



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.



Developing Export Marketing Strategy Model of Tea to Target Markets

Alireza Farrokhbakht Fomani ^{a,*}, Vahid Reza Mirabi ^b, Ghasemali Bazaei ^b, Haydar Amiran ^b

Received: 01 September 2018,

Accepted: 03 February 2019

Abstract

The main purpose of this qualitative research was to design an export marketing strategy model for tea products to target markets. The statistical population was composed of all experts in the field of this research topic (N = 332). The sample size was determined as equal to the statistical population. Second-hand data used for data collection and a semi-structured interview was used as the research instrument. Five series of interviews were conducted with the experts. In order to identify the status of tea export, the first interview was done with tea exporters during 2016 (87 people were interviewed). The second round of interviews was done with factory holders to investigate the status of green tea leaf and dry tea as well as the respective model (170 companies were interviewed). In the third step, the experts and practitioners (50 people) were interviewed to provide the research model. The fourth round of interviews was carried out with 10 experts of the tea research center and organization to examine the status of tea gardens, green tea, and dry tea production and the main model. Finally, some Iranian business and economic advisers were interviewed in the fifth step. The results showed that direct export - business partner was the most suitable method to enter the target markets. Participation in relevant fairs in the target country and invitation and presence of traders of target markets in Iran were determined as the most appropriate method for market penetration and development strategy. Low price with more discounts was seen as a more suitable pricing strategy. Top quality and top packaging were selected as the best methods regarding product strategy. The selection of top distributors in each country and chain stores were determined for the product distribution. Using the brand of target market, digital marketing, fair, and social networks were recognized as a more suitable promotion strategy. Gardener and factory holder cooperation, agricultural improvement of tea gardens, promoting the quality of green leaf of tea, and using modern types of machinery for cultivation and harvesting in production strategy were the most important production strategy. In addition, differentiation through special taste and smell of Iranian tea, high quality, and attractive packaging design and type were recognized as the best differentiation strategy.

Keywords:

Branding, marketing strategies, packaging, raw product purchase, tea export

^a Ph.D. Student, Department of Business Management, Tehran Central Branch, Islamic Azad University, Tehran, Iran

^b Associate Professor, Department of Business Management, Tehran Central Branch, Islamic Azad University, Tehran, Iran

Corresponding author's email: alirezafoomani@gmail.com

INTRODUCTION

Increasing Iran's foreign trade share at the international level may bring about economic prosperity and subsequently development. Some solutions have been designed to achieve this goal. One of the main goals of the agricultural sector in Iran is to turn subsistence agriculture into economic agriculture. To this end, attempts have been growing to boom export of agricultural products and its self-sufficiency. There are various commodities among agricultural products with different potentials according to the climatic conditions, which can play a key role in the field of export. Tea is one of these products and has many consumers not only in Iran but also in most countries of the world. Overall, the advantages of exports are numerous, including an economic advantage for domestic firms from foreign operations. These advantages are not limited to the personal interests of the firms but they also entail socioeconomic promotion, increase employment, production, affect issues such as social welfare, and help local industries to improve their productivity (Pinho & Martins, 2010). It should be noted that export and sale of commodities in foreign markets have special sensitivities and delicacies, negligence of which may waste human and financial investments (Kim & Hemmert, 2016). Despite potential capacities of Iranian tea industry in production, processing, and trading, it has failed to stabilize its status in the global tea industry over recent years, and even it has been caught by crisis recently. The direct dependency of over 60,000 households to tea planting as well as the special status of tea in the market basket of Iranian families make it necessary to formulate an appropriate market plan for Iranian tea industry (Amin Naseri et al., 2008). This can be done in both internal and external sectors.

Creating internal demand and encouraging people to use domestic tea, as well as identifying foreign markets and entering them, can increase sale and thus the production of tea. Production and consumption of dried tea in 2006 were 40.2 and 99.3 thousand tons, re-

spectively. These amounts were 31.5 and 105.2 thousand tons in 2011, reached 31.3 and 120 thousand tons in 2016, and 24.3 tons in 2017. The import and export rates in 2006 were 31.9 and 47 thousand tons, respectively, which reached 50.8 and 21.2 thousand tons in 2011, 56 and 14.5 thousand tons in 2016, and 58 and 14.650 thousand tons in 2017¹. According to Food and Agriculture Organization (FAO), global tea production, consumption and exports in 2013 reached 4.991, 4.86 and 1.864 million tons, respectively while they rose to 5,106, 4,845, and 1,830 million tons in 2014. In addition, global production was 5.306 million tons, global consumption was 4.999 million tons, and global export was 1.802 million tons in 2015. According to the FAO prediction, tea production in the world in 2023 is expected to reach 7 million tons, its consumption will be 6 million tons, and its export will reach 2.4 million tons². Figures show high demand for this product, and even the prediction evidence increased consumption in the future. In 2016, global tea trade turnover was over \$38 billion. In 2015, the economic value of this product in the United States alone was over \$11 billion with 150,000 tons of imports. Meanwhile, Sri Lanka, Kenya, and India are the largest exporters of this product and Russia, the United States, England, Egypt, Pakistan, and Iran are the largest importers of tea worldwide. Sri Lanka, China, Kenya, and India are among the major world tea producers and exporters. The highest amount of tea produced in China and India is consumed in their own countries, and the highest amount of tea produced in Kenya and Sri Lanka is exported (Nankeli, 2017). However, the figures are alarming about Iran because both active areas under cultivation have reduced over the last years and the production rate of green leaf, and thus dried tea, has had a descending trend while consumption rate has not reduced and

¹. Report on the state of the tea industry in the country, Office of Economic Affairs, Deputy Director of Planning and Economic Affairs of the Ministry of Jihad-e-Agriculture, Fourth Report, 2016

². www.fao.org/3/a-i4480e.pdf

even it has undergone a dramatic increase.

