

# "SIP TO SUCCESS: UNRAVELING THE VALUE CHAIN MAGIC IN CEYLON TEA"

Executive Summary: This discussion delves into the intricacies of value chain management and its pivotal role in catapulting Ceylon Tea to global prominence. From cultivation and processing to packaging, branding, and marketing, each link in the value chain contributes to the unique character and appeal of Ceylon Tea. Drawing parallels with successful practices in the global beverage industry, we explore how strategic decisions in cultivation, production, and consumer engagement can not only establish competitive advantages but also leverage cultural significance. The narrative underscores the importance of efficient value chain management in positioning Ceylon Tea as a distinctive and sought-after beverage, drawing inspiration from the success stories of other renowned beverages worldwide.

[www.vivonta.lk](http://www.vivonta.lk) –  
22<sup>nd</sup> January, 2024

## **Empowering Ceylon Tea Excellence through Innovative Value Chain Solutions**

As we stand at the cusp of a transformative era in the tea industry, Vivonta Green Tech Consultants is proud to introduce groundbreaking initiatives aimed at revolutionizing the plantation agriculture sector, particularly in the production of pure Ceylon tea. Our commitment to elevating Ceylon Tea to new heights is encapsulated in our strategic proposal of two distinctive marketing standards - Ceylon Certified Tea (CCT) and Ceylon Accredited Tea (CAT).

In an era where discerning consumers seek transparency, authenticity, and high quality in their tea choices, Vivonta Consultants envisions these marketing standards as catalysts for the ascent of Ceylon Tea. Our overarching goal is not just to meet but exceed the \$50 per kg threshold, ensuring that each cup is a testament to unparalleled excellence.

The Ceylon Certified Tea (CCT) standard embodies our commitment to 100% transparency and the highest quality medicinal tea. This standard is a beacon of trust, assuring consumers that each batch has been meticulously crafted and adheres to the stringent standards set by Vivonta Green Tech Consultants. We believe that transparency is the cornerstone of trust, and with CCT, consumers will have unprecedented access to the journey of their tea from plantation to cup.

Complementing CCT is the Ceylon Accredited Tea (CAT) standard, designed to showcase the unique properties of every limited edition tea batch. Each batch, a limited-edition masterpiece, promises distinct flavors and medicinal qualities. CAT not only positions Ceylon Tea as a connoisseur's choice but also as a collector's delight, celebrating the diversity and richness of our nation's tea heritage.

This visionary leap forward is not just a commercial endeavor but a vital contribution to the growth of Sri Lanka's tea production and a beacon for global tourism. Vivonta Green Tech Consultants invites stakeholders, producers, and enthusiasts alike to join us in this journey towards excellence, innovation, and sustainability. Together, let us raise the bar for Ceylon Tea, establishing it as a symbol of pride and a global standard in the world of premium beverages.

Vivonta Green Tech Consultants

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**Defining both product standards and marketing standards for Ceylon tea as a medicinal herbal beverage, specifically focusing on its role as a finest immunity-boosting beverage:**

### **Product Standards for Ceylon Tea as an Immunity-Boosting Beverage:**

**Definition:** Product standards refer to the specific and measurable criteria that a product must meet to ensure its quality, safety, and efficacy. In the context of Ceylon tea as an immunity-boosting beverage, product standards encompass various aspects:

**Ingredients:** Clearly define the types and quality of tea leaves used, ensuring they meet the standards set for medicinal properties and taste. The tea leaves must be accepted for processing based on the polyphenol content of the green leaf. Therefore, both the marketing and product standards methods discussed here are more appropriate to growers of tea gardens irrespective of the scale.

**Processing Methods:** Specify the required processes for cultivating, harvesting, and processing the tea leaves to retain maximum medicinal benefits and flavor.

**Purity and Contamination Limits:** Establish limits for contaminants such as pesticides, heavy metals, and other impurities to ensure the safety of the tea as a health-promoting beverage.

**Nutritional Content:** Outline the expected nutritional profile, including key compounds that contribute to immunity-boosting properties, such as antioxidants and other beneficial compounds.

**Packaging:** Set standards for packaging materials to maintain the freshness and quality of the tea, preventing deterioration of its medicinal properties.

