

Determinants of Tea Preference: *A Descriptive Analysis*

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Abstract

The study was designed to investigate the determinants of tea preferences among tea lovers in Sorakhutte, Kathmandu. A conceptual system was structured by considering theory of satisfaction and consumers' preference talks about how the consumer is willing to consume tea. Price, habit, peers' influence and taste are considered as predictors and consumers' preference is taken as the reliant variable. Organized survey was performed among tea lovers in Sorakhutte using convenience sampling method and 103 usable questionnaires were utilized to analyse the collected data. The study employed descriptive research design and various tools such as frequency, percentage, bar-diagram, mean, median, and standard deviation were used for data analysis. The findings revealed that all the predictors i.e., price, habit, peers' influence and taste have effect on tea preferences as the mean values were above 3.0. Among all of them, the study concluded that taste is the most important predictor for tea preferences. Further, the study also concluded the majority of tea lovers prefer loose tea in compare to branded and green tea and rated the friends as the most preferred companion to drink tea.

Keywords: price, habit, peers' influence, taste, consumers' preference

1. Background of the problem

Nepal has a total population of 29.14 million (Central Bureau of Statistics, 2021), and among them, the per capita consumption of tea in Nepal is 0.35kg per person (Helgi Library, 2021). The domestic tea consumption survey has indicated the consumption of 2.42 cups a day per person, which means annual per capita consumption is 350 grams of tea. Tea is the second most consumed beverage globally, ranking next to the water (Nejadghanbar, 2016). It is one of the agricultural products which should have favourable

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quality including aroma, flavour and colour. Tea consumption has been overgrown, and it has brought a new wave of consumers with higher earnings that are turning tea into a popular product. Modest tea consumption has multiple benefits: regulating blood circulation in veins, eliminating physical and mental fatigue, stimulating nerves, helping digestion, preventing calcinosis in veins, and rendering a diuretic (Calmasur, 2018). In history, the first person who studied tea (Yu, 1974) had evolved tea into an art form; tea in the classical period was a part of the Chinese culture. Although tea is a standard beverage here in Nepal, there have not been sufficient studies related to determinants of consumer's preference toward tea, so the study on this topic was done to understand the consumer preference for the product as explained by Nazari (2011). Weedmark (2018) defined consumer preference as the individualized tastes of individual customers, observed by their satisfaction with those things after having the goods. Where preference for tea is considered as most versatile beverage ever discovered by man-a, a kind of one-drink -for-all reasons-all-seasons (Ubeja & Jain, 2013). The preference for tea is determined by the customer's intention, habits and psychological influences (Ge, Brigden, & Haubl, 2015). Various factors influence the customer preference to buy the tea due to their insight like eco-friendly products, price, and availability of goods (Ghaiu & Ramawat, 2016).

To become a successful tea marketer, one must know the lovers or haters of the tea, and for this, knowledge about the determinants of tea consumption is a must. To achieve customer satisfaction, the attributes have to deliver service quality to the consumer's expected threshold. Therefore, it is essential to investigate and expose factors contributing to consumer preferences. Hence, the current research attempts to identify the significant determinants of tea consumption out of the various elements, i.e. price, habit, peer influence and taste. This research is directed toward answering the question:

- Are price, habit, peers' influence and taste the determinants of tea preference?

2. Objectives of the study

Tea is a popular beverage, but there aren't enough studies on the factors that influence consumers' tea preferences in Nepal. Thus, this research was performed to determine what factors influence consumers' tea preferences. So, to be a good tea marketer, one must need to understand the knowledge of the elements that drive tea preferences. Therefore, the study is conducted to explore the major determinant of tea preference. Further, the study also has the following objectives:

- To explore what types of tea, do the tea lovers prefer in the study area;
- To explore whom, do the tea lover prefer to companion to consume tea in the study area; and
- To explore which of the factors considered have the most effect on tea preference.

3. Literature survey

Several models have been proposed in the field of consumer preference. The theory of satisfaction by Oliver and Linda (1981) addressed how consumer preferences play a

vital role in the preference pattern of consumers. The theory examined the determinants of behavioural intention and product preference and concluded satisfaction and disconfirmation were significant determinants. Satisfaction is a comprehensive model highlighting four primary constructs: price, habit, peer influence, and taste to explain consumer perception and acceptance behaviour (Helson, 1964).

