Tea is the dried and processed leaf of evergreen shrubs called *Camellia sinensis* or *Thea sinensis*. According to Chinese legend, probably in 2737 B.C., in the period of Emperor Shen Nung, a few tea leaves accidentally slipped into a can of steaming water which was sipped and, thus, tea became popular. Its fame gradually spread to different countries of the globe through the travellers of China. The merchants of East India Company were primarily responsible for the development of tea planting and tea trade which together today comprise the tea industry in India.

While the growth of the industry during the decades following 1980 in terms of rise in production or in average yield has been phenomenal, two facts cannot escape our attention:

i) The growth of production of tea when considered on a year to year basis was marked by violent ups and downs; and

ii) India's share in the global tea production as well as global exports of tea had been persistently declining since 1950-51. The decline has been particularly sharp in recent years.

At a time when both the domestic market and the international market for tea had been witnessing steady expansion of demand, the Indian tea industry failed to encash this opportunity offered by the favourable market conditions.

The aforesaid failure of the Indian tea industry to encash the opportunities offered by favourable market conditions in both domestic and the export markets seem surprising because since the later part of the nineteenth century, India had been the world-leader in production and exports of tea. Tea also is the one industry where India continues to enjoy till today enormous advantages in terms of her long accumulated experiences, market access and labour skill.

In the export market while India's share was continuously sliding over time, there were aggressive competitors like Kenya and China who could wrest successfully sizable shares of the said market.

In the domestic market, the problem was of a different dimension. The upsurge in domestic consumption of tea in India created grounds for rapid rise in prices of tea. While the retail prices of tea had been continuously falling during the last two decades,
the price level in the auction market (where the producing gardens were offering their products for sale) was subject to violent fluctuations. The over-reliance on auction market and the observed apathy of the tea producers towards the application of innovative marketing practices and distribution channels frequently jeopardized the financial health of the gardens and had adverse bearing on growth of production.

The observed failure, as indicated above, of the Indian tea industry to encash the available opportunities both in the domestic and in the export market and hence to actualize its growth potential gives rise to a number of important questions:

i) How the global tea market as well as the tea market in India had been growing particularly in the recent past?

ii) How the Indian tea industry has actually performed in the marketing front? To put it otherwise, has the tea industry in India been able to encash the opportunities offered by the favourable market conditions?

iii) What are the current marketing practices of the Indian tea industry? Particularly, how the industry has been handling the ‘marketing mix’ in the domestic market and also in the export market?

iv) How the marketing practices have evolved during the last two decades? What has been the impact of liberalization on the marketing practices of firms? And,

v) What have been the major marketing challenges faced by the Indian tea producing firms and how at industry level they have responded to these challenges?

In the present study we make a modest attempt to find out the answers of the aforesaid questions.

I record my sincere thanks and deep sense of gratitude for my supervisor Professor Apurbananda Mazumdar of the Department of Business Administration, Assam University, Silchar for his constant inspiration and able guidance which helped me to tide over all hurdles in course of my research and pushed me forward towards accomplishment of the project. Indeed but for his constant support and personal involvement throughout the period of my research, the thesis would not have seen the light of the day.

I also record my thanks to my esteemed teachers Prof. D. K. Pandiya and Prof. N. B. Dey in the Department of Commerce, Prof. R. K. Raul and Dr. A. L. Ghosh in the Department of Business Administration, Prof. Keya Sen Gupta, Dr. A. Sen and Dr. N. Roy
in the Department of Economics, Assam University, for their encouragement and suggestions throughout the research work.

I would like to thank Dr. P. J. Goswami, Dr. B. Kumar and Dr. K. Padmasree and all my colleagues in the Department of Commerce, all the colleagues in the Department of Business Administration and in the Department of Economics, Assam University, and all my ex-colleagues of Government Degree College, Dharmanagar, North Tripura for their help and inspiration during the period of work.

