

Research on Brand Management and Market Expansion Strategy of CHAGEE

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Abstract: CHAGEE is a famous tea beverage brand in China. The success of the brand in the domestic market and the recognition of the majority of consumers are attributed to the company's scientific management of innovative brands and reasonable marketing methods, CHAGEE organically integrates traditional tea culture with modern consumer preferences. CHAGEE has successively landed in Shanghai, Dali and other cities in China, and has opened stores in Malaysia, Singapore and other countries. The core part of the paper focuses on the opportunities and challenges faced by the current enterprise, and how the company is scientifically expanded and operated. Through a detailed analysis of the product management mode and development status, as well as the specific situation of consumers, combined with the overall market pros and cons analysis, in the search for reasons while summarizing some successful experience, to provide theoretical support for related industries and other brands in the same industry.

Keywords: Brand management, market development, customer engagement, competitiveness analysis, CHAGEE.

1. Introduction

CHAGEE is a brand of milk tea in Yunnan, China. Through a large number of market surveys, including domestic and foreign markets, domestic first - and second-tier cities and domestic third- and fourth-tier cities of different consumer groups, marketing quotas, the number of stores and other aspects, combined with relevant data comparative analysis, so as to draw scientific conclusions [1]. With the progress of society and the continuous improvement of people's living standards, consumers are increasingly pursuing high-quality and healthy products. Under the new historical conditions, how should CHAGEE conform to customers' consumption concepts and further achieve customer recognition and market success? [2] Through research to find the right development direction for enterprises and brands, with enough consumer groups and market share, products can better combine Oriental culture with tea heritage and innovation, and create a new Oriental tea shop. This paper also studies the brand management mode of CHAGEE, discusses the possibility of the company continuing to expand in the domestic market and enter the international market, and plays a positive demonstration and leading role for the development of the company and other products in the same industry[3].

2. Brand Management Strategy

2.1. Brand Positioning

2.1.1. The Essence of the CHAGEE Brand

C brand effectively combines traditional tea-making techniques with modern design elements to successfully create a unique image. The core of its brand lies in its excellent quality that is recognized by consumers. The company has successfully positioned itself as a high-end tea beverage brand that values tradition and combines it with innovation [4].

The brand's packaging is particularly exquisite, with carefully designed patterns and colors that organically blend traditional Chinese elements with modern aesthetics. By combining its brand image with consumers' pursuit of quality and modern fashion, it has attracted a wide range of consumers through its beautiful packaging design [5].

2.1.2. Target Audience and Peripheral Expansion

CHAGEE has conducted comprehensive market research and combined a large amount of data reference to research and innovate products suitable for different groups of people with different needs, targeting different ages, occupations, and consumption levels [6]. Market research shows that the demand for high-end products is relatively high in first- and second-tier cities, so the company focuses on providing exclusive high-end tea beverage varieties in these cities. This tea beverage focuses on the season of tea production and freshness. In contrast, for the domestic third- and fourth-tier cities and below, the company will adjust its product range appropriately according to local conditions to make its price more favorable. This differentiated business approach ensures that CHAGEE can meet the differentiated needs of different customers in different market environments [7].

In the marketing process, CHAGEE pays special attention to developing new products and seasonal products. This move satisfies consumers to taste new tea and new products at the first time. The company will also launch different peripheral products in different regions and seasons, such as a series of exquisitely crafted thermos cups, badminton, notebooks, etc., to meet the diversified needs of consumers, so that CHAGEE can maintain sufficient vitality in the current highly competitive tea beverage market.

2.2. Customer Engagement and Loyalty Programs

2.2.1. Digital and Social Media Marketing

Digital and social media marketing plays a vital role in CHAGEE's interaction strategy with consumers. The company uses various online platforms to increase brand awareness. CHAGEE's promotional methods also include inviting celebrities to endorse and collaborate with them, and through active publicity, attracting more consumers to learn about the product. The company also promotes new products during specific holidays or festivals, and launches a series of marketing and promotional activities to deepen consumers' understanding of the product through activities [8]. In addition, through questionnaire interaction, insights and feedback from consumers can be collected, which helps the company provide valuable information [9].

