

Growth and Problems of the Franchise Jaggery Tea Business: A Case Study of Sindagi Taluka

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ABSTRACT:

The jaggery tea industry is fast-growing and a good source of income for local entrepreneurs. Many places of sindagi taluka small tea shops are converting into well-structured franchisee tea shops with the help of many outside franchisors. Franchised jaggery tea businesses have a lot of importance and health benefits. There are proper steps to start a tea franchise business in India. The Growth of the Number of Franchise Jaggery Tea Shops and the Number of Tea Cups Sold in Franchise Tea Shops Sindagi Taluka is growing positively. At the same time, rural entrepreneurship is growing with the help of franchise tea shops. Many people are directly and indirectly getting employment opportunities in franchise tea shops. There are some hurdles hampering the growth of the franchise jaggery tea business that need to be addressed by the franchisor and franchisee for constructive development.

KEYWORD: *Rural entrepreneurship, franchisor, franchisee, franchisor's capital*

I. INTRODUCTION

Jaggery Tea Business is one of the leading businesses in Sindagi Taluka. In recent times, this business has grown faster than the sugar tea business. In India, the production of sugarcane into jaggery is 50% and 50% for other goods like white sugar and so on. The industry is fast-growing and a good source of income for local producers. Sugarcane is the world's largest crop by production quantity, with 1.8 billion metric tons produced in 2017. Sugar produces fat and causes diabetic diseases in our body, so it is suggested to consume jaggery in moderation, as it is slightly higher in calories, containing up to 4 kcal per gram. People who are diabetic or are following a weight-loss diet should monitor their consumption of jaggery, as it can lead to weight gain and fluctuations in blood sugar levels. Jaggery Tea Business is also an alternative source of employment, which leads to entrepreneurship development in and around Sindagi Taluka.

II. REVIEW OF LITERATURE

Harish Nayaka and Others (2018) aim to study how to prepare jaggery using plant mucilage as clarificants. It also aims to evaluate the bioactivity of jaggery by determining total phenols, total flavonoids, reducing power, antibacterial activity, and antihelmintic activity. In addition, antibacterial activity and antihelmintic activity were also carried out. They recommended it as an alternative to synthetic chemical clarificants for the production of nutraceutical jaggery.

1. **In Indian Express (2019)**, the article "Replace sugar with jaggery in your tea for these miraculous health benefits" explained the various health benefits of having jaggery tea and discussed the importance of tea in people's lives. Further, the writer briefed the demerits of sugar tea, which they have widely used in many households and tea houses, which is not so healthy. Lastly, the writer elaborated on the new types of Jaggery Tea business franchisors available in different areas and the benefits of franchising.

2. **Priyanka Singh and Govind P. Rao (2021)** this paper discussed the health benefits of jaggery, whose records are available even in ancient Indian literature. The authors briefly explained the difference between jaggery and sugar and their chemical composition. While sugar is the simple form of sucrose, jaggery is made up of predominantly sucrose, mineral salts, iron, and some fiber. Jaggery has proven to be superior to white sugar in terms of producing heat and providing immediate energy to the human body. Finally, they suggested that consumption of jaggery is preferred over white sugar in cases of patients with iron deficiency. It also serves as a cleansing agent by aiding in the cleansing of the lungs and respiratory tract. As a result, it is also recommended that we replace sugar with jaggery in our regular diet. Moreover, jaggery can be combined, both in solid and liquid forms, with different herbs, spices, medicinal plant extracts, and oils to amplify its health benefits and taste. The manuscript enumerates some of these value additions in jaggery for improving society's health in modern-day busy lives.

3. **Times of India (2021)** in this article, "Popular options to boost immunity, manage blood sugar, and ease cough," the author explained in detail about the different types of jaggery tea that people use to drink in their daily lives in different regions. At the end, the author briefed the various benefits of jaggery tea, which may increase immunity.

4. **Bhagyashri S. Patil (2021)** in this research paper, "Health Benefits of Jaggery Tea on the Account of COVID-19." The purpose of this paper is to understand the importance of jaggery and its benefits for skin and health. The author briefed the jaggery tea business and different ways of consuming jaggery. The author explained the benefits of jaggery tea, such as its good effect on digestion, which is especially important for people who suffer from constipation. It's ideal to have your morning tea made with jaggery, as it speeds up digestion after the long hours of fasting. Further, they discussed that, on account of COVID-19, they have found a number of health benefits in traditional foods and spices. Multiple traditional foods are responsible for increasing your immunity; jaggery is one of them. At last, the writer suggested that, with the growing awareness in the Indian market about eating right, avoiding refined products, and replacing those refined sugars with natural sweeteners, chefs and nutritionists have started and are reinventing healthy recipes using jaggery, coconut sugar, or even date syrups, etc. as sugar alternatives.