Because of the two abovementioned issues (increasing foreign trade share and increasing tea export), this research seeks to find a model to formulate suitable export marketing strategies for tea product. To this end, the main research question is as to what the export marketing strategy model of Iranian tea to the target market is.

A strategy can be regarded as a way of realizing organizational mission so that the organization investigates and identifies external factors (opportunities and threats) and internal factors (strengths and weaknesses) through it and properly utilizes internal strengths and external opportunities, eliminates internal weaknesses, and avoids external threats (Mousavi Shahroudi & Abbasi Mehr, 2016). In fact, organizations seek for markets beyond the domestic realm so that they can firstly perceive their potentials and then participate in expert relationships among the organizations in order to achieve this goal (Griffith et al., 2014). In an analysis of the strategic factors of the Iranian tea industry, Mesgarian Gholami et al. (2017) first identified internal and external factors affecting this industry and then analyzed and formulated required strategies. Using the SWOT matrix results, they found that increasing tea quality should be prioritized to increasing the quantity of Iranian tea production. In addition, considering the small size of tea garden parcels in Iran and low per capita of agricultural land ownership for tea, backward integration and increasing domination over green leaf supply chain strategies can help increase integrated management and more principled planning and easier implementation of the plans. Movahedi and Ghorbani Khoda Shahri (2017) compared the status of Iranian tea with the leading tea producers and found a relative export advantage only in 2006-2007 in Iran, but in the other years, Iran lacked any relative advantage in tea export. Farahanifar et al. (2015) stated that despite potential capacities in tea production, processing, and trading in the Iranian tea industry, it failed to stabilize its status in the in-

ternational industry, and even it faced a critical condition in recent years. Their research findings suggested that the development of supportive structures in different sectors of tea supply chain and the domination of integrated management and role of government could be raised as factors for shaping mechanisms enhancing competitive advantages in the tea industry. Belakshahi Lashe and Abbasi (2015) showed that given Porter Diamond model, six categories of factors including internal factors, domestic demand conditions, supporting and related industries, strategy, structure and competition, government and unpredictable events have been determined and that, except for the luck factor, other factors affected the development of tea exports in Guilan Province. Kantapipat (2009) reported that there was a statistically significant relationship between gender, educational level, and years of service in the firm, commitment level, product design, firm performance and export marketing strategy. There was also a relationship between export marketing strategy and firm performance considering the growth and profitability. Asopa (2007) studied obstacles of export in the Indian tea industry. The tea production system in India was not well organized. To this end, it required critical changes in the strategies and role of different organizations, more labor force, and the reduction of market access problems. The identification of export marketing strategies of tea product to the target markets in the form of a model is the main objective of the current research. Marketing strategies are various, and they may vary for different products and markets. Accordingly, this research uses no standard model; rather it specifies the final model based on a model designed by the process. In this model, the researcher firstly proposes a selection of the target market or markets. The countries should be examined based on two cases for the selection of the target market: (a) tea consumption level, (b) consumption level of alternative products.

In the next phase, the market or markets that are qualified in terms of tea consumption

are selected as the target market/markets. After selection, further investigation is done through marketing research regarding the selected markets. The researcher proposes three cases in this section for more accurate identification: (a) identifying environmental variables, (b) identifying competitors, and (c) identifying tea consumers.

Before the selection of strategies, the research proposes that individuals or firms consider some criteria for better decision-making for the selection of appropriate strategies: (a) competencies of the firm (production, marketing, information, and financial), (b) management experience, and (c) technological resources. Finally, following the

identification of the selected target market/markets and investigation of decision-making criteria, the appropriate strategies for entering foreign markets are identified and selected. In this section, the researcher proposes the strategy development: (a) a strategy for the way of entrance into foreign markets, (b) a product strategy, (c) a price strategy, (d) a distribution strategy, and (e) a promotion strategy. The proposed model) [Figure 1](#)(, as well as the current status, was discussed with the experts and practitioners, and finally, the model suitable for trading tea product with other countries was designed and proposed.

