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ANALYSIS OF THE GEORGIAN TEA BRANDS

Abstract. The article is devoted to the analysis of the Georgian Tea Brands, as well as the solution of some pressing issues regarding their success in the market. It is impossible without taking into account competitive advantages of foreign tea brands. In the last century, Georgia (South Caucasus) was one of the leading producers of tea in the Soviet Union. Nevertheless, the Georgian tea sector got into a difficult situation after the collapse of the Soviet Union. Since the early 2000s, the Georgian government has been trying to save this sector. Tea production is of great importance for the development of agriculture of Georgia. Revival of this sector can give significant economic and social benefits to rural population, who was actively involved in tea production during the existence of the Soviet Union. Nowadays, some state programs have been launched to stimulate the tea industry. The production of Georgian tea may be promising in the future due to the free trade agreement with the European Union. Today, this field has not lost its significance and still has a great potential for development. At the same time, it is necessary to take into consideration the aspects of the brand management. Product success in the market is closely related to its branding. The brand is intended for identification of goods of one seller or seller group, as well as for differentiation from the competitors' products. Creating an image for a trade mark helps to keep the goods in positioning in the mind of the consumer. Brand is a source of information for the user, which helps to simplify the choice of goods and reduce consumer risk. The brand does not remain unchanged, but it needs to be developed for further success. For the formation of a successful brand, the product has to stand out with the best quality that can be distinguished from other analogues. The main objective of the work is to examine the attitude of consumers to the Georgian tea brands. The goal of the survey is to determine the Georgian customers' attitude towards the Georgian tea brands, to identify weaknesses that prevent the Georgian tea brands from achieving success in the market.

Keywords: marketing, marketing research, customer behavior, brand, tea brands, successful brand

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JEL Classification: L10, L66, M31

Introduction. Tea is the most popular drink in the world. Tea contains a large amount of biologically active substances, however, according to the opinion of scientists, tea have a positive effect on the ability to concentrate on human perceptions because of two substances in tea, namely: caf-

feine and tannins [Korir, Wachira, Wanyoko, Ngure, Khalid 2014]. So tea has useful properties. Tea is quite a demanding product in Georgia. Local production of tea does not satisfy even the needs of the local population. Research of consumer attitude to Georgian tea brands is especially important issue. The task of this research was: to determine Georgia's consumers evaluations about Georgian tea brands; to find out the attitude of consumers to the advantages of Georgian tea brands. In the conclusive part of the work are given research results, conclusions and some recommendations.

Literature review and the problem statement. Tea production in Georgia has a long history. Scientis S. Doborjginidze claims that it is more convincing, that the exact date of importing tea plant in Georgia was 1847 [Doborjginidze 2008]. Some scholars believe that the development of tea farming in Georgia is associated with the last ruler of Guria (the region in the west Georgia) Mamia Gurieli (1809-1826). He contacted French botanists André Misho and his son François André Misho. According to their recommendation, he has first tea seedlings in Georgia and with the help of Scotch Jacob Montegue Marie, tea made for the first time in Georgia in the Botanical Garden of Guria's ruler [Official website of company "Geoplant"]. During the Soviet Union Georgia was the main supplier of tea in all Soviet republics. Georgian tea was sold in stores in France, Germany, Austria, Finland and Great Britain [Official website of company "Geoplant"]. In the end of the last century significant reforms began in Georgia. These reforms also touched upon the Georgian tea sector. The result of these reforms was privatization of tea factories at the time. In particular, in 1994-1995, 77 tea factories and combinations were privatized, among them 71 were established as joint stock companies, one enterprise was privatized under competition and five were redeemed in lease form. In the same period, private tea companies were created for the first time in Georgia including "Martin-Bauer-Tbilisi" Ltd, founded by foreign investments. This company is functioning under the name "Geoplant". In Georgian market and on the world market company "Geoplant" brings tea brands: Gurieli, Georgian Tea and Rcheuli [Tea production in Georgia: Value Chain Analysis. ENPARD - European Neighborhood 2015]. Georgian tea brands have too many competing products on the market. Among them are the famous and successful tea brands in the world or in the region. One of the most actual topics in the marketing's theory and practice is the matter of the brands ruling [Halligudi, Mullaicharam, El-Khider 2012]. The key point in the Brand's success is held by creating its positive image and ensuring its recognize ability and awareness. The research revealed that it is not enough only to reach a high level of awareness for brand success. The brand is much more than the product features and specifications. But brand is also what kind of emotions and associations have customers towards it. In addition, branding success depends on the buyer's relations with the brand. Base of these relations must be full implementation of brand promises [Seturi 2017].