Lee and Vega (2009) investigated the effect of taste, price, gender and varieties on tea consumption. The study identified a strong positive relationship between customers' profiles and consumers' preference for tea. In addition, the study showed that all variables had a significant effect on tea consumption. Similarly, the study of Ubeja and Jain (2013) found that age and income have an impact on consumer preference for brand tea and loose tea, with six factors taken into account: personal and family influence, quality, price, design, offer, and taste, indicating that customer profile influences tea preference.

Ghosh and Ghosh (2013) aimed to analyse the consumer buying behaviour with tea consumption in Pune city. The study surveyed two different parts: a consumer viewpoint and another from a retailer viewpoint. The study found out that from the customer's point of view, tea consumption depends on many independent variables: quality, habit, tea brand available in the market, and price. Whereas from the retailer's point of view, it was found that the sale of tea depends on demand in the market. Whereas Chakma, Singh, and Rani (2020) showed that consumers' purchase intention gets influenced by cultural, social, psychological & demographic factors. It is observed that consumers are willing to pay a reasonable price for a cup of tea. However, there is an insignificant influence of taste and habit.

Nejadghanbar (2016) analysed the efficacy of quality factors on the satisfaction of tea customers. This study took the sample from the northern provinces of Iran. The results revealed that taste and aroma have positively correlated with the consumer's preference for tea. Similarly, Li, Spence, Wan, and Qi (2019) identified significant relation between taste and consumer preference. Furthermore, the study observed that no price information affects the pleasantness rating of tea and compared the influence of product-extrinsic & contextual cues on consumers' taste expectations.

Rezaee, Mirlohi, Hassanzadeh, and Fallah (2016) investigated various variables affecting tea consumption patterns in the city of Isfahan. The study examined how demographic characteristics affect consumers' preference for tea consumption. It has also revealed the relationship between habit and tea consumption pattern (positive). The same result was found in the study (Calmasur, 2018) where demographic characteristics were used and showed that they affect consumer preference. Calmasur (2018) aimed to analyze the factor affecting the demand for tea in Erzurum, Turkey. Results showed that variables such as education level, quality, and price significantly affect tea consumption. The study also revealed the factors likes: brand, peer groups, habits, and aroma influencing tea consumption. Ambikal and Selvaraj (2017) investigated the study on consumer behaviour with particular reference to tea consumption in Ariyalur town. The study investigated factors like popularity of the brand, loyalty, aroma, price, and taste affecting the consumer's preference for tea in Ariyalur.

The research framework of the study is dispatched in *Figure 1*. A research framework was used in research to outline a possible course of action or present a preferred approach to an idea or thought. *Figure 1* shows the different variables used in this study. Consumer preference is a function of independent variables such as price, habit, peer influence and habit. The dependent variable is the consumer's preference. From the conceptual framework, the study aimed to determine the various factors that influence consumers' influence toward tea.

Price is one factor that measures the duration of recognition of the brand, product class and price that a consumer pays for it, and the product's availability at a nearby store (Ubeja & Jain, 2013). According to the statistical information, around 71 per cent of the people surveyed agreed that they choose or prefer tea because of its lower price. These findings suggest that most people select tea as their afternoon drink, considering the price of tea is lower than that of coffee (Su, 2007). Thus, everyone wants to have refreshment and a good mood, so they generally go for tea because of its fair price and availability. Therefore, it plays an essential role in the market. This study shows how people perceive the knowledge and awareness about price.

