

The Role of Branding for Success in the Georgian Tea Market

Maia Seturi, Tamari Todua

Abstract—Economic growth is seen as the increase in the production capacity of a country. It enables a country to produce more and more material wealth and social benefits. Today, the success of any product on the market is closely related to the issue of branding. The brand is a source of information for a user/consumer, which helps to simplify the choice of goods and reduce consumer risk. The paper studies the role of branding in order to promote Georgian tea brands. The main focus of the research is directed to consumer attitudes regarding Georgian tea brands. The methodology of the paper is based on marketing research. The findings study revealed that the majority of consumers prefer foreign tea brands. The final part of the article presents the main recommendations.

Keywords—Marketing research, customer behavior, brand, successful brand.

I. INTRODUCTION

DURING the existence of the Soviet Union, Georgia (South Caucasus) was one of the leading producers of tea. After the collapse of that country, the Georgian tea sector fell into a difficult situation. At present, the revival of this sector can give significant economic benefits to Georgia, and some state programs have been launched to encourage the tea industry. Today this field has not lost its significance and still has great potential for development. Also, the future prospects for Georgian tea are perceived to be good due to the free trade agreement with the European Union. But, in order to succeed in the market, any product needs good positioning and marketing support.

The demand for tea in Georgia is high, and nowadays, with a vast range of products available, the consumer will not buy a product unless they are confident about its positive features. Unfortunately, in Georgia, the local production of tea does not satisfy even the needs of the local population. The main task of this research was to 1) find out the weaknesses of the Georgian tea brands; 2) to determine the main reasons that prevent Georgian tea brands from achieving success in the market. In the work, are given research results, conclusions and some recommendations.

II. LITERATURE REVIEW

In terms of globalization, it is important for Georgia to produce and offer products to the market (both the domestic market and foreign market), which are linked to the historical-national specialization of the country. Therefore, Georgia

Maia Seturi is with the Marketing Department, Ivane Javachvili Tbilisi State University, Tbilisi, 0179 Georgia (phone: 995599957157; e-mail: maia.seturi@tsu.ge).

should focus future production on products that were well known in the past and have a strong tradition, and for these reasons, it can do better than other countries. Among these products, the production of Georgian tea can be considered. Professionals regard that given the opportunities provided by DCFTA, Georgia has quite high potential in the sphere of production and supply of the food products. Trade free of tariffs and technical barriers increases the export potential of products manufactured in Georgia, though it is necessary that these food products comply with EU food regulations ensuring food safety. The role of the State implies development of the relevant regulations and control over their implementation [1].

Tea production in Georgia has a long history. Scientist S. Doborjginidze claims that the exact date of importing tea plant in Georgia was 1847 [2]. Some scholars believe that the development of tea farming in Georgia is associated with the last ruler of Guria (a region in the west Georgia) Mamia Gurieli (1809-1826). During the era of Soviet Union Georgia was the main supplier of tea in all Soviet republics. Also, Georgian tea was sold in France, Germany, Austria, Finland and Great Britain [3]. Reforms in the Georgian tea sector began at the end of the last century.

It should be noted that in the investment guide of agro-food products prepared by the Ministry of Agriculture, tea is rated as one of the most cost-effective culture: Its IRR (Internal Rate of Profits) is 26%. Tea can be harvested within five years after planting, and if well-maintained can produce for more than 100 years [4].

TABLE I
PRODUCTION OF TEA LEAVES BY REGIONS (THOUSANDS OF TONS) [5]

| | 2015 | 2016 | 2017 | 2018 |
|------------------------|------|------|------|------|
| Georgia | 2.1 | 3.0 | 2.3 | 1.7 |
| Adjara AR | 0.9 | 0.8 | 0.4 | 0.6 |
| Guria | 0.4 | 0.4 | 0.5 | 0.4 |
| Imereti | 0.0 | 0.7 | 0.3 | 0.1 |
| Samegrelo-Zemo Svaneti | 0.8 | 1.1 | 1.1 | 0.6 |

The market for Georgian tea brands is highly competitive. Among them are famous tea brands in the world, or in the region, such as Ahmad Tea, Lipton, Akbar, Azertea, etc. The company's success has a positive effect on the increase of awareness of its products between consumers.

Along with other important issues, Georgian tea manufacturers need to study and practice marketing methods. Besides the production of Georgian tea, it is very important to sell it successfully; this is a difficult issue in terms of competition. Successful brand contains broad and profound meaning. According to the opinion of the P. Doyle and P.

Stern, successful brand is a set of three components: high quality goods (P), differential characteristic (D), additional values (AV) [6].

