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| Sl.No. | Title of the Articles   | Page No. |
|--------|---|----------|
| 34.    | Cultural Tourism - Dr. R. Lalitha & K. Dhivya Bharathy  | 156      |
| 35.    | A Study on Consumer Satisfaction towards Reliance Jio in Tiruchirappalli Town - Dr. R. Lalitha & P. Roshini   | 160      |
| 36.    | An Analysis of the Trend in Digital Transactions During the Post - Demonetization Period - Dr. P. Sugunalakshmi & R. Gowri                              | 164      |
| 37.    | A Study on Brand Preference towards usage of Samsung Android Mobile with Special Reference to Tiruchirappalli City - Dr. R. Lalitha & G. Revathy        | 169      |
| 38.    | Challenges of GST in India - Susindar Kandasamy   | 174      |
| 39.    | Impact of Demographic Variables on HRM Practices of Employees in Select Cement Units - Dr. A. Sophia Alphonse   | 178      |
| 40.    | Supply Chain Management of Milk Vendors - B. Mariselvi & Dr. V. Mathuravalli  | 186      |
| 41.    | A Study on Customer Perception of E-Service Quality of Online Shopping with Special Reference to Face Book users - S. Jamuna Rani & Dr. D. Jublee       | 190      |
| 42.    | The People Opinion about the Digital India System - Dr. T. Selvakumar   | 194      |
| 43.    | A Study on Financial Performance of Tata Motors Ltd - DRS. Gulam Mohamed & V. Gunasekaran   | 198      |
| 44.    | Impact of Cross Border M & A on the Financial Performance of Reliance Industries Ltd - C. Kalaivani & Dr. G. Indhumathi                                 | 202      |
| 45.    | Human Resource Management in Tamil Nadu Salt Industry: A Review - Robin Brahma  | 205      |
| 46.    | Technical Implications and Growth of Professional Financial Services with Special Reference to Mutual Fund Investments - K. Alamelu & Dr. G. Indhumathi | 208      |
| 47.    | A Study on Customer Satisfaction towards after Sale Services of Samsung Mobile with Reference to Tiruchirappalli City - T. P. Karpagam & M. Malathi     | 211      |
| 48.    | Consumer Behaviour towards Apparel Products in Femina Hyper Mall Tiruchirappalli City - Dr. M. Habeebur Rahman & I. Ashiq Mohamed                       | 214      |
| 49.    | Neuro Marketing - Bharani Tharan & Styrus Antony  | 221      |
| 50.    | A Study on Leadership Style in an Employees Performance - G. Saranya & B. Ramya.  | 226      |
| 51.    | Role of Social Media in Reducing Marketing Problems of Tea Industries in Wayanad, Kerala - Dr. E. Mubarak Ali & P. Sabnam                               | 230      |



# ROLE OF SOCIAL MEDIA IN REDUCING MARKETING PROBLEMS OF TEA INDUSTRIES IN WAYANAD, KERALA

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## Abstract

*Effective distribution is widely accepted strategy for new products. Managing international distribution channel and specifically when the product marketing is relatively difficult both in the scale of logistic and networking. There is a need to consolidate distribution channels in these markets and look at developing more attractive retail options to appeal to the consumer. Social media, although a relatively recent phenomenon is becoming an increasingly important part of any business's marketing and client base platform. The perception of social media marketing has shifted quickly no longer viewed as a trendy or passing fad, having a flexible and well managed presence in each of the "big three" (Facebook, twitter and Google+) has become a must for any business seeking to secure a place in both the traditional and digital market place.*

## Introduction

Tea is a controlled commodity in India, its production consumption and sales are governed under licenses issued by the tea board. It plays a key role in the industry as a regulatory and promoting body. It is a statutory body setup under the tea act 1963. India was top producer of tea nearly a century, But recently china has overtaken India as the top tea producer due to increased land availability. Indian tea companies have accrued a number of iconic foreign tea enterprises including British brand Tetley and Typhoo. As of 2003 the consumption of green tea India was growing by over 50% a year. The major producing state in India are Assam, West Bangal, Thamilnadu and Kerala.