### **Marketing Standards for Ceylon Tea as an Immunity-Boosting Beverage:**

**Definition:** Marketing standards involve the guidelines and strategies used to promote and position a product in the market. In the case of Ceylon tea as a finest immunity-boosting beverage, marketing standards focus on conveying the product's unique selling points and health benefits to consumers:

**Health Claims:** Ensure that marketing messages align with scientific evidence, highlighting specific immunity-boosting properties of Ceylon tea supported by research.

**Certifications:** Display relevant certifications (e.g., organic, quality standards) to build consumer trust in the product's authenticity and adherence to recognized standards.

**Branding and Packaging:** Create a visually appealing and informative packaging design that communicates the tea's health benefits clearly. Use branding elements that emphasize its medicinal and immunity-boosting attributes.

Educational Content: Develop marketing materials that educate consumers about the tea's medicinal properties, providing information on how it supports immune health and overall well-being.

Targeted Marketing: Identify and target specific consumer segments interested in immunity-boosting products, tailoring marketing campaigns to resonate with their health-conscious preferences.

**By adhering to both product and marketing standards, Ceylon tea can establish itself as a reliable and desirable immunity-boosting beverage in the global market.**

The main steps involved in developing a product standard and marketing standard for Ceylon Certified Tea and Ceylon Accredited Tea.

Developing product and marketing standards for Ceylon tea involves a systematic approach to ensure the quality, safety, and effective promotion of the product. Here are the main steps for developing both product and marketing standards:

### **Product Standard Development:**

#### Research and Analysis:

Conduct comprehensive research on Ceylon tea, including its cultivation, processing methods, medicinal properties, and nutritional content.

Analyze existing industry standards and regulations related to tea production and health claims.

#### Define Key Attributes:

Identify the key attributes that contribute to the quality and health benefits of Ceylon tea, such as specific compounds with immunity-boosting properties.

#### Engage Stakeholders:

Collaborate with tea producers, experts in herbal medicine, and relevant industry stakeholders to gather insights and set realistic standards.

#### Set Quality Criteria:

Establish specific criteria for tea leaves, including grading, harvesting practices, and processing methods that preserve the medicinal properties.

#### Establish Safety Standards:

Define limits for contaminants, such as pesticides, heavy metals, and other impurities, to ensure the safety of the product.

#### Nutritional Profile Guidelines:

Determine the desired nutritional profile of Ceylon tea, emphasizing components contributing to immunity support.

#### Packaging Requirements:

Develop guidelines for packaging materials and methods to maintain freshness and preserve the medicinal qualities of the tea.

#### **Marketing Standard Development:**

##### Consumer Research:

Conduct market research to understand consumer preferences, perceptions, and expectations related to immunity-boosting beverages.

##### Health Claim Compliance:

Ensure that marketing messages align with scientific evidence and comply with relevant regulations regarding health claims for food and beverages.

##### Certifications and Labels:

Identify and pursue relevant certifications, such as organic or quality standards, to enhance the product's credibility. Develop labels that prominently display these certifications.

##### Branding Strategy:

Define a branding strategy that communicates the tea's medicinal attributes. Consider visual elements, brand messaging, and brand positioning that highlight its immunity-boosting qualities.

##### Packaging Design:

Design packaging that not only preserves the tea but also communicates key information about its health benefits. Use visuals and text to make the packaging informative and appealing.

#### Educational Content:

Develop marketing materials, including website content, brochures, and social media posts, to educate consumers about the specific immunity-boosting properties of Ceylon tea.

#### Target Audience Identification:

Identify and segment the target audience based on demographics, psychographics, and health preferences. Tailor marketing campaigns to resonate with their needs and preferences.

#### Compliance Monitoring:

Establish a system for ongoing monitoring to ensure continued compliance with product and marketing standards. Regularly review and update standards based on industry developments and consumer feedback.

By following these steps, both product and marketing standards can be developed in a way that ensures Ceylon tea meets high-quality and safety criteria while effectively positioning and promoting its immunity-boosting attributes in the market. The Vivonta consultants are committed to make the transformation aiming at the economic growth of the growers and the country.

## **The names of organizations reputed globally for developing product standards and marketing standards for pure Ceylon tea.**

Several organizations play a significant role in establishing standards and promoting the quality of Ceylon tea globally. Here are some reputable organizations associated with the development of product standards and marketing standards for pure Ceylon tea:

### **Product Standards:**

Sri Lanka Tea Board:

The Sri Lanka Tea Board is the primary regulatory body responsible for overseeing the tea industry in Sri Lanka. They set and enforce standards related to tea production, quality, and export.