2.2.2. Membership and Rewards Program

CHAGEE has established a membership system specifically for consumers. This system has effectively promoted long-term consumer consumption and cultivated regular customers for the

company. Many consumers have received special benefits during the consumption process. These benefits have greatly increased customer satisfaction with the product [10]. Through continuous consumption, consumers have more trust in the product. Through operating methods such as membership and points systems, the company's ability to retain stable customers and promote long-term benefits is enhanced [11]. This daily external information allows the company to accurately grasp the market trend.

2.3. Marketing Communications and Brand Promotion Activities

2.3.1. Main Advertising Activities

CHEGEE also invested a lot of money in advertising. The company also covered multiple media channels in its advertising activities. The promotional activities focused on introducing CHAGEE's unique product quality, sales philosophy, and how to organically combine tradition and fashion [12]. The company's advertising strategy is significantly different from that of other peers. CHAGEE aims to resonate with consumers. By using multiple media platforms, the product conveys the practical value of the product to the greatest extent [13]. We can see CHAGEE advertising images on the streets and large shopping malls in many first- and second-tier cities in China. All stores use a unified design and decoration style. The tea cups are also distinguished from other products by a unified pattern and obvious logo.

2.3.2. Public Relations and Community Engagement

Actively engaging in social public relations has long been an important part of CHAGEE's marketing strategy. The company is committed to the idea of serving the whole society, actively participating in public welfare and sponsorship activities, and donating money and property to poor and disaster-stricken areas. These efforts are also a further inheritance of tradition [14]. Since its establishment, the company has strongly supported local development initiatives. While consuming, people have truly established a good psychological connection with the product. On the one hand, it has expanded the product's business scope and sales and improved the company's economic benefits. on the other hand, it has helped to enhance its overall brand assets [15].

3. Market Expansion Strategy

3.1. Expansion of Domestic Market

3.1.1. Layout of First-tier and Second-tier Cities

CHAGEE has increased its influence by opening stores in first- and second-tier cities. CHAGEE has set up flagship stores in these cities and cooperated with high-end retailers, adding new products in accordance with the seasons and launching novel peripheral products every month, playing an active role in publicity and leadership [16]. The company's expansion initiatives include investing in prominent locations and creating in-store experiences that match its brand image. These stores are generally located around large shopping malls and supermarkets, where customer traffic is very high, effectively driving sales and consolidating its position as a leading high-end tea brand in first- and second-tier cities [17].

3.1.2. Gradual Development and Penetration into Second- and Third-tier Markets

CHAGEE's strategies for penetrating second- and third-tier markets include adjusting product prices, adjusting product ranges, and launching promotional campaigns, which enable the company to reach

a wider consumer base and drive growth in less saturated areas [18]. The company leverages its local distribution network and tailors its marketing strategies to the needs of consumers in second- and third-tier markets in order to more effectively attract consumers in second- and third-tier markets [19].

3.2. International Market Entry

3.2.1. Southeast Asian Market Entry Strategy

CHAGEE's international expansion strategy was to first take advantage of its geographical advantages and enter the Southeast Asian market. The company conducted market research on Southeast Asian countries and found that Southeast Asian countries have a warm climate and are close to China. In particular, the Chinese in Singapore account for more than 70% of the total population[20]. The company studied the specific requirements of people in Southeast Asian countries for tea drinks, combined with the consumption habits of people in Southeast Asian countries, and adjusted its products according to local market demand to meet the tastes and personalities of consumers in these markets [21].

3.2.2. Opportunities and Challenges in the International Market

With the implementation of visa-free policies among many countries, people can travel more easily, which is conducive to cooperation and technical exchanges [22]. At the same time, it also brings challenges. For example, the legal system in foreign countries is different from that in China. The taxation, management and requirements for foreign companies are not completely the same as those in China. The consumption habits and tea tastes of foreign citizens are also very different from those of domestic consumers. These factors have led to the company's need to adapt to the new living and development environment as soon as possible while growing and developing [23]. In addition, Southeast Asia is rich in tropical fruits, and there are many well-known tea beverage brands in the country, which already have a considerable number of regular customers.

3.3. Franchise and Cooperation Strategies

3.3.1. Development of Franchise Model

CHAGEE has fully utilized its own development advantages to develop and is committed to continuous growth. In many media in first- and second-tier cities, franchise invitations from the company can often be seen. Judging from the release situation, the company's management is formal and orderly, which makes franchisees feel worry-free and secure. This model enables CHAGEE to effectively expand its business [24]. New stores will follow the company's unified management model and operation methods, quickly enter the work process, and achieve orderly operation [25]. At the same time, it also effectively solves some employment problems for the local area, which will also receive strong support from the local area, thus achieving a win-win situation for the company and the stationed area.

