea farming in Himachal Pradesh., four areas, namely,

Palampur, Baijnath, Dharamshala and Joginder Nagar, were selected based on the highest number of functioning tea gardens and tea growers. A sample of 400 respondents viz. 205 from Palampur, 21 from Dharamshala, 119 from Baijnath and 55 from Joginder Nagar have been selected.

The present study is based on the data collected through a primary survey using random sampling and the purposive sampling method was used to collect relevant first-hand data. First, the study areas were selected thereafter, a sample of tea growers were selected to obtain their opinion on different aspects related to tea farming.

5. Results and Discussion

Selling is the process of transforming the goods into money. Whereas marketing is serving and satisfying the needs of the customer. The tea is produced putting in mind the taste and preference of the customer. Some customers like black tea, some like green tea and others like herbal tea. So, selling and marketing depend on the choice of customers. Here, the opinion of sampled tea growers has been collected on different aspects related to the selling and marketing of tea. The collected data have been discussed and analyzed as under :

5.1 Variety of Marketed Tea

The tea growers are selling either tea leaves or made tea. The data about the type of products sold by the tea growers has been collected and presented in the following table :

Table-1: Produce sold by Tea Growers

Selling	Baijnath	Dharamshala	Joginder Nagar	Palampur	Total
Tea leaves	83 (69.75)	15 (71.43)	50 (90.91)	92 (44.88)	240 (60.00)
Made tea	17 (14.29)	1 (4.76)	1 (1.82)	61 (29.76)	80 (20.00)
Both	19 (15.96)	5 (23.81)	4 (7.27)	52 (25.37)	80 (20.00)
Total	119 (100)	21 (100)	55 (100)	205 (100)	400 (100)

Note : Figures in parenthesis represent percentage.

Source : Field Study.

Data contained in Table-1 show that out of the total respondents, 60.00 per cent of respondents were selling tea leaves, 20.00 per cent were selling made tea and 20.00 per cent were selling both tea leaves and made tea. Area-wise data reveal that the highest percentage of those respondents who were selling tea leaves was in Joginder Nagar (90.91 per cent) followed by Dharamshala (71.43 per cent). Whereas the highest percentage of those respondents who were selling made tea was in Palampur (29.76 per cent) which is followed by Baijnath (14.29 per cent). Tea growers in Dharamshala and Joginder Nagar only one respondent was making tea. Hence, it can be concluded that the majority of respondents have marketed tea leaves.

5.2 Adequate Price for the Produce

The price of the product plays an important role in generating profit for the producer. Adequate prices can provide financial stability and lead to income generation and savings that resulted in capital formation. In tea farming, the price of the product is also very important. If the tea growers do not get an adequate price for their produce, then they will get frustrated and start looking towards other works for their livelihood. This situation will be very disappointing for the future of tea cultivation. Therefore, tea producers must get such a price for their product, which can meet its production cost and also provide profit. To know whether the tea growers were getting adequate prices for their product or not, the opinion of the sampled respondents have been collected and enumerated in Tables-2 (a) and 2 (b) on next page.

Table-2 (a) depicts the opinion of respondents about the adequate price of selling tea leaves. Data show that out of the total respondents, 51.88 per cent of respondents reported that they were sometimes getting adequate prices for their produce (tea leaves). While 45.00 per cent of respondents didn't get adequate price. The percentage of those who always got adequate price was 3.13 per cent. The majority of respondents in Baijnath (49.02 per cent), Dharamshala (60.00 per cent) and Palampur (59.72 per cent) believed that they sometimes get an adequate price on selling tea leaves. Whereas in Joginder Nagar majority of respondents (66.67 per cent) didn't get adequate prices. The calculated value of χ^2 (17.091) respondents' opinion is greater than the critical value (12.592) at 5 per cent level of significance. It rejects that there is a significant difference in the opinion of respondents and accepts that area-wise the opinion of

respondents is significantly different. Therefore, it can be said that tea growers are not getting adequate prices all the time, instead they sometimes get adequate prices for their product (Tea Leaves).

Table-2 (a) : Adequate Price for selling Tea leaves

Adequate price	Baijnath	Dharam-shala	Joginder Nagar	Palampur	Total
Yes, always	4 (3.92)	0 (0.00)	0 (0.00)	6 (4.17)	10 (3.13)
Yes, sometimes	50 (49.02)	12 (60.00)	18 (33.33)	86 (59.72)	166 (51.88)
Not at all	48 (47.06)	8 (40.00)	36 (66.67)	52 (36.11)	144 (45.00)
Total	102 (100)	20 (100)	54 (100)	144 (100)	320 (100)
$\chi^2=17.091; df=6; \chi^2_{crit.}= 12.592; p<0.05$					

Note : i) Figures in parenthesis represent percentage.

ii) χ^2 denotes Chi-square; $\chi^2_{crit.}$ denotes the Critical value of Chi-square.
 df denotes the degree of freedom.