International Organization for Standardization (ISO):

ISO develops and publishes international standards, including those related to food safety and quality. ISO standards may indirectly impact the production and export of Ceylon tea.

International Tea Committee (ITC):

The ITC is an organization that focuses on the global tea trade. While it may not set specific product standards, it plays a role in facilitating discussions and cooperation within the global tea industry.

### **Marketing Standards:**

Ceylon Tea Marketing Authority (CTMA):

The CTMA is involved in promoting Ceylon tea globally. It plays a role in marketing and branding initiatives to enhance the reputation of Ceylon tea in international markets.

Tea Board of Sri Lanka:

In addition to its role in setting product standards, the Tea Board of Sri Lanka also engages in promotional activities to boost the marketing of Ceylon tea.

Ethical Tea Partnership (ETP):

ETP works to improve tea sustainability and the lives of tea workers. While its primary focus is on ethical and sustainable practices, it indirectly influences marketing standards by promoting transparency and responsible business practices.

Rainforest Alliance:

This organization focuses on sustainable agriculture, including tea production. Certification by the Rainforest Alliance can enhance the marketing appeal of Ceylon tea by emphasizing environmental and social responsibility.

Fairtrade International:

Fairtrade certification ensures that tea producers adhere to specific social, economic, and environmental standards. This certification can contribute to the marketing standards of Ceylon tea by highlighting fair trade practices.

When dealing with Ceylon tea, it's important for producers and marketers to collaborate with these organizations and adhere to their guidelines to ensure that the tea meets recognized global standards and is effectively promoted in the international market.

ITI, SLSI & CelaTa Pvt Ltd.

Vivonta is exploring collaboration with SLSI (Sri Lanka Standards Institution) and ITI (Industrial Technological Institute) for the envisioned significant advancement, as both organizations have shown enthusiastic support for this monumental initiative.

We express our gratitude to CelaTa Pvt Ltd for their prompt response and support in developing QR/Blockchain technology, which was previously lacking in the sector.



## **How sensitive is the human tongue in valuing tea. is there a better method to value tea scientifically**

The human tongue is remarkably sensitive to various flavors and aromas, making it a valuable tool for evaluating tea and other food and beverage products. The evaluation of tea involves assessing a range of sensory characteristics, including taste, aroma, mouthfeel, and overall balance. Tea tasters, often referred to as "cuppers," rely on their taste buds and olfactory senses to discern the nuances and qualities of different teas.

### **Human Tongue Sensitivity in Tea Tasting:**

**Taste Buds:** The tongue is equipped with taste buds that can detect basic tastes such as sweet, sour, bitter, salty, and umami. These taste buds play a crucial role in assessing the fundamental taste profile of tea.

**Aroma Perception:** The olfactory senses, closely linked to taste, contribute significantly to the overall flavor experience. Aroma compounds released during the steeping process are perceived by both the nose and the retro nasal passage, enhancing the complexity of flavor perception.

**Mouthfeel:** The tongue is sensitive to the tactile aspects of tea, such as its texture, body, and astringency. These elements contribute to the overall mouthfeel or "palate" of the tea.

### **Scientific Methods for Tea Evaluation:**

While human sensory evaluation remains essential, there are scientific methods and instruments that complement subjective assessments. Some of these methods include:

#### **Chemical Analysis:**

High-performance liquid chromatography (HPLC) and gas chromatography-mass spectrometry (GC-MS) can be used to analyze the chemical composition of tea, identifying specific compounds that contribute to its flavor, aroma, and health benefits.

#### **Spectrophotometry:**

This method measures the absorption of light by substances in tea, providing information about the concentration of compounds such as catechins, caffeine, and theaflavins.

#### **Electronic Tongues and Noses:**

These are sensor arrays that mimic human taste and smell receptors. Electronic tongues and noses can detect and quantify various flavor and aroma compounds in tea, providing objective data.

## Sensory Panels:

Controlled sensory panels, consisting of trained individuals, can provide more standardized evaluations. These panels use defined criteria and scoring systems to assess specific sensory attributes.

## Quality Certifications:

Tea producers can obtain certifications from recognized bodies such as the Rainforest Alliance or Fairtrade, ensuring adherence to specific quality and sustainability standards. While scientific methods offer objective data, human sensory evaluation remains crucial for capturing the holistic experience of tea.

The combination of subjective assessments by experienced cuppers and objective data from scientific analyses allows for a comprehensive understanding of tea quality and characteristics.

