

Positioning Sri Lankan Tea in a Value Added Domain- Challenges and Possible Strategies

**D. M. R. Dissanayake
W. M. C. B. Wanninayake**

Sri Lanka has been positioned in the world market as the best tea culture since 100 years ago. Tea is the major foreign agricultural money making way for Sri Lankan economy. Sri Lanka is exporting tea to the world market with diversified product range. Anyhow, the competition of the world market in terms of aggressive marketing strategies is rapidly growing with the concepts of value added tea and developed tea. With this background, this study focuses on identifying the problems of increasing net gaining out of bulk tea exportation under the rapidly growing market competition in value added sector.

This research has been based on secondary data published by Sri Lanka Tea Board, Central Bank reports, relevant journals and some newspaper articles.

This study reviewed the structure of Sri Lankan export tea production with their relative importance. In addition to that it has analyzed the Sri Lankan position in the world market compared to other competitive tea suppliers in last decade and the trend of market capturing. The research has led on to critically analyze the strategy of re-exporting of imported tea with value addition followed by Sri Lankan tea manufacturers and its relative importance compared to local components. Further it has identified the corporate strategies followed by Sri Lankan tea authorities to develop innovative value added and branded tea.

The researchers concluded that Sri Lankan value added tea exportation has gradually developed compared to bulk tea exportation. They have recommended a product development strategy parallel to brand development as an effective marketing strategy.

Finally, the study has pointed out some critical implementation issues of Sri Lankan tea development strategies.

Key words: Value addition, Product Levels, Developed Tea, Brand Promotion, Market competition.