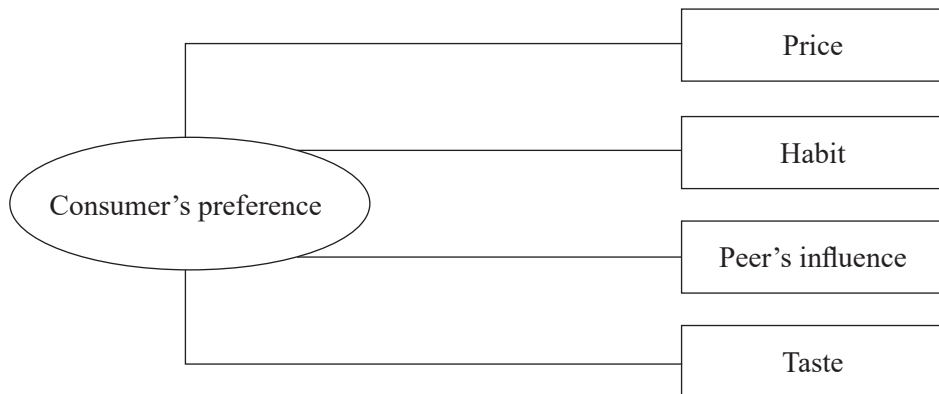


Figure 1. Research framework of the study

Tseng et al. (2014) defined habit as a behaviour pattern acquired by frequent repetition or repeated regularly and tends to occur subconsciously; new behaviours can become automatic through habit formation. For example, tea is a habit-forming, an excellent way to cleanse your palate before meals, consuming light caffeine and a warm beverage to start your day; tea is a daily part of many lives, which can be called a habit (Galsworthy, 2020). Thus, in this study, habit is a settled or regular tendency or practise, especially one that is hard to give up, where it is measured on the frequency of consumption per day.

Peers' influence is one factor that largely determines the consumers' preferences. Friend influence over atypical behaviour is a concern because of fears that teens engage in different behaviour in response to peer pressure. We know that friends play an essential role in developing adolescent behaviours such as drinking and truancy (Brechtwald & Prinstein, 2011). It argues that this is the influence force on preference for the product. It is found that a significant discrepancy at the level of 0.5 between the tea selectors

is 72.8 per cent concerning friends' influence on the choice of beverage at tea time (Su, 2007). This indicates that tea drinkers are more likely than coffee consumers to be influenced by their friends when choosing tea as their beverage. It plays an important role as psychologically that the peer's influence determines the preferences and make effects in choosing of product. This study shows how consumer preferences or choices depend upon peers influencing activities that affect the market.

Taste is a factor that influences choosing the product. The choice of beverage for afternoon tea seems to be influenced by many specific factors such as flavour or taste and environment (Su, 2007). The consumer had an overall more positive attitude and preference towards their respective preferred product and taste that influenced them in choosing their product according to its taste. Humans have unlimited needs, and these needs can change over time. Therefore, changes in human needs and consumer tastes attributed to housing prices will vary (Calmasur, 2018). In this study, taste is the ability to influence to have or like the product, which connects the level of expectation of consumers with the preference for tea.

Antonio (2009) suggested a vital role of studies on consumer preference in understanding consumer attitudes, behaviour and intentions. Numerous factors contribute to and affect the consumer's behaviour in understanding the consumer attitudes, behaviour and intentions. Consumer preference is also affected by the socio-demographic profiles of the consumers, buying behaviour and knowledge about the content of the product, which affects the awareness level and impacts the purchase and consumption decision. Preference theory is a multi-disciplinary theory developed by Hakim (2003) that seeks to explain and predict women's choices regarding investment in productive or reproductive work. Trust is viewed as one of the most effective methods of reducing consumer uncertainty. This study shows that consumer preference is related to intention and behavioural patterns of the consumer to predefine the readiness to achieve customer satisfaction.

4. Research methodology

This section presents the study methods designed to accomplish the study objective. The first section includes a description of the research design used in the study. The second section is about the population and sample of the research, and the third section describes the nature and source of data used in the study. The study used a descriptive research method because it seeks to identify and determine the factors affecting consumer's preference for tea. In this study, descriptive research was adopted to describe and explain the characteristic of variables such as fair price in the market, peer's influence, habit, taste or flavour and consumers' preference.

The study's target population was tea lovers from the Banam margatole, Sorakhutte -16, Kathmandu. Due to the large population size, it is not possible to test every consumer or person in the population. Therefore, the study has used a convenience sampling method to determine the required sample. The questionnaire was distributed conveniently to collect the sample for the analysis. One hundred twenty-five questionnaires were distributed within four days, from 18th September to 21st September 2021. Out of the 125 distributed

questionnaires, 113 filled up were collected, and 103 were found to be complete and usable with a valid response rate of 91.06%.

The study relied on the primary source of data. A structured questionnaire comprising a 5-point Likert scale was prepared. The items for the Likert scale were adapted from prior studies with slight language modifications. Among them two items of habit, two items of taste, and three items for the price were extracted from a scale developed by Ghaiu and Ramawat (2016). Likewise, peers' influence was measured using two items adopted by Sumi and Kabir (2018). Rest of the items were self-developed. The data were analyzed using various statistical tools, i.e. frequency, percentage, cumulative percentage, bar diagram, mean, median, standard deviation, and Likert scale. The calculations of the data were made by using Microsoft Excel 2013.