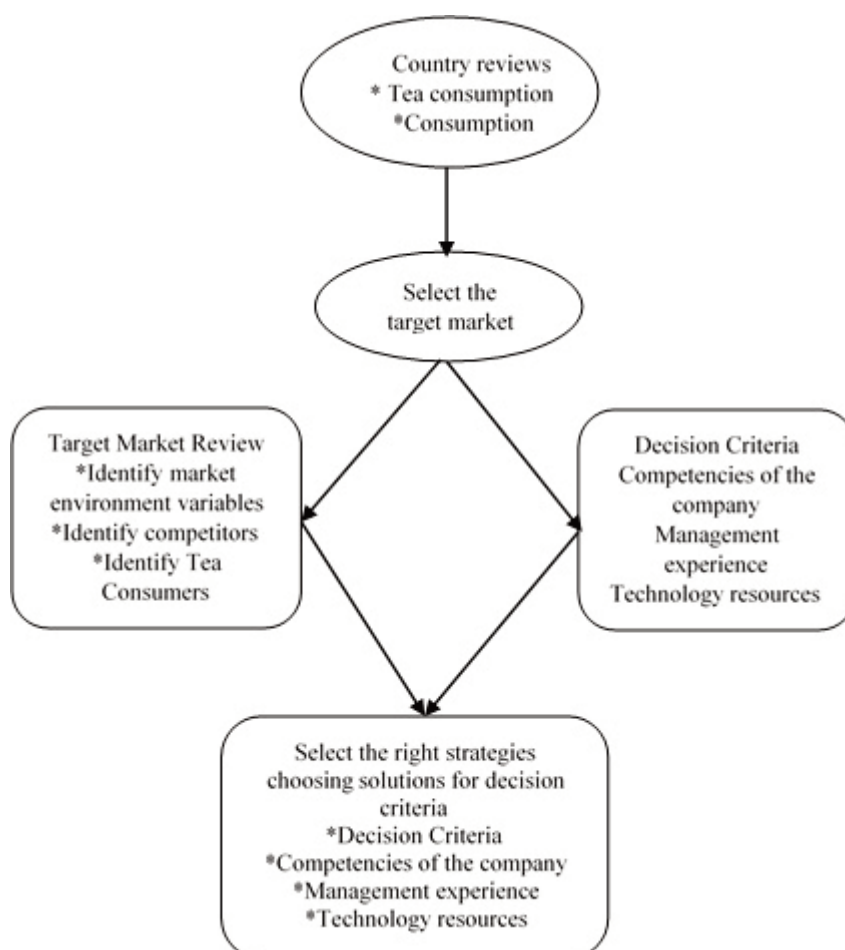


Figure 1. The path defined by the researcher to achieve the final model

The present study aims at developing a model for a strategic product of Iran that has a high consumption rate in the world in order to increase its market share. By developing a model of export marketing strategies, it can be hoped that the export of this product to the target markets will increase, which can gradually increase foreign trade level and share of Iran in the world. The findings can be useful for tea producers, traders, and production because it draws a path suitable to the target markets, which can be a solution for the problem of reduced tea production and tea at the international level. Thus, the main purpose of this research is to design an export marketing strategy model for tea crop in the target markets. However, the objectives of this study were:

- Identifying variables suitable for the selection of target markets
- Identifying variables necessary for investigating and understanding the market
- Identifying decision-making criteria necessary for the selection of export marketing strategies
- Identifying variables that should be considered in the production of the product for foreign trade
- Selecting necessary variables that should be used in export marketing strategies
- Selecting appropriate methods in each strategy
- Designing a suitable model from the prepared strategies
- Selecting the best method or methods in each determined strategy.

METHODOLOGY

The method of study was a qualitative approach. The researcher tends to first describe and interpret the status of the tea export market. Then, it can achieve new relationships using these conditions. It is done through the collection of data from a group of individuals with identifying their realities, beliefs, and behaviors. Thus, it is a descriptive survey. Statistical population comprised firms and/or individuals with tea export in 2016 (n=87), factories producing dried tea

(n=170), experts of Guilan Province Organization of Industry, Mine and Trade, Guilan Chamber of Commerce, Industries, Mines and Agriculture, Guilan Organization of Agriculture Jihad, and academic professors (n=50), experts of Tea Organization and Research Centre in tea and trade area (n=10), and Iranian business and economic advisers in various countries. Because of the small size of members in the total statistical population, the statistical population was considered as the statistical sample.

The number of interviewed participants was 327 men and 5 women. Ten people had a Ph.D. degree, 76 had a master's degree, 196 had a bachelor's degree, and 50 had a diploma. Those who participated in the first interview were 70% merchants, 13% manufacturers, 16% packagers, and 1% both packagers and manufacturers. In the second interview, 27% were manufacturers, 13% packed and 60% were both engaged.

In addition, a variety of methods were utilized for data collection to gain a broader understanding of the professional development process. In the grounded theory approach, participants describe their experiences with a particular phenomenon to help provide a framework for further research (Glaser & Strauss, 1967). The grounded theory methods of collection utilize a constant comparative method of data analysis to connect with emerging themes while discovering a new theory (Glaser & Strauss, 1967; Glaser & Hon, 2012). Participants approach existing problems in a new way from their own perspective. Semi-structured interview approach was used in this research. That is, the questions were set, but other questions were also added at the time of interview if needed. Interviews were in-depth ones, which were conducted depending on the local and temporal situation of the interviewees as face-to-face, by phone call, or through e-mail. The grounded theory is done with the MAXQDA software package.

The focus of the grounded theory is to develop a theory or a deeper understanding of an area based on the data (Corbin & Strauss,

1990). Since there is a limited amount of research in the area of early childhood, action research, and professional development, the grounded theory method was appropriate based on the idea of data informing theory (Glaser & Strauss, 1967). The data collection methods in the grounded theory allowed using the data to develop an in-depth understanding of that process (Jones, 2009).

Open coding identifies major categories within the initial data (Corbin & Strauss, 1990; 2008). Corbin and Strauss (1990; 2008) describe open coding, sometimes referred to as initial coding (Charmaz, 2006), as taking data and segmenting the information into categories.

Axial coding provides a frame to organize the data into subcategories to show a relationship (Corbin & Strauss, 1990, 2008). This visual framework provides a structure for the research to promote less ambiguity (Charmaz, 2006).

After organizing the codes by relationship, the final step is to use selective coding which allows developing propositions to lead to the development of a new model (Corbin & Strauss, 1990, 2008). During this final phase of coding, the interrelationship of the categories are described in a narrative form to articulate the process of the study and to develop the categories into a format to be utilized for the creation of new theory (Corbin & Strauss, 1990, 2008). Selective coding is the process of telling the story revealed by the data. Coding and organizing data are a single step in the process of data analysis.