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 [Seturi 2009].

For achievement of the food safety, development of the legal framework is the first stage only, to deal with the problems in this sphere. The requirements of the developed laws and normative acts should be strictly complied with and the state should be actively involved in this. Though, all, people engaged in the state structures and business, should understand that the life of each citizen is very valuable, and it requires care [Todua 2012].

Effective and correct management of brands promotes products success in the market. Brands can play a significant role in signaling certain product characteristics to consumers [Duedahl-Olesen,

Navaratnam, Jewula, Jensen 2015]. Researchers have classified products and their associated attributes or benefits into three major categories: search goods, experience goods, and credence goods. For search goods like grocery produce, consumers can evaluate product attributes like sturdiness, size, color, style, design, weight, and ingredient composition by visual inspection [Dźwigoł 2014; Dźwigoł 2018; Woo 2019; Ökten, Okan, Arslan, Güngör 2018]. Consumers can certainly handle these risks in a number of ways, but one way is obviously to buy well-known brands, especially those with which consumers have had favorable past experiences. Thus, brands can be a very important risk-handling device [Dźwigoł 2013; Dźwigoł 2015a; Keller 2013; Miskiewicz 2017a; Miskiewicz 2017b]. In our study we used marketing research methods. In the work there are used the concepts of marketing theories, data analysis statistical methods. We used namely selection, grouping, observation, tendency, analysis, induction and comparison ones. The survey was conducted on the Internet. The survey was conducted in May 2018. The main goal of this research was to study tea in general and first of all the Georgian consumer attitude towards Georgian tea brands. The study included two main stages. At the first stage of the survey was determined the target group of research. At this stage it was decided that the survey did not require the survey of respondents according to any social-demographic characteristics. Consequently, we do not restrict the study and study all those willing to take part in this study and more or less familiar with Georgian tea. At the next stage of research, the method of research has already been identified. Based on the objectives of the research, it was decided to conduct 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 [Armstrong, Kotler 2006; Dźwigoł 2015b; Dźwigoł 2015c; Dźwigoł 2016; Dzwigol, Dźwigoł-Barosz 2018]. It is noteworthy that a structured questionnaire was used during our research. The questionnaire consisted of three blocks.

We inquired 209 respondents. The majority of respondents were interviewed online. Only a small number of respondents were interviewed by personal interview. In order to determine the reliability of the results obtained from the research we decided to use the assessment system in marketing research. According to the abovementioned system, high reliability of the results means error up to 3%, the usual - from 3% to 10%, the approximate reliability of the results means error - from 10% to 20%, the orientation reliability - from 20 to 40%. In the case of our research we considered 4% of the error rate, and therefore the reliability rate was 96%.

83% of respondents were female respondents, while the number of men was 17%. 46% of respondents were 18 to 25 years of age, 30% of respondents belonged to the age group of 26 to 36 years. The number of respondents aged 36 to 50 was 15%. The lowest number of respondents was from the following age groups: up to 18 years - 3%, 50-65 years -3%, 51-65 years old and only 2% over 65 years. According to family conditions, 58% of respondents were single, 37% - married, 3% - divorced, and 2% - widows.

Research results. In order to find out what the demand for tea is on the Georgian market, we asked the respondents about how frequently they have tea. The study showed that 93% of respondents are tea users and 7% do not use it at all. 20% of respondents often drink tea, which is a very low indicator. Therefore, we can say that there is a huge demand for tea on the Georgian market. It was interesting to find out what is the reason of high demand for tea. When asked why tea drinks, 48% of respondents said, they liked the aroma and taste of tea, and so often drink it. Although tea has many useful properties, many research has been conducted to prove the properties of tea and its positive impact on various diseases, apparently, consumers are not well aware of tea's positive qualities. Only 15% of respondents said tea is drinking because it is useful for health.