Need for the study:

Under this study, we would like to know what the benefits of jaggery tea are, the importance of the franchise jaggery tea business, how the franchise jaggery tea business is growing, and the problems that they are facing in the present conditions.

Statement of Problems:

The importance of tea in Indian lives is very high. Since the beginning, the advantages of jaggery tea and the disadvantages of sugar tea have been widely discussed by various parties, including doctors, fitness advisers, Aurveda experts, and the general public. At the same time, health awareness among people is increasing due to the continued increase in the diabetic population. This business is indirectly helping in the development of entrepreneurship. Therefore, it is the need of the hour to have a study on the growth and problems of the jaggery tea business at Sindagi Taluka of Vijayapur district..

Objectives of the Study

- To know the benefits of jaggery tea
- To know the importance of franchising the Jaggery Tea business
- To know the growth of the franchised Jaggery Tea business in Sindagi Taluka
- To know the problems of franchised jaggery tea businesses in Sindagi Taluka
- To offer suggestions

Limitations of the Study

- This study limits itself to Sindagi Taluka only.
- The study outcomes depend on the data given by the shop owners.
- The result of the study may vary from taluka to taluka.

1.2 Research Methodology

Since the jaggery tea business is a new occurrence in many places in North Karnataka, this study tries to find the importance, growth, and problems of the jaggery tea business.

Research Area: The area of this research is limited to the franchise jaggery tea business shops of Sindagi taluka, Vijayapur district, Karnataka State.

Sources of data: The primary data has been collected with the help of a field survey through a questionnaire, and the secondary data has been collected from various sources like articles, websites, and publications.

Sample Size: The sample size of the study was 43 jaggery tea business shops. The area of study was Sindagi taluka in Karnataka.

Benefits of Jaggery Tea

Jaggery Tea Business is one of the fastest-growing businesses in north Karnataka. Different nutritive and health values of jaggery products are discussed, which can be adopted in society for the better health values of mankind and the replacement of sugar. Jaggery value-added and fortified products show multifarious uses as nourishing foods, medicinal formulations, and alternative diet and drink recipes. Following are the importance and benefits of the jaggery tea business.

1. The jaggery tea business is growing rapidly as tea drinkers are more prevalent in the study area.
2. There is more health benefit in jaggery tea as compared to sugar tea.

3. It is healthier than sugar as it contains a number of vitamins and minerals like phosphorous, iron, magnesium, and potassium. Consuming jaggery in the winter helps generate enough heat in the body, keeping you warm inside.
4. Jaggery has a positive effect on digestion, especially for people who suffer from constipation. It's ideal to have your morning tea made with jaggery, as it speeds up digestion after the long hours of fasting.
5. Jaggery is a rich source of iron, which is an important component of hemoglobin. Eating portions of jaggery every day will increase the intake of iron, which helps red blood cells carry oxygen from your lungs and transport it throughout your body. It's super useful for people suffering from anemia.
6. Ginger in tea, when combined with jaggery, will help to improve immunity and keep away from the common cold and allergies.
7. It is rich in antioxidants that help prevent free radical damage in the body. It also acts as a cleansing agent that helps flush out toxins from various organs and gives you healthy-looking skin.

Importance and Benefits of Franchising in Jaggery Tea Business

1. **Lower capital requirements:** The franchisor's capital requirements will be lower because we will provide the capital to open each tea franchised outlet.
2. **Speed of growth:** The franchise network can grow as fast as the franchisor can develop its infrastructure to recruit, train, and support its franchisees.
3. **Improved operational quality:** Franchise operators typically take the pride of ownership very seriously. They will instruct local franchisors to keep their locations cleaner and train their employees better because they want to give the best service.
4. **Increased Profitability:** The staffing leverage and ease of supervision mentioned above allow franchise organizations to run in a highly profitable manner.
5. **Raw materials supplied by the franchisor:** normally, all the franchisors supply their own formula of tea. In other words, franchisors supply the necessary tea powder, tea masala, etc.
6. **High returns:** The tea franchise business has a high profit margin. The revenue generated can range from 30% to 50% of the total sales.
7. **Easy to operate:** The tea franchise business is easy to operate and does not require specialized skills or training. The franchisor provides the necessary training and support to run the business.
8. The tea business is growing rapidly as more tea drinkers.
9. **Less effort of local franchisors:** infrastructure to establishment activities planned and executed by the franchisee, so local franchisors can easily run their business.
10. The number of franchises is increasing in the tea business, with different tastes and a variety of services.
11. New local entrepreneurs are developing with the help of franchisee tea businesses.
12. **Employment opportunities are increasing.** Rural entrepreneurship is growing with the help of franchise tea shops. Indirect self-employment opportunities are increasing with the increase of franchised jaggery tea businesses such as milk suppliers, use-and-through cup suppliers, drinking water suppliers, etc.
13. **Brand image:** in most cases, franchisee tea businesses benefit from operating under a brand image that is already well established in the minds of the public.
14. The franchisee receives benefits from the franchisors, such as some specified raw materials, training, advertising, promotional activities, etc.
15. Health and hygienic awareness among the people are increasing with the help of the franchised Jaggery tea business.
16. **Lesser risk:** the franchisee's business risk is reduced by the franchisor. To run a successful business, franchisors provide all the support.