RESULTS

Five series of interviews were conducted with the participants considering the research subject to develop the final model. In order to identify the current status of tea export, the first interview was done with those who had tea exports during 2016 (87 people were interviewed). After this interview, the second interview was done with factory holders of dry tea processing and packaging for investigating the status of green leaf and dry tea as well as the respective model (170 com-

panies were interviewed). In the third step, the experts and practitioners were interviewed (50 people were interviewed). These interview items were related to the investigation of the initial model and the main research model. In order to examine the status of tea gardens and green tea and dry tea production and the main model, and the fourth interview was done with the experts of the tea research center and tea organization (10 people were interviewed). Finally, some Iranian business and economic advisers in other countries were interviewed so as to become familiar with foreign markets and achieve the main model. Once the interviews were concluded, the primary data for data-based analysis were extracted and the final model was designed. The specified models in each strategy were, then, provided to the experts in the form of an interview, and they selected the best method or methods according to their experiences. It was done to increase the efficiency of the model. Data analysis was done based on the systematic approach of Corbin and Strauss (1990) who proposed a model of inductive analysis involving three stages: open coding, axial coding, and selective coding procedures.

Step 1 - Open coding

In this type of coding, events, actions, and interactions are compared to investigate similarities and differences, and they are tagged as concepts. In open coding, processing, analysis, comparison, tagging, and conceptualization of the data are done. Conceptualization means that each part of interactions, ideas, and opinions available in the text is extracted. The results of this step are presented in Table 1.

Step 2- Axial coding

This step aims at establishing the relationship between concepts produced in open coding step. The basis of the communication process in axial coding is the focus and determination of a category as the axial category, and then putting other similar categories under this main category. By investigating the

Table 1
Points Obtained from Open Coding of Four Stages of Interviews

Interviewee	Key propositions and sentences of interviews (concepts)
Exporters	Export to neighbouring countries, export to familiar markets, marketing by participating in fairs, presence of foreigner traders and marketing through them, non-direct export, selecting sale representative in direct method, determining brand of the target market, pricing the target market, way of distribution and promotion of target market, competitive advantage in Iranian tea price
Factory owners	Low-quality green leaf of tea; high wages; old machineries; high total cost; technically non-optimal tea gardens; average price is determined by the government, but it is appropriate; over half of factory owners have had export product; mostly non-direct export; neighboring countries and Persian Gulf countries because of proximity and custom communication; high custom costs; high brokerage costs; high transportation costs; political disputes is the main reason for non-export of tea; unawareness of brokers about tea; inappropriate tea quality; lack of governmental support; unfamiliarity with export markets; high export risk; lack of adequate resources for export; uncertainty of brokers; increased export with appropriate total price; increased export by increasing tea quality; increasing export by re-construction of production machinery; increased export by improvement and quality of green leaf; increasing export by elimination of brokerage; reduction of tax exceptions; reduction of administrative bureaucracies in export; providing export incentives; reduction of transportation costs
Iranian cultural and economic advisers in other countries	Most countries are tea importers; high quality of consumed tea; average to high tea price in most countries; type and design of package is very important; half of sale with the brand of target country, 40 percent destination, 10 percent shared; 60 percent sale with wholesale, 10 percent retailer, 30 percent broker; sale promotion approach by discount, gifts, and direct marketing; effective role of social media in sale and promotionThe main factors helping Iranian tea sale; trade partner, developing office or branch, participation in fairs, direct marketing, creating representative
Experts of green leaf production and processing	Unfavourable condition of tea gardens; oldness of tea plants; reduction of rainfall and pest control; inappropriate planting; only 10 percent of the gardens are desirable; manner of harvesting is not favorable; inappropriate harvesting facilities; the price is not competitive and it is determined by the government; models ideal for green leaf production: agricultural improvement - suitable irrigation - Standard or manual harvesting systemsStatus of tea factories: 35 very good factories; 50 very poor; 65 average; lack of experts in tea factories; only 20 percent very good production; appropriate production price in factories: Proper processing in factories: Hygienic building - standard machineries - skilled and expert labor force; exit of government from purchase, the government should be just supervisor; the basic price is determined by the government and purchase is done by the factory owner; providing cheap facilities to the gardens for the actual agricultural improvement; cooperation of gardeners and factory owners in planting and harvesting or the factory garden system

related concepts and putting them in the same class, its axial category is elicited, which can be observed in [Table 2](#).

Step 3- Selective coding

In this step, the researcher formulates a theory by small number of abstract categories, and there is no need for coding new data. The used categories are theoretically saturated. In addition, they are placed logically beside each other based on the concepts coded in the first and second steps. Then, the researcher should select the key category.

The key category is selected in two ways. The researcher should either select one of the existing categories or determine or build a new category. The selection of a key category in the selective coding step requires accurate investigation of data in two past steps. There are some criteria for determining or building the key category as follows: The key category should be axial; that is, all other main categories should be related to it.

Frequency in data should be mentioned in it.