3.3.2. Brand Cooperation and Alliance

In the market competition, the company pays special attention to cooperation with local or other brands [26]. The multi-angle cooperation has enabled both parties to achieve the expected results. While satisfying the diversified consumption of consumers, the company's market has also been established [27].

4. Competitive Analysis

4.1. Overview of Competitors

4.1.1. Main Competitors in the Chinese Market

China is a traditional tea country. In the fiercely competitive Chinese tea beverage market, CHAGEE faces challenges from many local tea beverages, such as the "Cha Yan Yue Se" series of tea beverages developed in Changsha, Hunan. They have a variety of flavors and recipes, and the stores are in short supply. There are long queues outside each store [28]. The company has also developed a large number of peripheral products to attract many consumers. Even many foreign tourists come here to check in at the milk tea shop. There are also several "Nayuki" and "Cha Baidao" tea beverage specialty stores in China's first- and second-tier cities. These are powerful opponents that CHAGEE must face.

4.1.2. Market Position of CHAGEE

High-quality products to consumers and actively participated in social welfare and charity activities. In China, wherever there is difficulty and need for assistance, there is the shadow of CHAGEE, and the products have created a tall image among consumers [29]. It has been recognized and praised by all sectors of society and consumers, which is very consistent with CHAGEE's high-end tea beverage brand image, laying a solid mass foundation for market competition and promoting long-term and healthy development in the future.

4.2. SWOT Analysis of CHAGEE

4.2.1. Advantages and Disadvantages

The product has many customers of different age groups, from children to the elderly. The consumer range is wide and the population base is huge, which provides a strong guarantee for rich economic returns. However, new tea beverages are constantly launched in the market, and the population base of each region is basically stable in the short term[30]. Whether in the long term or in stages, it will have an impact on the CHAGEE market and there will be fierce competition.

4.2.2. Opportunities and Challenges

CHAGEE should actively seize current and future opportunities. The growing number of consumers is a favorable factor for the development of the company. Challenges always exist in the development process, including the downward trend of the global economy after the COVID-19 pandemic, the impact of international and domestic economic fluctuations, and the huge challenges faced by physical stores [31]. The company should take comprehensive considerations and actively face opportunities and crises through scientific and reasonable business methods.

4.3. Comparative Analysis

4.3.1. The Unique Strategy of CHAGEE

CHAGEE is different from other tea beverage brands in its management and operation methods. Instead, it cleverly combines traditional tea culture with modern brands. The company pays attention to every design detail, from handbags to tea cups, from colors to packaging, and even to the thickness of a straw. Its workmanship is constantly refined, and this unique feature helps it continue to attract a diverse consumer group [32].

4.3.2. Lessons Learned

Some competitors have taken on a certain market share in the short term by adopting marketing methods such as small profits but quick turnover, point systems, consumer vouchers, and free merchandise. However, some companies in society have adopted unfair competition methods such as reducing the cost and quality of raw materials, diluting the concentration of milk tea, and not cleaning carefully to save water and electricity in order to make profits, which have led to complaints from consumers and media exposure. We must learn from these negative typical cases, and CHAGEE must base itself on the positioning of high-quality healthy tea beverages.

5. Conclusion

This article starts with the establishment of the CHAGEE brand, telling how the company has developed step by step, a set of successful experiences explored through practice in the course of operation, analyzing the opportunities and challenges encountered, how to build domestic and foreign markets at different stages of development, and what scientific management methods and concepts are used in different stages of corporate development. Based on the scientific positioning of its own products, it treats competitors objectively and draws valuable experiences and lessons. In the long development process in the future, it will always ensure product quality and achieve sustained and stable growth. Through the research and exploration of CHAGEE products, the company's management and operations are explained, and its strengths and weaknesses are summarized, which not only promotes the healthy development of its own products, but also provides insights for related brands in the tea beverage industry and other fields. If any product wants to be recognized by consumers, it needs to actively pay attention to consumer needs in the process of practice, adhere to quality first and customer first, so as to develop stably in the market competition and promote the company to become bigger and stronger.

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