5. Presentation and analysis of the data

The response received from the respondents have been arranged, tabulated, and analyzed to facilitate the descriptive analysis of the study. As evident from *Figure 2*, the majority of the respondents, i.e., 70 respondents prefer loose or regular tea (68 percent), whereas 12 respondents prefer tea because (11.70 percent) and the remaining respondents, i.e., 21 prefer for branded tea (20 percent). Majority of the tea lovers prefer loose tea as it is readily available in the market.

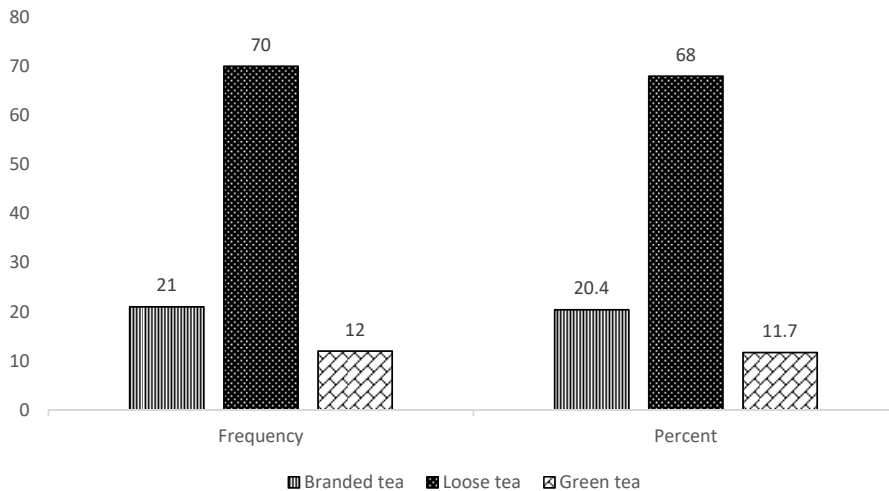


Figure 2. Tea types preference

The survey had designed the questionnaire to capture the preferred companion for tea consumption, where respondents were allowed to select the multiple options. *Figure 3* delineates the response wise frequency and percentage. The majority of respondents, i.e., 79 respondents like the companion of friend while consuming tea (40.70 to have tea with friends (40.70 percent) whereas 76 respondents want to have tea with their family members (39.20 percent). The remaining 39 respondents like to have tea with a colleague (20.10 percent).

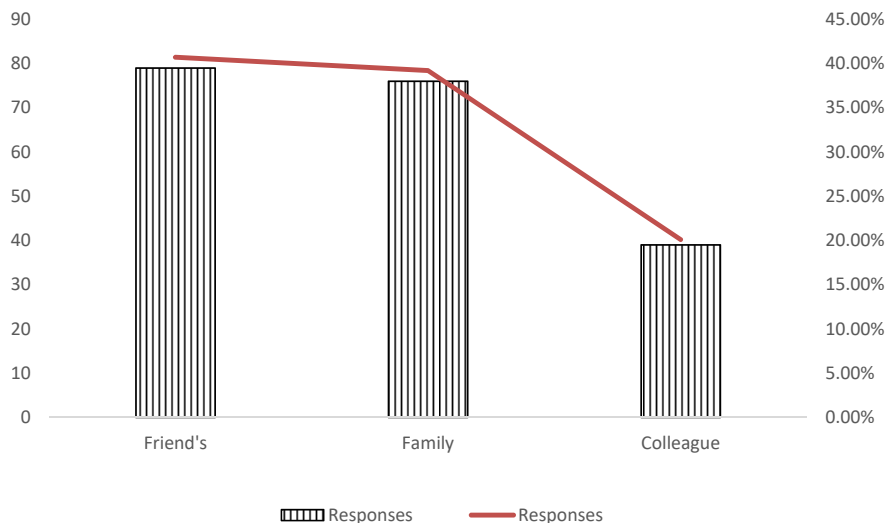


Figure 3. Preferred companion for tea consumption

The survey had also designed the questionnaire to capture the preferred place for drinking tea, where respondents were allowed to select the multiple options. *Table 1* exhibits that out of total the respondents' (responses wise), majority of 70 respondents (38.30 per cent) prefer to drink tea in the canteen, 69 respondents wish to have tea at home (37.70 per cent), and the remaining 44 respondents prefer having tea in a cafe (24.00 per cent). The result was similar when compared the findings with percent of cases. The place for drinking tea differs and depends on the person's mood and nature.