Research revealed that it is not enough only to reach a high level of awareness for brand success. Brand is more than the product specifications. Brand success depends on the buyer's associations towards it and relations with the brand, and the base of these relations must be full implementation of brand promises [7].

The effective use of branding will help companies to draw consumers' attention to their products. The brands can be considered successful. Georgian tea brands are competing with foreign brands. In such conditions, Georgian manufacturers face difficult challenges. They should take care to gain customer satisfaction. The quality of customer satisfaction depends on the satisfaction or dissatisfaction that a person faces, when the buyer compares his preliminary expectations with the actual characteristics of the product he bought. In other words, the quality of customer satisfaction is determined by comparing the expectations of the customer with the actual performance of the product [8].

Nowadays, consumers are increasingly interested in food safety issues which also concern the aspects of tea production. The requirements of the developed laws and normative acts should be strictly complied with and the state should be actively involved.

III. METHODOLOGY

In the work, there are used the concepts of marketing theories, data analysis statistical methods, tendency, induction and comparison, etc. We studied the scientific works of Georgian and foreign scientists, analytical reports, the

information existing on web-pages of certain Georgian organizations, and data of National Statistics Service. We have analyzed the situation in the past and studied the current situation in Georgia. The survey was conducted as quantitative research. The latter implies the collection of information in quantitative form and the statistical analysis of the information already obtained. Quantitative method of research is one of the most common and reliable methods for obtaining primary information [9]. It is noteworthy that a structured questionnaire was used during our research.

IV. FINDINGS

In order to find out what the demand for tea is in the Georgian market, we asked respondents about how frequently they drink tea. The study showed that 93% of respondents are tea drinkers; 20% of respondents often drink tea. It was interesting to determine the reason for the demand for tea; 48% of respondents said they liked the aroma and taste of tea, and so often drink it. Although tea has many useful properties, and many studies have been conducted to prove the health benefits of drinking tea and its positive impact on various diseases, apparently, consumers are aware of these positive qualities. Only 15% of respondents said they drink tea for the health benefits.

The survey also revealed that the majority of respondents (54%) prefer to drink foreign tea brands; while, 51% said foreign brands are distinguished with higher quality; 34% think that foreign tea brands are more pleasant to drink; and 14% think they are distinguished with a more attractive packaging. Only 1% of respondents think that on the stores shelves mostly foreign brands are located.

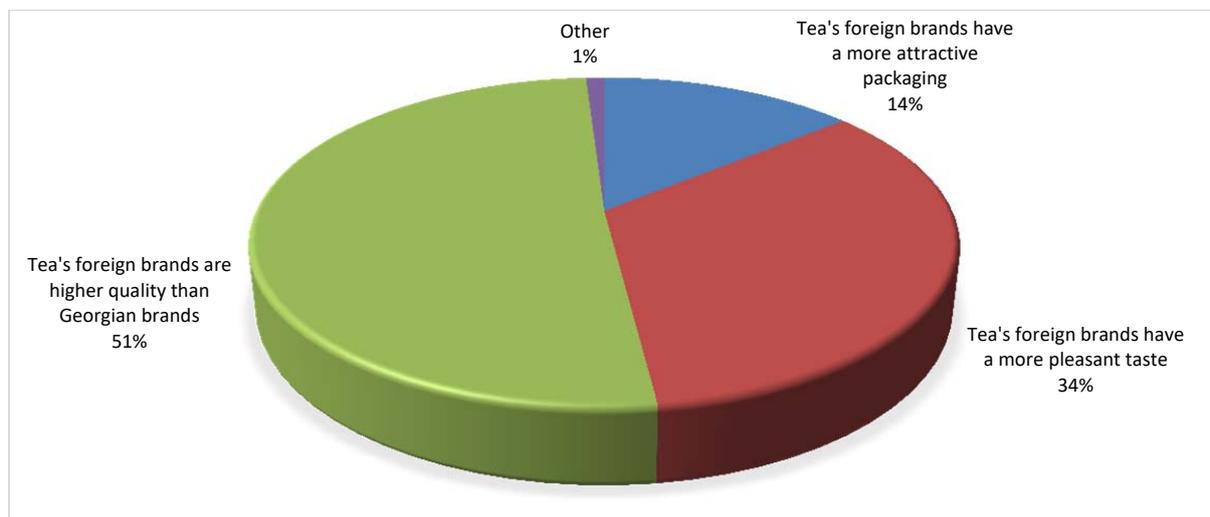


Fig. 1 Perceptions of the advantages of tea foreign brands by Georgian customers

The majority of tea consumers give great importance to the country of its production. It is interesting to know in which country produced tea, considered by Georgian customers, to be the highest quality and most reliable. The results of the survey showed that Georgian consumers think the highest

quality tea is produced in Britain. The majority of respondents prefer teas from Britain, India and Turkey at 27%, 17%, and 19%, respectively. Only 14% of respondents think that Georgia produces high quality tea. Thus, one of the main problems of Georgian tea is that only a small number of

consumers perceive Georgian tea is of high quality.