Why do you have tea?
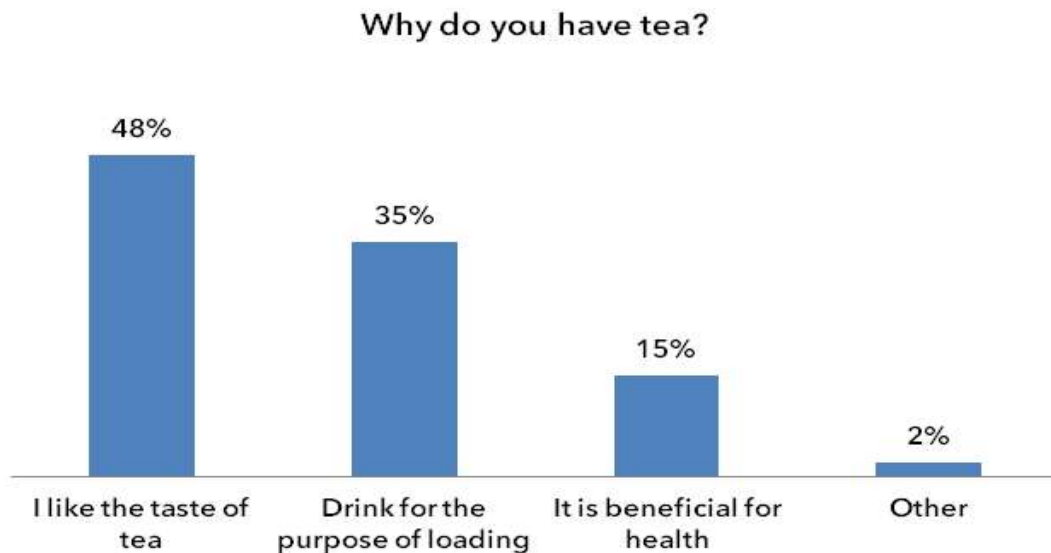
Figure 1 – Reasons for tea consumption by respondents
Source: *The results of the research conducted by the authors*

As we see from the diagram (fig. 2.), 60% of respondents use most of the tea bags. Tea leaves is not as popular in Georgian tea consumers. This is not surprising, since tea packages are more convenient to use than tea leaves. The study showed that black and green tea is especially popular among Georgian consumers. 67% of the respondents prefer the black tea and 20% green tea. The reason for this is that these two types of tea are produced mainly in Georgia and the Georgian market does not have a wide choice of tea types. This confirms with the statistical data, which is show, that black and green tea is mainly imported in Georgia. Other types of tea are not available in the Georgian market or in very small quantities. For the majority of consumers, as our research has shown, during buying tea, the most important feature is tea quality. In our opinion, it would be interesting to find out Georgian customers attitude toward the quality of Georgian tea. On the question if you agree with the question that Georgian tea is distinguished with high quality, 42% of respondents have responded negatively, which is not a good factor for Georgian tea sector development.

What kind of tea do you buy?
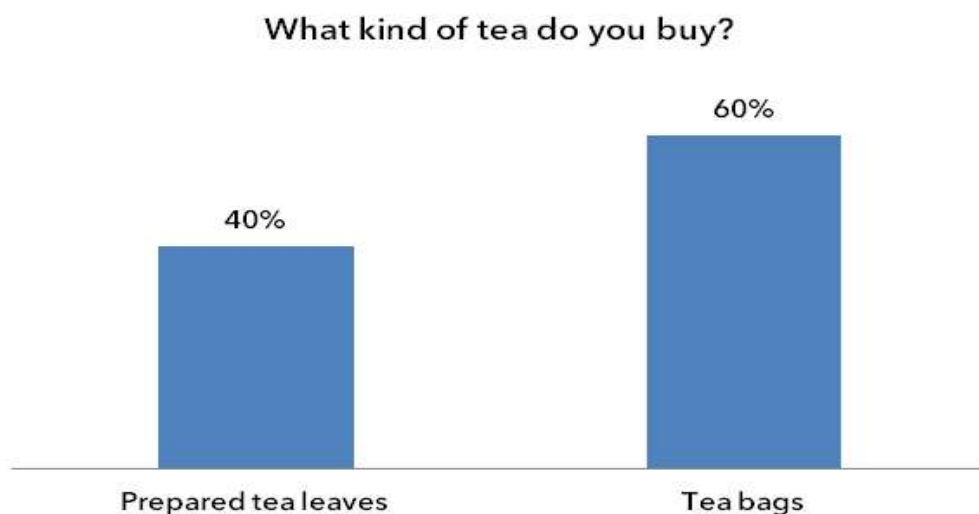
Figure 2 – Buyers' interests to tea types
Source: *The results of the research conducted by the authors*