1.3 Data Analysis and Interpretation

The data collected from various respondents has to be analyzed for the drawing of conclusions. A brief description of the analysis and interpretation is given below:

Growth of the Number of Franchise Jaggery Tea Shops

The number of jaggery tea shops is continuously increasing in the Sindagi Taluka. The sizes of the shops depend on the place's availability, the area of the shop, and the rent of the place. The following table explains the growth of the number of jaggery tea shops in Sindagi Taluka.

Table No. 1
Growth of Number of Franchise Jaggery Tea Shops

S. No	Quarter and Year	No of Jaggery Shops
1	April-June 2022	04
2	July-Sept 2022	09
3	Oct-Dec 2022	15

4	Jan-Mar 2023	23
5	April-June 2023	30
6	July-Sept 2023	36
7	Oct-Dec 2023	43

Sources: Data collected from primary sources through a questionnaire

Table 1 reveals that the growth of the number of jaggery tea shops in Sindagi Taluka has increased from 04 (April–June 2022) to 43 (Oct–Dec 2023). It is witnessed that there is positive growth in jaggery tea shops, and this trend is continuously increasing.

Growth of the Number of Franchise Jaggery Tea Shops

The number of jaggery tea cups sold in shops is continuously rising in Sindagi Taluka. The taste of tea in each shop depends on the way they prepare it and the ingredients they use in it, which are supplied by the franchisor. The following table explains the growth of the number of tea cups sold in jaggery tea shops in Sindagi Taluka.

Table No. 2
Growth of Number of Tea Cups Sold in Franchise Jaggery Tea Shops

S.No	Quarter and Year	No. of Jaggery Tea Cups Sold in Shops
1	April-June 2022	730
2	July-Sept 2022	2250
3	Oct-Dec 2022	3540
4	Jan-Mar 2023	4780
5	April-June 2023	6320
6	July-Sept 2023	7870
7	Oct-Dec 2023	9760

Sources: Data collected from primary sources through questionnaire

Table 2 reveals that the number of tea cups sold in jaggery tea shops in Sindagi Taluka increased from 730 (April–June 2022) to 9760 (October–December 2023). It is also witnessed that there is positive growth in the number of tea cups sold in jaggery tea shops.

Problems of Franchise Jaggery Tea Business

Instead of the positive growth of the franchise jaggery tea business, there are some hurdles that affect the growth of the franchise jaggery tea business, which are addressed as follows:

1. More expenditure to start a franchise jaggery tea business: to start a jaggery tea business, owners have to spend more than Rs. 250,000, which is a burden to new business starters.
2. More expenditure on infrastructure: Another major problem in the jaggery tea business is that they spend more on infrastructure facilities such as flasks, tea tables, chairs, beautiful wall-show amenities, etc.
3. More area is required: more area is required for the jaggery tea business as it increases the rent of shops.
4. More competition in the jaggery tea business: Jaggery tea business shops are increasing month by month, leading to more competition in the business.
5. Customer expectations are increasing. Customer expectations are increasing as they need good chairs, cleanliness, and a sufficient place to sit. These are again increasing the cost of business management.
6. Increase in cost of raw materials: Basic raw materials such as tea powder, jaggery, milk, and tea masala are continually increasing, which is further increasing the rate of tea cups.
7. Quality and taste issues: maintaining good quality and taste is another issue in the jaggery tea business. Small changes in the ingredients may change jaggery tea quality and taste.

1.4 Suggestions

1. To start a franchisee jaggery tea business, franchisers have to charge less money in the initial stage to the business starters, which reduce their burden.
2. To avoid competition in the jaggery tea business, owners must search the area to start shops where more population is available and fewer shops are established.
3. Shops need to maintain good quality and taste in the jaggery tea, which helps attract more customers to the shops.
4. Except for health and hygiene, the remaining cost must be reduced to decrease the cost of tea.
5. Some value-added materials, such as ready-made bread, bakery items, biscuits, and jaggery cakes, should be sold along with the jaggery tea business, which helps to earn more profit.
6. Franchisers have to offer a credit facility to new Jaggery Tea business starters, which helps reduce the financial burden.

1.5 Conclusions

The jaggery_tea franchise business might just be the right path for the development of new entrepreneurship, and this business may increase employment opportunities. Franchising allows bigger businesses to branch out and grow; this gives them the opportunity to run their own business with the help and support of a larger franchise company. Jaggery tea has many health benefits and is easier to start with a franchisor.

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