Most of the consumers (71%) prefer foreign tea brands. But among Georgian tea brands, respondents give preference to "Gurieli", "Georgian Bouquet", "Anna Batonishvili", "Mountain Tea" and "Rcheuli" (Fig. 2).

We have identified the channels of communication from

which Georgian respondents get information about tea brands.

The results show that 42% of respondents receive information about tea brands from TV channels, 33% - from Internet, 17% - from friends, 7% - from stores, 1% - from magazines and newspapers.

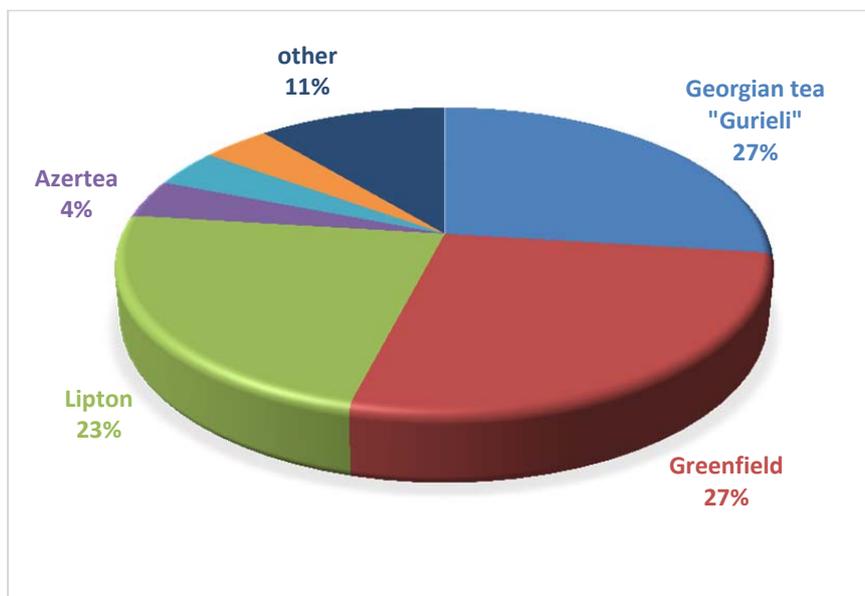


Fig. 2 Preference of respondents towards tea brands

V. CONCLUSIONS

Analysis of the results of our research showed some shortcomings which prevent Georgian tea brands from success. Therefore, we consider it advisable for Georgian enterprises to take a number of measures:

- Support of the Georgian tea sector by the country's government is vital to ensure rapid rehabilitation of tea plantations. Especially, if we consider that most experts consider that Georgia has significant agricultural potential. This support requires large amounts of money [10]. Calculations prove that an increase of farm and agro-industrial production is possible. Thus, further development of this sector is vital both for the stability and security of the country. State support, foreign investments, the involvement of international organizations, and the implementation of appropriate projects and programs are necessary and will contribute to the revival and rehabilitation of the agricultural sector [11].
- Development of the Georgian tea sector impossible without activating marketing campaigns. There is almost no advertising of local teas in the Georgian market. Marketing campaigns are not conducted to increase the awareness of Georgian tea, and therefore, local brands are not popular among Georgian consumers. Our survey showed, that among Georgian customers widely known Georgian tea brand "Gurieli".
- Successful brand should be different from analogs (other

brands) [6]. In terms of competition, local producers should pay attention to the distinctive advantages, such as Georgian tea is distinguished with low content of tannins which is why it has a soft and gentle taste. Georgian tea plantations are located further north than those of other producing countries, which is the reason for such a soft taste of Georgian tea [12]. In terms of competition, Georgian producers should pay attention to different aspects and provide relevant information to customers with the help of mass media outlets.

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Maia Seturi, Assistant Professor of Marketing Department, Faculty of Economics and Business, Ivane Javakhishvili Tbilisi State University (Tbilisi, Georgia). She is Doctor of Economics. Maia Seturi is one of the founders of Marketing Research Center at Tbilisi State University. She does research on different spheres of marketing: Marketing Management, Basics of Sales, Marketing in Tourism and Hospitality, Brand Management, Marketing research, Consumer behavior. Maia Seturi is Editorial Board member of scientific journal - Economy & Business (ISSN 1314-7242).