My friend Sri Debojit Shayam deserves special thanks for the help that he had rendered in computer related matters from time to time during the course of the work.

I also thank my teacher Sri Indu Bhushan Roy for his help and suggestions as regards the processing of data.

While pursuing the research work, indeed a long way had to be travelled. A good number of libraries were consulted for collection of relevant data and materials. These include the National Library, Kolkata, Calcutta University Library, Kolkata, Gauhati University Library, Guwahati, Tripura University Library, Agartala, Indian Institute of Management, Kolkata, ICSSR (Eastern Regional Centre) Kolkata and the libraries attached to the Tea Board, India (at Kolkata and at Guwahati), the Indian Tea Association, Kolkata, Calcutta Tea Traders Association, Guwahati Tea Auction Centre, and the libraries attached to various companies visited for the research purpose. I extend my thanks to all the officials in these libraries for their co-operation and guidance.

Major part of my survey of literature is based on the materials available in the Assam University Library. I sincerely thank the librarian and the staff members of the Assam University Central Library.

In course of my research, I have received immense help and support from various people from various places. I want to express my thanks to all of them. I wish to record my thanks to Mr. J. Kalyana Sundaram, Secretary, Calcutta Tea Traders Association, Kolkata for his ungrudging help and co-operation. I also wish to express my thanks to Dr. H. N. Dewedi, Controller of Licensing, Mrs. Rupali Datta, Director- Tea Promotion, Mrs. Anindita Roy, Deputy Director- Tea Promotion, Mr. M. Paramananthaam, Statistician, Mr. G. Baria, Director- Tea Development, Tea Board, India and other officials of Tea Board, India, Kolkatta for their co-operation extended to me during my various visits to the Tea Board.
I wish to record my thanks to Mr. M. Das Gupta, Secretary-General of Indian Tea Association (ITA), other officials of ITA, Kolkata; Mr. K. Basu, Secretary-General of Tea Association of India (TAI), Dr. (Mrs.) M. Bhattacharya, Research Officer and other officials of TAI, Kolkata; Mr. Joydeep Phukan, Assistant Secretary, Guwahati Tea Auction Centre, Mr. K. Kathial, Mr. A. Singh Deo and Mr. S. Mazumdar of J. Thomas & Co. Pvt. Ltd., Kolkata; and Mr. S. Guha Thakurata, Secretary, Surma Valley Branch Indian Tea Association (SVBITA), Silchar and Mr. Sanjoy Das and other officials of SVBITA for providing spontaneous help during my several visits to them.

I sincerely thank to the staff and all the officials of Tata Tea Ltd., Duncan Industries Ltd., Goodricke Groups Ltd., Jayashree Tea & Industries Ltd., Luxmi Tea Co. Ltd., Hindustan Lever Ltd., Darjeeling Plantation Industries Ltd., Lipton India Exports Ltd., Andrew Yule & Co. Ltd., Assam Brooke Ltd., Bisseswarlal Mannalal & Sons, AFT Industries Ltd, West Bengal Tea Development Corporation Ltd., Chammung Tea Co. Ltd. and Cachar Native Joint Stock Co. Ltd. for their co-operation during the research work.

During the entire course of the research work, I received constant support and inspiration from my parents, mother-in-low, other family members and friends. I record my deep sense of gratitude for all of them.

On the way of completion of my research, my wife, Smt. Suchismita Das, Lecturer, Department of Life Science, Assam University, Silchar, provided me with great moral support. No word would possibly be sufficient for assigning my appropriate feelings for her. I simply tried to live up to her expectation.

Finally, I want to thank Mr. Dipan Chakraborty of Nicety Graphics, Silchar for neatly composing and arranging binding of the thesis.

While utmost care was taken towards maintaining the accuracy and authenticities of the work, it goes without saying that I fully shoulder the responsibilities of any inadvertent error that might have crept in.

Dated, Silchar

The 12th November, 2007

[PARAG SHIL]