It means that the statements referring to

Table 2

Final Elicited Categories

Final categories	Concepts
Market penetration and development strategy	Participation in related fairs in target countries
	Invitation and presence of merchants of target countries in Iran
	Marketing through presence in target countries
	Using social networks for market development
	Direct marketing
	Adopting sale representative
	Business partners
Production strategy	Developing direct office or branch
	Most countries are tea importer
	Promoting quality of tea green leave
	Using modern machineries in factories
	Promoting technical level of farmers
	Constant agricultural improvement of tea gardens
	Cooperation of gardener and factory holder
Differentiation strategy	Skilled man force and experts in factory
	Standard planting and harvesting machines
	Distinction by the special aroma of Iranian tea
	Attractive Package Type and Design
Pricing strategy	Production of flavored or fruit-flavored tea
	Exporting the best quality due to the high quality of tea consumed by countries
	Appropriate price of Iranian tea
	Optimal price of green leaf production
Governmental support	Lower global price of Iranian tea compared to other countries
	Average to high price of tea in most countries
	Reduction of tax exemptions
	Provision of facilities both for export and agricultural improvement of lands and machinery change
Product strategy	Reduction of custom tariffs
	Reduction of administrative bureaucracies in the field of exports
	Provision of export incentives
	Reduction of transportation costs
	Elimination of brokerage
	Help to investigate target markets
	Top quality
	Top packaging
	Appropriate brand
	Match to consumer's taste
	Good taste

the categories in raw data should be available in all or most cases.

It should be logical and does not impose the data forcibly.

The title or statement used for description of the key category should be so abstract that it can be used for the research in other basic areas and lead to generation of a more gen-

eral theory.

The axial concept or category should be able to describe the differences, and at the same time, it should be elicited from the data.

Now, considering the qualitative analysis levels and the elicited concepts and categories, the category of "tea market and marketing development" was the event to which

actions and reactions are directed, and of course, it is adequately abstract so that other categories are related to it, so it was selected as the key category. In addition, the main step is theory making. Based on the results of the two previous coding steps, as the preliminary steps for theory making, categories and relations are provided as the main principles of theory, and theory is generated. At this level, it is attempted to create systematic relationship among categories by putting them beside one another (Corbin & Strauss, 1990; 2008). In the following, the main categories are connected in the form of a paradigmatic model (underlying model) around the key category (Figure 2). In fact, the drawn model describes and analyzes the category. This process is known as a combination of key and refining and designing its resulting constructs. This model can be drawn as a visual, but conceptual, model or diagram (Figure 3).

CONCLUSION AND RECOMMENDATIONS

The first interview in this research was done with tea exporters in 2016. Questions in this interview were related to export markets, as well as methods and ways of tea export to target markets. The results showed that 87 natural and legal people exported tea in 2016. Seventeen of them do not work anymore. Fifty out of 70 firms took part in the interview. Seventy percent were a trader and had no activity regarding tea production or packaging. India, the Netherlands, Germany, Poland, Taiwan, Vietnam, Turkmenistan, Saudi Arabia, Turkey, Qatar, Armenia, Azerbaijan, Kazakhstan, Georgia, China, the UAE, Uzbekistan, Tajikistan, Afghanistan, Kyrgyzstan, Russia, the UK, Australia, Slovakia, France, Bahrain, the US, Canada, Oman, Denmark, and Japan were the tea export markets of Iran. Most of the tea exports were to Uzbekistan, Turkmenistan, Kazakhstan, Tajikistan, and Turkey.

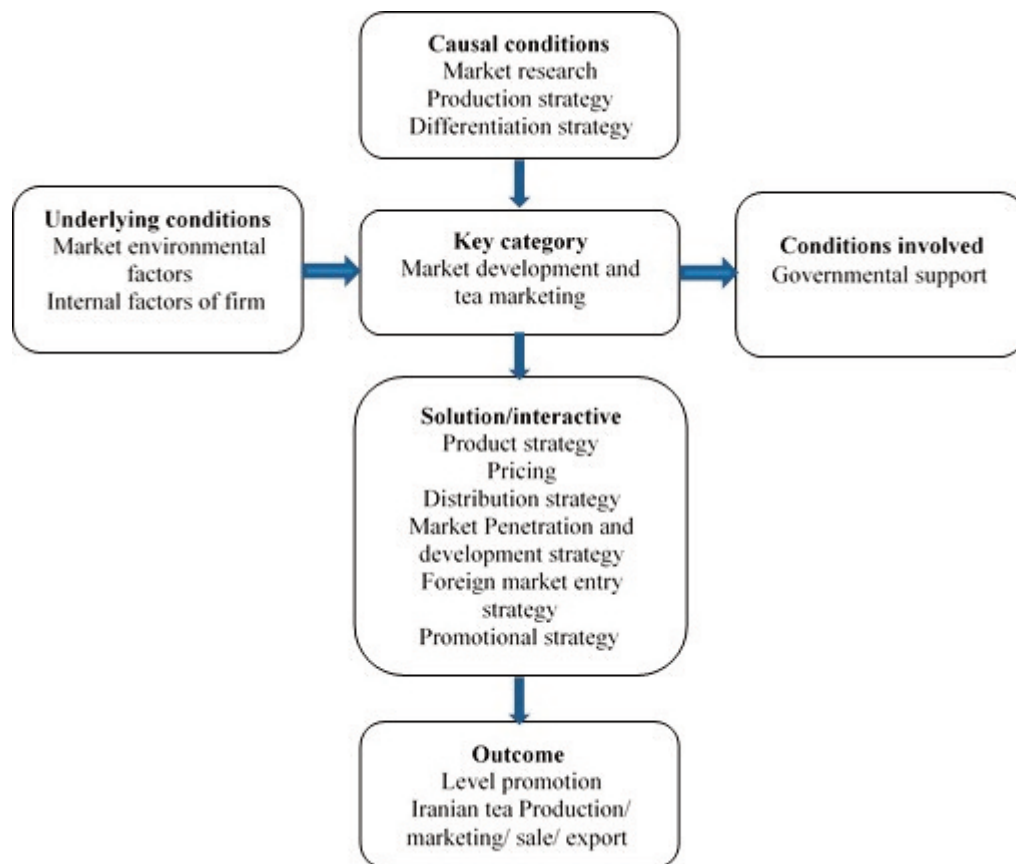


Figure 2. Underlying model extracted from experts' ideas regarding online purchase and re-purchase