## **How many taste buds are there on human tongue and how effective the tongue is in tasting and valuing tea along the age of the tea taster**

The number of taste buds on the human tongue can vary from person to person, but on average, there are between 2,000 to 8,000 taste buds. Taste buds are concentrated on the papillae, small bumps on the tongue, as well as on the roof of the mouth and the back of the throat.

As individuals age, there can be changes in the number and sensitivity of taste buds. Aging can lead to a gradual decline in taste bud density and a decrease in the ability to perceive certain tastes. This can result in a diminished sensitivity to sweetness, saltiness, and bitterness. However, sensitivity to umami (savory) flavors tends to be less affected by aging.

## **Effectiveness of the Tongue in Tasting Tea:**

### Younger Tasters:

Younger individuals with higher taste bud density may have a more heightened sensitivity to subtle flavor nuances in tea. They may be able to detect a broader range of flavors and aromas.

### Experienced Tasters:

Experience plays a crucial role in tea tasting. Experienced tea tasters, regardless of age, develop a trained palate that can discern complex flavors and characteristics in tea. They are often able to identify specific notes, assess the mouthfeel, and evaluate the overall balance of the tea.

### Adaptation and Preference:

Over time, tea tasters can adapt to the aging-related changes in taste bud sensitivity. Furthermore, individual preferences may play a significant role, with some tea tasters valuing certain characteristics over others.

### Sensory Panel Consistency:

Professional tea tasting often involves sensory panels with trained individuals. These panels follow standardized procedures and scoring systems to ensure consistency and objectivity in evaluating teas.

It's important to note that the effectiveness of the tongue in tasting and evaluating tea is not solely determined by age but also by individual variation, experience, and preferences. The combination of sensory input from taste buds, olfactory senses, and tactile sensations on the tongue collectively contributes to the overall perception of flavor. Professional tea tasters, through training and experience, can develop a heightened ability to assess and value the qualities of tea, irrespective of age-related changes in taste bud sensitivity.

Evaluating tea solely through tongue tasting is an imperfect method. While assessing teas for the purpose of assigning value to a commodity is deemed acceptable to some extent, the absence of a scientifically developed and objective tea valuation system poses a challenge. Vivonta Consultants is taking proactive steps to address this gap and invites collaboration from those who endorse this national intervention.

## **Is testing the polyphenols and other compounds in tea in an accredited laboratory a better method of valuing tea produced by individual producers instead of valuing tea by tea tasters.**

Testing tea in an accredited laboratory for polyphenols and other compounds is a valuable and objective method that provides quantitative data about the chemical composition of the tea. This method is especially useful for quality control starting from the nutrient levels in the soils, shade management etc. ensuring adherence to standards, and obtaining objective information about the tea's constituents.

However, it does not replace the role of tea tasters or sensory evaluation in assessing the overall quality, flavor, and sensory characteristics of tea. Both approaches have their advantages and limitations.

### **Advantages of Laboratory Testing:**

#### Objective Data:

Laboratory testing provides precise and quantitative data about the concentration of specific compounds in tea, such as polyphenols, catechins, caffeine, and volatile compounds.

#### Consistency:

Testing in a controlled laboratory environment allows for consistent and reproducible results, reducing the impact of subjectivity.

#### Quality Control:

It serves as an effective tool for quality control, ensuring that the tea meets certain standards and specifications.

#### Regulatory Compliance:

Laboratory testing helps ensure compliance with regulatory requirements and certifications related to food safety and quality.

### **Limitations of Laboratory Testing:**

#### Holistic Evaluation:

Laboratory testing does not provide a holistic evaluation of the tea's sensory characteristics, taste, aroma, and mouthfeel, which are crucial components of overall tea quality.

### Subjectivity:

Certain aspects of tea quality, such as flavor nuances and aroma, can be subjective and may not be fully captured by chemical analysis alone.

### Cultural and Market Preferences:

Consumer preferences for tea can vary widely, and laboratory testing may not account for cultural or market-specific preferences that influence the perceived value of the tea.

### Combining Approaches:

For a comprehensive evaluation, a combination of laboratory testing and sensory evaluation by experienced tea tasters is often employed. This approach leverages the strengths of both methods:

### Chemical Analysis for Consistency:

Use laboratory testing for consistency, ensuring that the tea meets specific chemical composition standards.