The country is the second largest tea producer in the world with production of 1197.18 million kilogram in 2014-15, interestingly, India is also the world's largest consumer of black tea with the domestic market consuming 911 million kilogram of tea during 2013-14. India is ranked in 4th in terms of tea export, which reached 197.81 million kilogram during 2014-15 and valued at U.S. Dollor 619.96 million. Production of tea reached 1197.18 million kilogram in 2014-15 around 958.82 million kilogram was produced in north India and 241.36 million kilogram was produced in south India. India has around 563.98 thousand hectors of area under tea production, as per figure of December 2013. Tea production is lead by Assam (304.40 thousand hectors) west bangal (140.44 thousand hectors) Thamil nadu (69.62 thousand hectors) and Kerala (35.01 thousand hectors). According to estimate the tea industry is india

is the second largest employer, its employs 3.5 million people across same 1686 estates 157504 small holding most of them women.

India has a significant share in the international tea market with a 12 % share of tea export in 2013 -14 in 2013-14 India produced 947.73 million kilogram of tea Russia, the us, the UK, the UAE, Iran, Kasakkistan, Pakistan, Germany, Autralia, Japan, the Netherland, the Ireland, Poland, and Sri lanka are some of the major global market for export of Indian tea. The country is home to a wide variety of tea including CTC tea orthodox tea, green tea and organic tea.

Social media build relationships and communities online. When companies join these social channels, consumers can interact with them directly. That interaction can be more personal to users than traditional methods of outbound marketing and advertising. Social networking sites act as word of mouth or more accurately, e-word of mouth. Social networking sites and blogs allow followers to "retweet" or "repost" comments made by others about a product being promoted, which occurs quite frequently on some Social networking websites allow individuals and businesses to interact with one another and social media sites. By repeating the message, the user's connections are able to see the message, therefore reaching more people. Because the information about the product is being put out there and is getting repeated, more traffic is brought to the product/ company. Social networking websites are based on building virtual communities, that allow consumers to express their needs, wants and values, online. Social

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media marketing then connects these consumers and audiences to businesses that share the same needs, wants and values. Through social networking sites, companies can keep in touch with individual followers. This personal interaction can instill a feeling of loyalty into followers and potential customers. Also, by choosing whom to follow on these sites, products can reach a very narrow target audience.

### Objectives of the Study

- i. To identify the most dominant problem in retail marketing of tea in Wayanad district and its solution
- ii. To determine the major competitors and their competitive strategy.

### Research Methodology

Survey method was adopted to collect required data from the sample respondent the data were collected from farmers of small holding and estates in revenue district Wayanad and revenue sub division Mananthavadi, sulthan bathery, and vythiri samples taluks, which have been tea growing regions for centuries. two separate interview schedules one for small holdings and estates. out of which 3 revenue subdivision are selected (1): mananthavady: AK TEA Estate Varayal post, Ashiyana Greens Varayal, Cherakkara Tea Estate and Wayanad Agro Movement Company LTD (WAM Tea). These were chosen as Samples Tea estate, Talapoya, Rasiya Greens Priyadarshini, periyapeak. (2), Vythiri: Achoor Tea estate, Arappetta, Chellotte Estate, Chembra Estate, Chulika Estate, Chundele Tea Estate, Kottanadu, Ripon, Sentinel Rock Tea Estate, Talamala Tea Estate, and Venga Cottah tea Estate (3) Sulthanbathery: Tourmullah Estate Public Ltd in each taluk identified by the tea Board, were selected for the field survey

There are large numbers of market inter-mediatories in the study area and most of them are non-organized and hence convenient sampling method was adopted to collect data from them. Accordingly, a sample of ten village traders and ten primary wholesalers was chosen. In addition, service co-operatives and primary co-operative marketing societies numbering five each in the study area were chosen for collecting the marketing information

### Marketing methods followed by the companies

- i. **Auction:** Auction is the most important marketing method followed by most of the tea companies. Manufactured tea will be sent to the auction centers for pricing and selling. Auction system facilitates distribution of huge quantities of the product in the shortest possible time, increased competition among buyers and sellers and improved grading and packing.