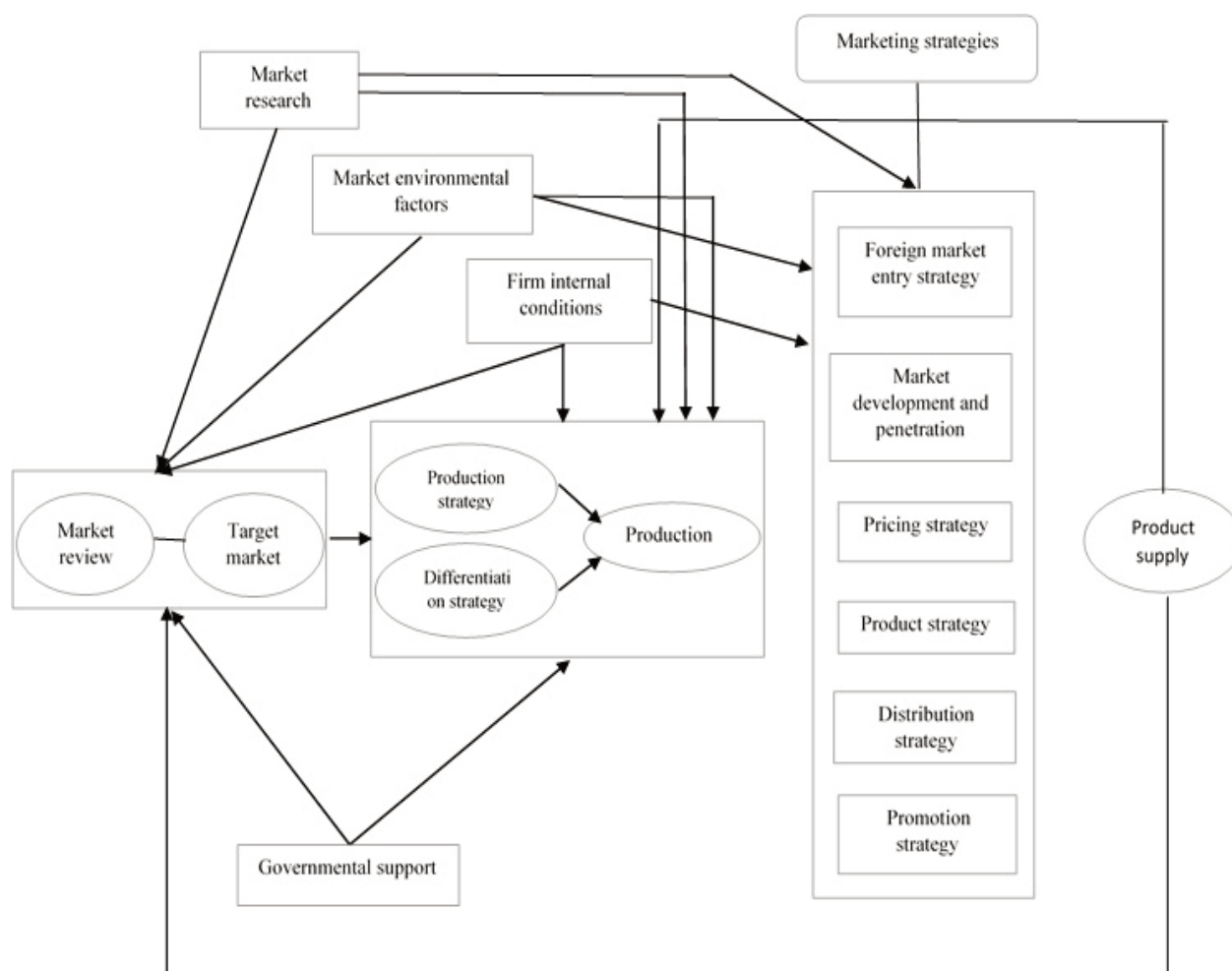


Figure 3. Tea marketing strategy model

The main reasons for the selection of these markets were neighborhood of markets and familiarity with the markets, participation in fairs, and presence of traders of those countries in Iranian market. Over 90 percent of export was indirect export. Low risk and lack of adequate resources were mentioned as the reasons for the selection of this type of export. Ninety percent of them stated that the customers looked for them and the export was done as wholesale. In addition, over 90 percent of the brand presented in the target market belonged to the customer of target market. Type and design of packaging in the target market was by the customer. Pricing methods were selected by the customer in the target market. Distribution methods in the target market were determined by the customer. Also, promotional type and approaches were selected by the customer.

First, the target market or markets should be selected in order to enter global markets. According to the elicited model, market research is necessary for the selection of the target market. For market research, environmental factors and internal conditions of the firm should be investigated. In market research, tea consumption level in the target country, consumption of alternative products, tastes, export level from different countries, production volume and domestic tea supply in the target country, custom tariffs, culture of tea and related products' consumption, consumption growth percent, and political-economic relationships between Iran and target countries are investigated. Identifying market environmental variables, identifying competitors, identifying consumers, identifying top market brands, identifying related laws and regulations, economic factors (size

of the market), identifying the extent of penetration of the competitors' product and distribution of that product, tariffs and their types, factors affecting purchase such as packaging, recognition of the market share of alternative products, access to distribution channels in the target country, the ability to compete in the country in question, access to advertising and purchase incentives in the respective country, and identifying suppliers and cultural factors are considered in market environmental factors. In the investigation of internal conditions of the firm, the firm's competencies, management experience, technological level, and resources, other production factors (expert human resources), high-quality raw material, financial resource power, management knowledge, management structure, and production ability with global standards in the target country were examined. Following the afore-mentioned thorough examinations, the target market or markets with existing conditions were identified.