**Do you agree with the opinion that Georgian tea is distinguished with high quality?**

- I do not agree — 42%
- I agree — 58%
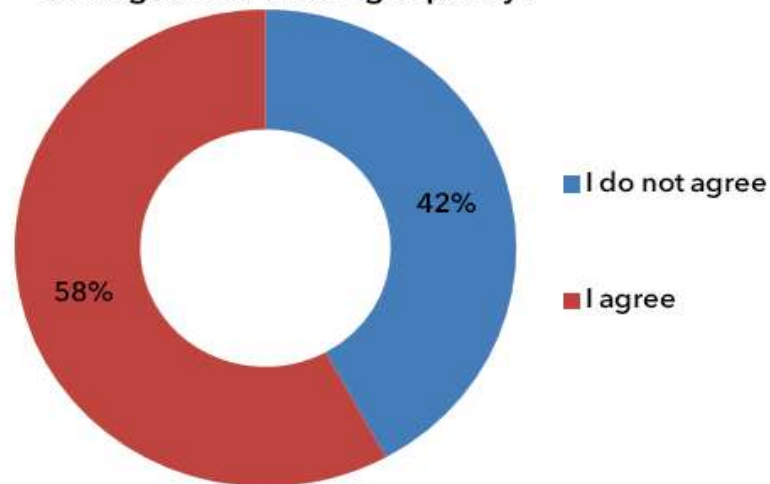
Figure 3 – Customer attitude towards Georgian tea quality
Source: *The results of the research conducted by the authors*

We also wanted to find out communications channels from which Georgian consumers get information about new tea brands. We found out that 42% of respondents received information about tea brands from TV. Internet has a quite high rate, it is 33%. The survey showed that 17% of respondents are aware of tea from friends, and 7% from stores. As the survey showed, only 1% of respondents get information about tea brands from magazines and newspapers, 71% of respondents answer, that they prefer a foreign brands. Among the Georgian brands the respondents named the following products: Gurieli, Georgian Bouquet, Anna Batonishvili, Mountain Tea and Rcheuli. From these Georgian brands besides Gurieli, in fact Georgian customers do not know none tea Georgian brands. It should be noted that Gurieli consumers are 27% of respondents.

Georgian tea "Gurieli"	27%
Greenfield	27%
Lipton	23%
Azertea	4%
Hyleys	4%
Princess Noori	4%
other	11%
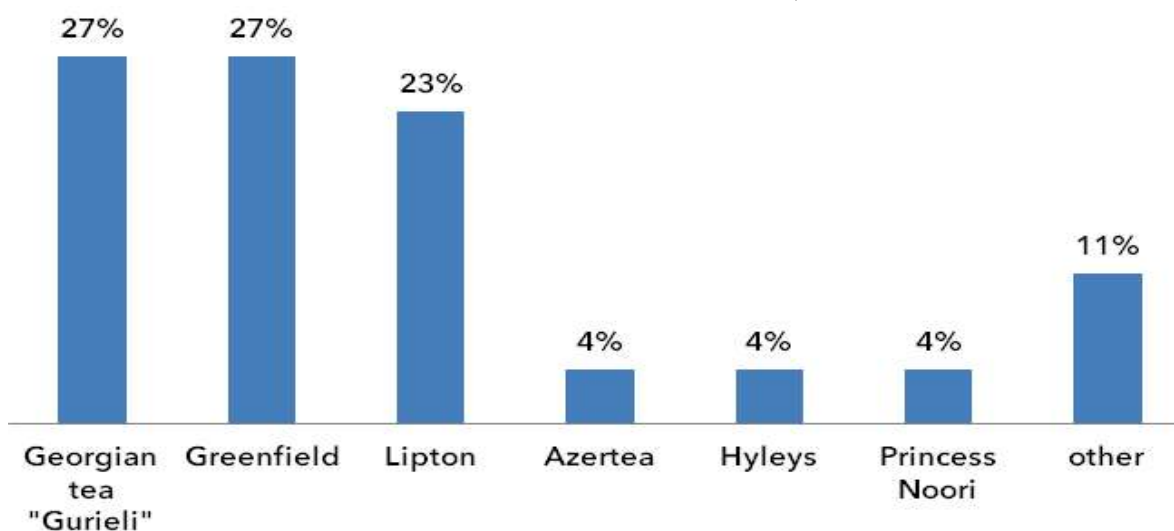
Figure 4 – Benefits of respondents according to tea brands
Source: *The results of the research conducted by the authors*