- ii. **Direct Export or Forward Contract:** Through this method companies export tea directly to other countries without going through the procedure of auction. In direct export or forward contract only two parties are involved, one is the manufacturer and the other, the purchaser.

- iii. **Ex-garden Sale:** Ex-garden sale is mainly followed by the estates having no factory. If the estates do not have their own factory either they supply the leaves to the factory of their own company for manufacturing or they sell it to outside

- iv. **Packet Tea:** Some of the companies have packet tea division either in the factory itself or in other places. They manufacture branded products in packet tea division and market in different marketing methods followed by the companies

The prominent retail marketing problems traced by the producers of the tea in the study area where

**Price fluctuations** – The prices of tea fluctuate based on sentiments of the market players and on economic forces like supply and demand. Major consumers of tea is used to wait to make their purchase till the prices come down to their favor. The scrapping of port restriction followed by the slashing of export subsidy by 50% dispensing of tea board inspection of imported tea, abolition of purchase tax on import and the like attract the imports to import more tea in recent years, such practices on the part of major consumers have made the domestic tea market to stagger and resulted in a fall of prices in tea in domestic market. Further the monsoon rain during the month from June to August slows down the process of harvesting and becomes the cause for poor arrival of tea to the market. This leads to an uncertainty in the supply of tea. The ups and downs in the demand and supply position make the market for tea more vulnerable and unpredictable.

**Dominance of Private Dealers** – Tea bought and sold at the primary market by the dealers authorized by the tea board mainly auction sale, apart from those authorized dealers there are large numbers of private dealers who advance the money to the owners of the plantation at the time of emergency with the condition that all production must be sold to them at the prevailing prices charging practices followed by those private dealers.

**Inadequate Market Finance** – The producers of tea always prefer to sell their price immediately after harvesting in order to settle the earlier loans and advances or to meet domestic expenditure. Finance required to meet out the expenses in connection with performance of major marketing functions was scarce and



...and hence many of the respondents did not spend sufficient money to make their product fit for marketing.

**Lack of Standardization Grading** – It is highly essential to re-structure the processing and retail marketing activities to make the Indian tea internationally competitive converting into technically specified tea grades is an essential function to maintain consistency in the quality of tea many of the respondents were unaware of these process and even if aware of they did not venture up due to lack of knowledge of the technique

**Lack of Market Information** – Market information about the availability of buffer stock of tea periodical inflow and outflow in different neighbor markets and the details about the prevailing price level are a few important parameters that may help the producers to plan their activities in such a manner that gives maximum benefits unfortunately the Wayanad district lack this facility make in the producers to live at the mercy of a few wasted interest groups.

**Inadequate Storage Facility** - Adequate storage facility is yet another vital requirements to seasonal products like tea, this will help the producers in level playing in the pricing area however the owners of the small holdings do not have enough storage facility either of their own or for lease for storing tea particularly during the harvesting period this is one of the reasons why the producers instantly sell their produces immediately after harvesting.

**Change Import Policy of the Government** – The policy of the government towards import of tea has undergone considerable changes during the reason past. The import tea was allowed free of license from SAARC countries during 1988, tea was under restricted items of the negative list of imports under export import policy for the period 1992-97 which was amended by permitting the import against the freely transferable special import license (SIL)

Thus the problems faced by the producers in retail marketing tea are many in study area.

Theoretical back ground of the study plans include research about who the company's potential customers are as well as what their needs and wants are. A retail marketing strategy should be a part of the business plan. It should include decisions about the marketing mix approach, such as how customers will get the products.