In the selective coding step, the characteristics identified in the target market were applied in the production. Here, the information related to market research, environmental factors, and internal conditions of market data were used. Two strategies were designed in this step: product production strategy and differentiation strategy. These cases had been taken into account in production strategy. Production strategy includes the cooperation of gardeners and factory holders, promoting the quality of green leaf of tea, using modern types of machinery in factories promoting the technical level of gardeners, agricultural improvement of tea gardens, skilled man forces and experts in factories, and standard cultivation and harvesting machinery. In order to create a competitive advantage, the differentiation strategy should consider differentiation through special smell and taste of Iranian tea, high quality, attractive type and design of packaging, and production of flavored or fruit-flavored tea.

Six strategies were developed after production of the crop and selection of the target

market or markets in order to enter and find status: foreign market entry strategy, market penetration, and development strategy, pricing strategy, product strategy, distribution strategy, and promotion strategy.

Foreign market entry strategy is direct export - business partner, direct export - distribution agent, direct export - export management by the establishment of the office, indirect export. The penetration strategy includes participation in related fairs in target countries, invitation, and presentation of traders of target countries in Iran, marketing by the presence in the target countries, using social networks for market development, direct marketing, adopting sale representative, business partners, and establishment of office or branch directly. Also, the pricing strategy is low price, more discounts, better and longer payment conditions, discount based on purchase volume, and aggressive price. The product strategy consists of top quality, top packaging, appropriate brand, match to taste of the consumer, and good taste. The distribution strategy includes selection of top distributors in each country, chain stores, developing representatives, wholesale, and sale offices. Also, the promotion strategy consists of using a brand of the target market, digital marketing, gifts, fair, social networks, environmental-media advertisement, television advertisement, and cash gifts. Following the selection of these strategies, the product is supplied to the target market or markets. After supply, investigations are done again and its feedback is used in keeping or changing the strategies. One of the main issues in this model is governmental supports, which are very important in its success. Tax exceptions, providing facilities both for export and agricultural improvement of gardens and changing the machineries, reduction of custom tariffs, reduction of administrative bureaucracies in export, export incentives, reduction of transportation costs, elimination of brokerage, and investigating target markets are discussed in this section.

After designing the model, an interview was done with the experts for making it more

practical. They were asked to mention the best method or methods for each strategy in the proposed model considering their experience in this area. The results showed that among the methods to find way into foreign markets, direct export-business partner was selected as the most suitable method. For market penetration and development strategy, participation in the related fairs in the target country and invitation and presence of traders of target markets in Iran was determined as the most appropriate method. In pricing strategy, low price with more discounts was seen to be more suitable. Top quality and top packaging were selected as the best method regarding product strategy. The selection of top distributors in each country and chain stores was determined for the product distribution. Using the brand of target market, digital marketing, fair, and social networks were recognized as more suitable regarding the promotion strategy. In the production strategy, the cooperation of gardeners and factory holders, the improvement of tea gardens, promoting the quality of green leaf, and using modern machineries for cultivation and harvesting were found to be the top priorities. For the differentiation strategy, differentiation through special taste and smell of Iranian tea, high quality and attractive packaging design and type were recognized as more suitable.

Based on the model in the market research section and environmental factors in Pakistan, Turkey, Ireland, Uzbekistan, Kazakhstan, Turkmenistan, Poland, Russia, the UAE, Kuwait, Qatar, the UK, Egypt, Saudi Arabia, Iraq and Afghanistan recommended that one of the greatest weakness of green leaf production (as mentioned in interviews) is unsuitable agricultural lands due to the absence of agricultural improvement and using non-standard harvesting machineries, which have led to lower quality of green leaf, decreasing harvest per hectare, and total cost. It impairs the quality of dry tea, and its total cost is increased in the processing factory. In order to solve this problem (regarding production strategy), it is suggested that some

factory holders with high production capability (suitable machineries and sale market) come into contract with tea garden owners prior to participation.

According to the contract, agricultural improvement, cultivation and harvesting costs are annually given to gardeners. Gardeners are committed to provide factory owners with high-quality tea annually. The share of gardeners in the wage and garden rent would be a specific proportion of annual income. Therefore, gardeners' financial shortages regarding agricultural improvement, cultivation and harvesting machineries are eliminated and factory owners receive their favorite green tea under their own control and supervision. Thus, green leaf of tea would be turned into dry tea in high quality and more suitable price. In addition, factory holders can produce more varied products in terms of taste and smell as well as attractive packaging by receiving high-quality green leaf in lower total price. It is suggested that direct export-business partner is used to enter target markets. This method is more productive and market risks would be reduced using a business partner in the target country. In addition, due to the familiarity of the business partner with the target market, more market adaptation would be achieved. Following cases can be enumerated for finding business partner: participation in business missions; participation in trade fairs and specialized exhibitions; direct participation in target markets and negotiations with commercial chambers; and collecting information from business and economic advisers. It is recommended that factory owners or tea traders participate in the exhibitions of the target countries. They should look for individuals or companies that are active in the field of tea or food products. In addition, they can invite the respective individuals in the target markets to come to Iran and visit their facilities. Thus, trade partners would visit the facilities and would be ensured about the claims of Iranian partners. Based on the model, it is suggested that tea price is determined as lower than the market price consid-

ering raising its quality. Using the first suggestion, green leaf and dry tea production costs can be reduced. Using volume and payment discounts is also recommended. It is suggested that quality and packaging is more emphasized regarding the product strategy. Using good designers and visiting various exhibitions related to packaging would be useful. In relation to distribution strategy, it is suggested that top distributors and chain stores in the target country are used in addition to trade partners. Identifying chain stores and negotiation and making contracts with them are useful in this regards. It is recommended that brand is registered in the target market with the participation of a trade partner. Digital marketing methods, participation in specialized exhibitions, and using social networks would be useful for promoting and advertising the product. Finally, given the status of tea market and production conditions, it is suggested that tea production in high quality and low price is done in the country and its packaging and branding is done in the target market.