### Sensory Evaluation for Quality:

Rely on trained tea tasters to evaluate the overall quality, flavor, aroma, and mouthfeel of the tea. Their expertise can capture the nuances that may not be reflected in chemical analysis alone.

### Market Feedback:

Consider market feedback and consumer preferences, as they play a crucial role in determining the commercial success and perceived value of the tea.

In conclusion, both laboratory testing and sensory evaluation are important tools in assessing tea quality. Combining these approaches allows for a more comprehensive understanding and valuation of tea, taking into account both the chemical composition and the sensory experience.

Vivonta is taking proactive steps to validate the worth of their specific tea batches, cultivated under optimal conditions conducive to enhancing immunity-boosting properties.

Securing certification from ITI is the key to incorporating the health benefits of tea into labels. Furthermore, utilizing QR codes and blockchain technology enables the creation of a digital narrative, offering accessible, real-time evidence of the tea's properties. What's more?

## **A fool proof method to develop a marketing standard that can showcase the actual process from 'leaf to tongue'.**

Developing a foolproof marketing standard for tea that integrates both QR technology and blockchain technology requires careful consideration of various factors. Below is a step-by-step guide to creating a robust marketing standard that enhances transparency, traceability, and consumer trust:

### 1. Define Marketing Standards and Objectives:

Clearly outline the marketing standards, emphasizing key attributes such as quality, authenticity, sustainability, and health benefits.

### 2. Establish Quality Criteria:

Set specific quality criteria for tea production, processing, and packaging. This includes factors like tea leaf quality, processing methods, and packaging materials.

### 3. Incorporate Blockchain Technology:

Implement blockchain technology to create a decentralized and tamper-resistant ledger for recording every stage of the tea production process. This ensures transparency and traceability.

### 4. QR Code Integration:

Generate unique QR codes for each tea product or batch. Embed these QR codes on packaging labels. Each QR code should link to the corresponding blockchain records.

### 5. Tea Authentication System:

Develop a system that allows consumers to scan the QR code using a mobile app to access detailed information about the tea's origin, production journey, and quality standards. This information should be retrieved directly from the blockchain.

### 6. Include Comprehensive Information:

Provide a comprehensive set of information accessible through the QR code, including details on cultivation practices, harvesting dates, processing methods, certifications, and any third-party testing results.

### 7. Blockchain Smart Contracts:

Implement smart contracts within the blockchain to automate certain processes, such as certifications and quality checks. Smart contracts can ensure that specific criteria are met before a product is marked as compliant.

#### 8. Secure Data Encryption:

Prioritize data security by implementing robust encryption mechanisms for both the blockchain and the QR code data. Ensure that sensitive information is only accessible by authorized parties.

#### 9. Interoperability Standards:

Consider interoperability standards to ensure compatibility with various blockchain platforms and QR code scanning applications. This allows for flexibility and scalability.

#### 10. Third-Party Audits and Certifications:

Integrate third-party audits and certifications into the blockchain system. This enhances credibility and provides additional assurance to consumers about the adherence to quality standards.

#### 11. Consumer Engagement:

Encourage consumer engagement by creating user-friendly interfaces for the mobile app. Include features like augmented reality (AR) to offer immersive experiences, such as virtual tours of tea estates.

#### 12. Continuous Improvement:

Establish a feedback loop for consumers to provide insights on their experiences with the product. Use this feedback to continuously improve the marketing standard and address any issues that may arise.

#### 13. Educational Content:

Develop educational content within the app to inform consumers about the significance of different quality attributes and certifications. This enhances consumer understanding and appreciation of the tea.

By combining QR technology and blockchain technology in this manner, you create a marketing standard that not only ensures transparency and traceability but also engages consumers in a meaningful way. This approach builds trust, reinforces brand loyalty, and sets a high standard for quality and authenticity in the market.

**The DFDs outlined for the distinctive system designed for Vivonta's growers depict the procedural flow.**

Developing a system involving QR codes, blockchain technology, and a mobile app to verify and ensure the quality of tea priced above \$50 per kg requires a complex but well-organized data flow. Here are individual data flow diagrams (DFDs) for each component of the system:

**1. QR Code Generation and Verification DFD:**

Description:

Process 1 (Generate QR Code): This process involves generating a unique QR code for each batch of tea priced above \$50 per kg. It gathers data from the blockchain, including batch information, quality standards, and certifications.

Process 2 (Attach QR Code): The generated QR code is then attached to the tea packaging. This process ensures that the QR code is physically linked to the corresponding batch of tea.