In the survey we found out, that the majority of respondents (54%) prefer the foreign tea brands. On the question, why they prefer the foreign brands, 51% of respondents said, in their opinion,

foreign brands are distinguished with higher quality. 34% of respondents think that foreign tea brands are more pleasant to drink. 14% of tea lovers think, foreign brands are distinguished with a more attractive packaging. Only 1% of respondents think, that the Georgian tea brands are deficient in the market and on the stores shelves mostly foreign brands are located or perhaps foreign brands attract the attention of consumers with attractive packaging. In the survey we asked the respondents to explain, how they think, what will help the development of the Georgian tea production. The majority of respondents named: improvement of quality, rehabilitation of plantations and more active marketing campaigns.

Conclusions. Nowadays tea is no longer produced in such a large scale in Georgia as it was in the Soviet Union. Tea produced in Georgia today can not satisfy even the demand for tea on the local market. Analysis of the results of the research showed some shortcomings, which prevent Georgian tea brands from considerable success at the market. That's why we consider it important and advisable for Georgian enterprises to take a number of measures:

- most Georgian consumers prefer the foreign origin tea. According to Georgian consumers, the main reason for this is the low quality of Georgian tea brands. One of the hindering reasons of brand success is the low quality of the product [Doyle, Stern 2007]. In our opinion, it is caused of the old technology of tea processing plants. Therefore, it is necessary to focus on these aspects. Today, such aspects are especially important for Georgia when the trade free of tariffs and technical barriers increase the production potential of the products in Georgia [Todua, Mghebrishvili 2018];
- it is necessary to support Georgian tea sector by our government. In order to ensure rapid rehabilitation of tea plantations. This requires large amounts of money [Agriculture Project Management Agency];
- georgian scientists were able have created tea selective varieties [Agriculture's Scientific-Research Center 2015]. Besides we should prepare good specialists for this field. In this case, even the most important aspects of motivate of employees in tea producing enterprises should not be forgotten;
- there is almost no Georgian tea advertising on the Georgian market. Which is a mistake by companies in terms of competition. Besides of this Customers come to know a brand through a range of contacts and touch points: personal observation and use, word of mouth, interactions with company personnel, online or telephone experiences, and payment transactions [Kotler, Keller 2012]. More attention should be paid to aspects of the use of social networks. In recent years the role and importance of social networks have increased in brand positioning. In today's business environment when consumer loyalty can vanish at the smallest mistake, which can additionally have online propagation of their unfortunate encounter with a particular product, service, brand or company [Todua, Jashi 2015];
- the real brand cannot exist without clarity. The consumers and target audience should have an opportunity to clearly understand what the company is and its brand as well. The brand clarity is based on its vision and values. They should be easily understandable and acceptable for people. All this is important and topical for those making decision, i.e. for customers, and sometimes also for the public at large [Seturi 2016]. Marketing campaigns are not held to increase the awareness of Georgian tea brands. That's why Georgian tea brands not popular among consumers. Our survey showed that the only Georgian tea brand, which is compare widely known among Georgian customers is Gurieli, as producing company "Geoplant" is actively trying to popularize its brand with marketing campaigns.

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