Social networking sites also include much information about what products and services prospective clients might be interested in. Through the use of new semantic analysis technologies, marketers can detect buying

signals, such as content shared by people and questions posted online. An understanding of buying signals can help sales people target relevant prospects and ma Marketing techniques

Social media marketing involves the use of social networks, consumer's online brand related activities (COBRA) and electronic word of mouth (eWOM) to successfully advertise online. Social networks such as Facebook and Twitter provide advertisers with information about the likes and dislikes of their consumers. This technique is crucial, as it provides the businesses with a "target audience With social networks, information relevant to the user's likes is available to businesses; who then advertise accordingly.

Activities such as uploading a picture of your "new Converse sneakers to Facebook[" is an example of a COBRA Electronic recommendations and appraisals are a convenient manner to have a product promoted via "consumer-to-consumer interactions. An example of eWOM would be an online hotel review the hotel company can have two possible outcomes based on their service. A good service would result in a positive review which gets the hotel free advertising via social media, however a poor service will result in a negative consumer review which can potentially harm the company's reputation.

**Tools**

Besides research tools, various companies provide specialized platforms and tools for social media marketing: Social media measurement

- Social network aggregation
- Social bookmarking
- Social analytics
- Social media mining
- Social network analysis
- Automation
- Social media
- Blog marketing
- Validation
- Brand ambassador

Twitter allows companies to promote their products in short messages limited to 140 characters which appear on followers' home pages. Messages can link to the product's website, Facebook profile, photos, videos, etc Twitter is also used by companies to provide customer service. Some companies make support available 24/7 and answer promptly, thus improving brand loyalty and appreciation.



### Face Book

Facebook pages are far more detailed than Twitter accounts. They allow a product to provide videos, photos, and longer descriptions, and testimonials as other followers can comment on the product pages for others to see. Facebook can link back to the product's Twitter page as well as send out event reminders. As of May 2015, 93% of businesses marketers use Facebook to promote their brand. A study from 2011 attributed 84% of "engagement" or clicks to Likes that link back to Facebook advertising.

### Google+

Google+, in addition to providing pages and some features of Facebook, is also able to integrate with the Google search engine. Other Google products are also integrated, such as Google Adwords and Google Maps. With the development of Google Personalized Search and other location-based search services, Google+ allows for targeted advertising methods, navigation services, and other forms of location-based marketing and promotion. Google+ can also be beneficial for other digital marketing campaigns, as well as social media marketing. Google+ authorship was known to have a significant benefit on a website's search engine optimisation, before the relationship was removed by Google. Google+ is one of the fastest growing social media networks and can benefit almost any business.

### LinkedIn

LinkedIn, a professional business-related networking site, allows companies to create professional profiles for themselves as well as their business to network and meet others. Through the use of widgets, members can promote their various social networking activities, such as Twitter stream or blog entries of their product pages, onto their LinkedIn profile page LinkedIn provides its members the opportunity to generate sales leads and business partners Members can use "Company Pages" similar to Facebook pages to create an area that will allow business owners to promote their products or services and be able to interact with their customers Due to spread of spam mail sent to job seeker, leading companies prefer to use LinkedIn for employee's recruitment instead using different job portals. Additionally, companies have voiced a preference for the amount of information that can be gleaned from LinkedIn profile, versus a limited email.

### Findings

- 94% of all business with a marketing department used social media as part of their marketing platform.

- Almost 60% of marketers are devoting the equivalent of a full work day to social media marketing development and maintenance.
- 43% of people ages 20-29, spend more than 10 hours a week on social media sites.
- 85% of all businesses that have a dedicated social media platform as part of their marketing strategy reported an increase in their market exposure.
- 58% of business that have used social media marketing for over 3 years reported an increase in sales over that period.

### Conclusion

The various findings of the study have elicited the conclusion that the retail marketing concept is the acceptance by the retailer that it is the "customer" and not "demand" that lie at the core of the retail organization. It is a philosophy not a system of retailing or retail structure. It is founded on belief that profitable retailing and satisfactory returns on investment can only be achieved by identifying, anticipating and satisfying customer needs desires .it is an attitude of mind that places the customer at the very center of retailing activities. Marketing is a vital tool for every retailer, as it identifies current, unfulfilled needs and wants, which it defines and quantifies. Marketing determines which target groups the retailer should serve.

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