Source : Field Survey.

Table-2 (b) : Adequate Price of Made Tea

Adequate price	Baijnath	Dharam-shala	Joginder Nagar	Palampur	Total
Yes, always	0 (0.00)	1 (16.67)	2 (40.00)	13 (11.50)	16(10.00)
Yes, sometimes	36 (100)	5 (83.33)	3 (60.00)	100 (88.50)	144 (90.00)
Total	36 (100)	6 (100)	5 (100)	113 (100)	160 (100)
$\chi^2=9.580; df=6; \chi^2_{crit.}= 7.815; p<0.05$					

Note : i) Figures in parenthesis represent percentage.

ii) χ^2 denotes Chi-square; $\chi^2_{crit.}$ denotes the Critical value of Chi-square.
 df denotes the degree of freedom.

Source : Field Survey.

The opinion of respondents about getting adequate prices on selling made tea have been collected and presented in Table-2 (b). Regarding adequate price on selling made tea, the data have been collected from those respondents who were selling made tea. Data show that the majority of respondents (90.00 per cent) believed that

they sometimes got adequate price for their produce. While 10.00 per cent of respondents reported that they always got adequate prices. The calculated value of χ^2 (9.580) respondents' opinion is greater than the critical value (7.815) at 5 per cent level of significance. It indicates that there is no significant difference in the opinion of sampled respondents.

Therefore, it can be said that tea growers are not getting adequate price all the time, instead they sometimes get adequate prices for their product (made tea).

5-3 Availability of Marketing Professionals

The data on the availability of skilled professionals for doing the activities that influence the selling and marketing of tea have been collected and enumerated in the following table :

Table-3 : Availability of Marketing Professional for Tea

	Baijnath	Dharamshala	Joginder Nagar	Palampur	Total
Sorting and Grading					
Yes	24 (20.17)	3 (14.29)	2 (3.64)	85 (41.46)	114 (28.50)
No	95 (79.83)	18 (85.71)	53 (96.36)	120 (58.54)	286 (71.50)
Total	119 (100)	21 (100)	55 (100)	205 (100)	400 (100)
Packaging					
Yes	23 (19.33)	3 (14.29)	2 (3.64)	80 (39.02)	108 (27.00)
No	96 (80.67)	18 (85.71)	53 (96.36)	125 (60.98)	292 (73.00)
Total	119 (100)	21 (100)	55 (100)	205 (100)	400 (100)

Note : Figures in parenthesis represent percentage.

Source : Field Survey.

The sorting and grading are essential to get good prices for the tea. it is the process of classifying tea according to the size of the tea particles. This process required skilled labour. In this regard, the data reveal that the majority of respondents in Joginder Nagar (96.36 per cent), Dharamshala (85.71 per cent), Baijnath (79.83 per cent) and

Palampur (58.54 per cent) reported that there was a lack of skilled labour. About packaging, the data reveal the same fact. The majority of respondents in all the areas reported that there is a lack of skilled labour. Out of the total respondents, 85.71 per cent in Dharamshala, 96.36 per cent in Joginder Nagar, 80.67 per cent in Baijnath, 60.98 per cent in Palampur and 73.00 per cent of respondents overall held this view. Therefore, based on the above analysis it can be inferred tea making, sorting, grading and packaging are the important activity that affects the selling and marketing of tea and needs a skillful workforce. But the analysis reveals that there is a lack of such a workforce in the study area.

5.4 Strategy for Demand Creation

Demand creation is a marketing process focusing on the promotion of goods and services. It creates awareness among those who do not know the product. Concerning tea, tea growers and tea cooperatives are adopting various kinds of demand-creation strategy. Therefore, the opinion of sampled respondents has been collected on different strategies used by the tea growers and tea cooperatives in the state. The collected information has been presented in Table-4.

Table-4 : Strategy adopted by Tea Growers for Demand Creation

Strategy	Baijnath		
	Yes	No	Total
e-Commerce	65 (54.62)	54 (45.38)	119 (100)
Sales counter at Tourist places	89 (74.79)	30 (25.21)	119 (100)
Sales counter in local fairs	119 (100)	0 (0.00)	119 (100)
Exhibition stalls	105 (88.24)	14 (11.76)	119 (100.00)
Online Advertisement (social media)	85(71.43)	34(28.57)	119(100)
Strategy	Dharamshala		
	Yes	No	Total
e-Commerce	8 (38.10)	13 (61.90)	21 (100.00)