Table 1
Preferred place for drinking tea

Statements	Responses		Percent of Cases
	N	Percent	
Home	69	37.70%	67.00%
Canteen	70	38.30%	68.00%
Café	44	24.00%	42.70%
Total	183	100.00%	177.70%

The survey had also designed the questionnaire to capture the motivation for tea consumption, where respondents were allowed to select the multiple options. As exhibited in *Table 2*, among all the respondents (responses wise), 64 respondents (29.80 per cent) admitted that they drink tea for refreshment, whereas 59 respondents (27.40 per cent) agreed that they drink tea because of their habit, Similarly, 48 respondents (22.30 per cent) agreed that they drink tea because of an environment. Finally, 44 respondents (20.50) agreed that they drink tea for relaxation. The result was similar when compared the findings with percent of cases.

Table 2
Motivation for tea consumption

Statements	Responses		Percent of Cases
	No	%	
Refreshment	64	29.80%	62.10%
Relaxation	44	20.50%	42.70%
Environment	48	22.30%	46.60%
Habit	59	27.40%	57.30%
Total	215	100.00%	190.30%

Table 3 reveals the descriptive status for all sample. It is found that the mean value of taste is highest among other variables with a mean of 3.86, price with a mean value of 3.44, peers influence with a mean value of 3.18 and habit with a mean value of 3.03. Similarly, the mid-value for taste is highest among the variables with the value of 4.00, followed by price, peers influence and habit with the mid-value of 3.67, 3.50 and 3.00, respectively. The study observed the lowest standard deviation for the variable price, taste, habit and then finally the peers influence with the values of 0.89, 0.91, 0.94 and 1.20 respectively. Thus, the study concludes that taste is the most important determinant for tea preference among others.

Table 3
Summary of descriptive statistics

Variables/Statistics	N	Mean	Median	Std. Deviation
Price	103	3.44	3.67	0.89
Habit	103	3.03	3.00	0.94
Peers influence	103	3.18	3.50	1.20
Taste	103	3.86	4.00	0.91

Note: Calculations based on Authors' Survey, 2021

6. Findings and discussion

The study aimed to study the consumer preferences for tea by determining the association between the various variables used in the study. Therefore, the descriptive research design was approached, and primary data were used. The information was gathered using structured questionnaires and a convenience sampling method to establish the required sample size. It resulted in 103 participants being sampled for the study. The frequency, percentage, bar diagram, mean, median, and standard deviation were used to analyse the data in this study. The following are the findings of the data analysis:

- The data reveal that taste is an essential element in tea consumption since taste has the highest mean value of 3.86 among the other components. This result was consistent with the findings of Li, Spence, Wan, and Qi (2019) who had evaluated the impact

of product-extrinsic and contextual cues on consumer taste expectations. However, the result was inconsistent with the findings of Novoradovskaya, Uren, Mullan, and Hasking (2020) who concluded that the customers' preferences are influenced by habit and is regarded as a crucial factor.

- The study found tea lovers prefer to have tea among the friend circles. This result was not in line with the findings of Chakma, Singh, and Rani (2020) who discovered that the tea lovers love to spend time with family members and accompany for the tea.
- The findings suggest that most respondents drink tea for refreshment which was not in line with the findings of Nejadghanbar (2016) who recommended that tea should be taken as medicine rather than consumed like beverage.

7. Conclusion

The study concludes all the variables considered under study are the determinants of the study. Among the determinants of tea preferences, taste is the most important factor for tea preference among the tea lovers in Sorakhutte, as respondents compared the influence of product-extrinsic & contextual cues on consumers' taste expectations. The study has identified that consumers prefer to drink loose tea in compare to green tea and branded tea as people are more conscious of its regular taste and cost. Further, the study also concludes the tea lovers would love to drink tea by spending time with their friend circle. Similarly, the study also concluded that the tea is the refreshing beverage and as the major motivator for tea consumption. Overall, the study illustrates a clear insight into consumers' tea preferences.

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