Process 3 (Verify QR Code): When a consumer scans the QR code using a mobile app, the system initiates the verification process. It checks the integrity of the QR code and retrieves corresponding data from the blockchain.

**2. Blockchain Implementation DFD:**

Description:

Process 1 (Tea Data Entry): Initial data entry of tea-related information into the blockchain, including cultivation practices, processing details, certifications, and quality standards.

Process 2 (Smart Contract): The system uses smart contracts to automate certain processes, such as certifications and quality checks. Smart contracts ensure that the defined criteria are met before the tea is marked as compliant.

Process 3 (Data Authentication): The blockchain ensures the security and integrity of the data. Any attempt to tamper with the data is detected, and the system maintains an immutable record of the tea's journey.

**3. Mobile App for Tea Verification DFD:**

Description:

Process 1 (QR Code Scanning): Consumers use the mobile app to scan the QR code on the tea packaging. The app initiates the verification process.



Process 2 (Data Retrieval): The app sends a request to the blockchain to retrieve relevant data about the scanned tea batch. This includes information about the tea's origin, quality standards, and certifications.

Process 3 (User Interface): The app presents the retrieved data to the user through a user-friendly interface. Users can view detailed information about the tea's journey and quality.

Process 4 (Feedback Submission): Consumers have the option to provide feedback through the app. This feedback can include user experiences, suggestions, or any concerns related to the quality of the tea.

Additional Considerations:

Security Measures: Implement robust security measures, including encryption and authentication, at various stages to safeguard data integrity and user privacy.

Regulatory Compliance: Ensure that the system complies with relevant regulations, especially those related to food safety, quality, and consumer protection.

User Education: Provide educational content within the app to help consumers understand the significance of different quality attributes and certifications.

Implementing these DFDs within a well-integrated system can enhance transparency, traceability, and consumer trust in the quality of high-value tea.

## **The way forward for product development, branding and marketing for a premium price:**

To fetch a premium price of over \$50 per kg for medicinal herbal tea produced in Sri Lanka, (for niche markets) producers can implement a comprehensive strategy that emphasizes quality, transparency, and consumer engagement. Here are some tailored pieces of advice based on the discussion:

### **Focus on Quality and Medicinal Properties:**

Ensure that the herbal tea is of the highest quality, with well-defined medicinal properties. Cultivate, harvest, and process the herbs with utmost care to preserve their beneficial compounds.

### **Obtain Relevant Certifications:**

Seek certifications related to organic cultivation, sustainable practices, and any specific health-related certifications that validate the medicinal properties of the herbal tea. Certifications enhance credibility and justify a premium price.

### **Implement Blockchain Technology:**

Integrate blockchain technology to create a transparent and traceable supply chain. This provides consumers with verifiable information about the tea's origin, cultivation practices, processing methods, and certifications.

### **Use QR Codes for Consumer Verification:**

Attach QR codes to the tea packaging, linking them to the blockchain records. Encourage consumers to use a mobile app to scan the QR codes for real-time access to detailed information about the tea, fostering trust and transparency.

### **Develop a Consumer-Centric Mobile App:**

Create a user-friendly mobile app that allows consumers to scan QR codes for verification. The app should offer a seamless and engaging experience, providing not only detailed information but also educational content about the medicinal benefits of the herbs.

### **Highlight Unique Selling Points:**

Emphasize the unique selling points of the herbal tea, such as rare or indigenous herbs, specific health benefits, or a distinctive flavor profile. Clearly communicate these points through packaging, marketing materials, and the mobile app.

#### Invest in Sustainable and Ethical Practices:

Implement sustainable and ethical practices in cultivation and processing. Highlight these practices in marketing efforts to appeal to environmentally conscious consumers.

#### Engage in Direct-to-Consumer Marketing:

Consider selling directly to consumers through online platforms or specialty stores. Direct-to-consumer sales allow producers to build a brand reputation and connect with consumers who appreciate premium herbal teas.

#### Encourage Consumer Feedback:

Establish a feedback mechanism within the mobile app to collect consumer insights and experiences. Use this feedback to continuously improve the product and address any concerns promptly.

#### Collaborate with Health and Wellness Influencers:

Partner with health and wellness influencers or experts who can endorse the medicinal properties of the herbal tea. Their recommendations can enhance the product's credibility and reach a wider audience.