ACKNOWLEDGMENT

Special thanks to the managers of the Tea Organization of Iran, Iran Tea Research Centre, Guilan Chamber of Commerce, Tea factories in Guilan, Tea Exporters, and the university professors who helped us in this work

REFERENCES

- Amin Naseri, M. R., Moradi, M., & Malihi, E. (2008). The architecture of Iran's tea Supply Chain. *Iranian Journal of Trade Studies*, 46, 119-143.
- Asopa, V. N. (2007). Tea industry of India the cup that cheers has tears, Indian Institute of Management Ahmedabad, w.p.No.2007-07-02
- Belakshahi Lashe, A., & Abbasi, B. (2015). *Identification and ranking of factors influencing the development of tea exports in Guilan Province based on porter diamond model*. Paper presented at International Conference on New Achievements in Economic Accounting Management (17 September, 2015), Nikan Institute, Tehran, Iran.
- Charmaz, K. (2006). *Constructing grounded theory: A practical guide through qualitative analysis*. Thousand Oaks, CA: Sage Publications.
- Corbin, J., & Strauss, A. (1990). *Basics of Qualitative Research: Grounded Theory Procedures and techniques* (2nd Ed.). Newbury Park, CA: Sage.
- Corbin, J., & Strauss, A. (2008). *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory* (3rd Ed.). Thousand Oaks, CA: Sage.
- Farahanifar, S., Karim, M.H., Borji, N., Karimfar, M.R., & Sardar Shahraki, A. (2015). Review the challenges and strategies for improving the country's tea industry business. *Journal of Economic Growth and Development Research*, 1 (1), 31-42.
- Food and Agriculture Organization of the United Nation (2015). World tea production and trade current and future development. Retrieved from www.fao.org/3/a-i4480e.pdf
- Glaser, B. G., & Hon, P. (2012). Constructivist grounded theory? *The Grounded Theory Review*, 11(1), 28-38.
- Glaser, B. G., & Strauss A. L. (1967). *The discovery of grounded theory: Strategies for qualitative research*. Aldine Publishing, New York NY.
- Griffith, D. A., Lee, H. S., Yeo, C. S., & Calantone, R. (2014). Marketing process adaptation: Antecedent factors and new product performance implications in export markets. *International Marketing Review*, 31(3), 308-334.
- Jones, J. W. (2009). Selection of grounded theory as an appropriate research methodology for a dissertation: One student's perspective. *The Grounded Theory Review*, 8 (2), 23-34.
- Kantapipat, W. (2009). The determinant of successful export marketing strategy in Thai processed agricultural products. *Ramkhamhaeng University International Journal*, 3(1), 91-102.

- Kim, J.J., & Hemmert, M. (2016). What drives the export performance of small and medium-sized subcontracting firms? A study of Korean manufacturers. *International Business Review*, 25(2), 511-521.
- Mesgarian Gholami, A., Aghajani Rik, R., Dervishzadeh, F., & Nasir Ahmadi, A. (2017). *Strategic analysis of tea industry in North of Iran using SWOT Model*. Paper presented at 10th International Conference on Economics and Management (10 May, 2017), Rasht, Islamic Azad University of Rasht, Iran.
- Mousavi Shahroudi, M., & Abbasi Mehr, N. (2016). *Identification and prioritization of food industry products with competitive strategies in export development to help solve the country's unemployment and immigration problems*. Paper presented at International Conference on Applied Research in Management and Accounting (9 September, 2016), Shahid Beheshti University, Tehran, Iran.
- Movahedi, M., & Ghorbani Khoda Shahri, N. (2017). *Comparative advantage of Iranian tea exports and its comparison with major exporting countries*. Paper presented at 10th International Conference on Economics and Management (10 May, 2017), Islamic Azad University, Rasht Branch, Rasht, Iran.
- Nankeli, M. (2017). A look at the tea economy in Iran and the world. Research Report, Political Affairs Directorate for Research on the Iranian Broadcasting Institute. Retrieved from http://www.iribnews.ir/files/fa/news/1396/9/28/1703882_347.pdf
- Office of Economic Affairs, Deputy Director of Planning and Economic Affairs of the Ministry of Jihad-e-Agriculture. (2016). *Report on the state of the tea industry in the country*. Fourth Report, Retrieved from https://facility.maj.ir/Dorsapax/Data/Sub_46/File/3.pdf
- Pinho, J. C., & Martins, L. (2010). Exporting barriers: Insights from Portuguese small- and medium-sized exporters and non-exporters. *Journal of International Entrepreneurship*, 8(3), 254-272.

How to cite this article:

Farrokhbakht Fomani, A., Mirabi, V.R., Bazaee, G., & Amiran, H. (2019). Developing export marketing strategy model of tea to target markets. *International Journal of Agricultural Management and Development*, 9(2), 177-190.

URL: http://ijamad.iaurasht.ac.ir/article_665025_4aed9a166cf8bcd64e39296a011276ee.pdf