Sales counter at Tourist places	21 (100)	0 (0.00)	21 (100)
Sales counter in local fairs	16 (76.19)	5 (23.81)	21 (100.00)
Exhibition stalls	7 (33.33)	14 (66.67)	21 (100.00)
Online Advertisement (social media)	8 (38.10)	13 (61.90)	21 (100)
Strategy	Joginder Nagar		
	Yes	No	Total
e-Commerce	7 (12.73)	48 (87.27)	55 (100)
Sales counter at Tourist places	51 (92.73)	4 (7.27)	55 (100)
Sales counter in local fairs	35 (63.64)	20 (36.36)	55 (100)
Exhibition stalls	15 (27.27)	40 (72.73)	55 (100)
Online Advertisement (social media)	23(41.82)	32(58.18)	55(100)
Strategy	Palampur		
	Yes	No	Total
e-Commerce	75 (36.59)	130 (63.41)	205 (100)
Sales counter at Tourist places	103 (50.24)	102 (49.76)	205 (100)
Sales counter in local fairs	135 (65.85)	70 (34.15)	205 (100)
Exhibition stalls	15 (7.32)	190 (92.68)	205 (100)
Online Advertisement (social media)	98 (47.80)	107 (52.20)	205 (100)
Strategy	Total		
	Yes	No	Total
e-Commerce	155 (38.75)	245 (61.25)	400 (100)
Sales counter at Tourist places	264 (66.00)	136 (34.00)	400 (100)

Sales counter in local fairs	305 (76.25)	95 (23.75)	400 (100)
Exhibition stalls	142 (35.50)	258 (64.50)	400 (100)
Online Advertisement (social media)	214 (53.50)	186 (46.50)	400(100)

Note : Figures in parenthesis represent percentage.

Source : Field Survey.

The data enumerate the opinion of sampled respondents about the strategy adopted by the tea growers for demand creation. The data show that out of the total respondents, 61.25 per cent of respondents did not use e-commerce as a strategy for demand creation, while 38.75 per cent of respondents were using e-commerce for demand creation. Area-wise data also reveal the same fact. The highest percentage of respondents who did not use e-commerce as a strategy for demand creation was in Joginder (87.27 per cent) followed by Palampur (63.41 per cent). While the percentage of those who use it was found highest in Baijnath (54.62 per cent) and lowest in Joginder Nagar (12.73 per cent). The tea growers who use e-commerce for the creation of demand reported that they sell their tea through different internet platforms, such as Amazon and Flipkart. Therefore, it can be concluded that the majority of tea growers did not use e-commerce as a strategy for demand creation.

Regarding sales counters at tourist places, the data reveal that in Dharamshala, a hundred percent of respondents were using this, followed by the respondents from Joginder Nagar (92.73 per cent) and Baijnath (74.79 per cent). Whereas in Palampur about 50 per cent of respondents were using this for demand creation. Out of the total respondents, 66.00 per cent of respondents were establishing sales counters at tourist places to sell their tea and create demand.

The data concerning sales counters in local fairs show that in Baijnath hundred percent, in Dharamshala 76.19 per cent, in Joginder Nagar 63.64 per cent, in Palampur 65.85 per cent and 76.25 per cent of respondents overall reported that they set up sales counter in local fairs for the promotion and sale of tea. Hence, it can be inferred that the tea growers were using this strategy for demand creation in the state.

Regarding exhibition stalls, the data shows that the majority of respondents (64.50 per cent) reported that they did not go and participate in the exhibition organized on different occasions and

events. The area-wise data reveal that the majority of respondents in Baijnath (88.24 per cent) were using it, while the majority of respondents in Dharamshala (66.67 per cent), Joginder Nagar (72.73 per cent) and Palampur (92.68 per cent) reported that they did not go and participate in such exhibitions.

Concerning online advertisement through social media, the data depict that the highest percentage of those who were using these social media as a strategy for demand creation was in Baijnath (71.23 per cent) followed by Palampur (47.80 per cent). On the other hand, the percentage of those who did not use this was highest in Dharamshala (61.90 per cent) followed by Joginder Nagar (58.18 per cent). Overall, out of the total respondents, 53.50 per cent of respondents were using and 46.50 per cent of respondents were not using social media as a strategy for demand creation.

Therefore, it can be concluded that the tea growers were using different kinds of marketing strategies for demand creation in the state. The main strategy used by the majority of respondents was setting up sales counters at tourist places, setting sales counters in local fairs and online advertisement through social media, such as Facebook, WhatsApp, Instagram, YouTube, etc.

6. Conclusion and Suggestions

The study of marketing and demand strategy for tea grown in Himachal Pradesh reveals that the marketing and demand strategy for tea growers in Himachal Pradesh. It may be concluded that majority of respondents marketed tea leaves and the growers are not getting adequate price all the time instead they sometimes get adequate prices for their made tea. . It was observed during field visit that the main strategy used by the majority of respondents was setting up sales counters at tourist places, setting sales counters in local fairs and online advertisement through social media.

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