#### Participate in Specialty Tea Events:

Showcase the herbal tea at specialty tea events or health and wellness expos. Participation in such events can expose the product to a target audience willing to pay a premium for high-quality and medicinal teas.

By implementing these strategies, medicinal herbal tea producers in Sri Lanka can position their products as premium offerings in the market, fetching a price of over \$50 per kg. The combination of quality assurance, transparency, and consumer engagement is key to building a strong brand and attracting discerning consumers.

## **Value chain management of tea ends up with achieving competitive and comparative advantage for Ceylon Tea. (Examples)**

Value chain management plays a crucial role in achieving competitive and comparative advantages for products like Ceylon Tea. The value chain encompasses all the activities involved in creating, producing, and delivering a product to the end consumer. Efficient management of these activities can result in cost advantages, differentiation, and a strong market position. Let's discuss how value chain management contributes to the success of Ceylon Tea and draw examples from other popular beverages worldwide.

### **Ceylon Tea Value Chain Management:**

#### **Cultivation and Harvesting:**

**Competitive Advantage:** Ceylon Tea benefits from the unique Agro-climatic conditions in Sri Lanka, which contribute to its distinct flavor and aroma. Producers invest in sustainable and ethical cultivation practices.

**Example:** Similar to wine regions that leverage specific climates and soils, such as the Bordeaux region in France or Napa Valley in the United States.

#### **Processing and Production:**

**Competitive Advantage:** State-of-the-art processing facilities ensure the preservation of tea quality. Investments in modern machinery and adherence to traditional processing methods contribute to the uniqueness of Ceylon Tea.

**Example:** Single malt Scotch whisky producers, like those in Scotland, emphasize traditional distillation methods and specific geographic factors to create distinctive products.

#### **Packaging and Branding:**

**Competitive Advantage:** Well-designed packaging and branding contribute to the perceived quality of Ceylon Tea. The Ceylon Tea logo and packaging communicate authenticity and origin.

**Example:** Craft beer producers often focus on creative packaging and labeling to distinguish their products in a crowded market.

#### **Distribution and Logistics:**

**Competitive Advantage:** Efficient distribution networks and logistics ensure that Ceylon Tea reaches global markets promptly and in optimal condition.

Example: Coffee companies like Starbucks have mastered global distribution, ensuring a consistent experience for consumers worldwide.

#### Marketing and Promotion:

**Competitive Advantage:** Effective marketing campaigns highlight the unique characteristics and health benefits of Ceylon Tea. Storytelling around the tea's origin enhances its appeal.

Example: The marketing success of energy drinks like Red Bull, which created a distinct identity through sponsorship of extreme sports and events.

#### Consumer Engagement:

**Comparative Advantage:** Engaging consumers through educational programs, events, and apps that provide information about tea quality and health benefits.

Example: The wine industry offers vineyard tours, wine tastings, and apps that educate consumers about grape varieties and wine regions.

#### Quality Assurance and Certifications:

**Competitive Advantage:** Obtaining certifications for organic, fair trade, or sustainability practices enhances the perceived quality of Ceylon Tea.

Example: Organic food brands, such as Whole Foods Market, prioritize certifications to appeal to health-conscious consumers.

#### Comparative Advantage Through Cultural Significance:

Beyond competitive advantages, Ceylon Tea can also gain a comparative advantage by leveraging its cultural significance:

**Cultural Heritage:** Just as Japanese sake benefits from its association with Japanese culture, Ceylon Tea can capitalize on its rich cultural heritage and history, attracting consumers seeking authenticity and tradition.

**Tourism Integration:** Integrating tea plantations into the tourism sector, similar to wine tourism, can create an immersive experience for visitors, showcasing the tea-making process and enhancing the overall value chain.

By managing the value chain effectively and strategically, Ceylon Tea can establish a strong position in the global market, drawing inspiration from successful practices in other popular beverage industries.

## **The ultimate goal**

Vivonta Group's team of consultants has been strategically welcomed into the Vivonta family due to their expertise in driving the enhancement of per capita income and, consequently, GDP growth. The plantation sector of Sri Lanka, with a minimum potential annual revenue of 10 billion USD, can greatly benefit from a value chain management perspective. As the sole one-stop shop in Sri Lanka for all services required in plantation agriculture, Vivonta is positioned to provide comprehensive value chain consultancies, leading to a competitive advantage. We are well-prepared to support both global and local organizations seeking sustainability in the rapidly evolving and competitive global marketplace.