

The Use of the SWOT Model to Analyze the Success of CHAGEE Brand Marketing Strategy

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Abstract: In recent years, with the increasing popularity of the catering service industry, the sudden rise of the milk tea industry, milk tea is deeply loved by the majority of young people, and has become the most popular topic at present, this paper is an analysis of the success of the marketing strategy of the milk tea brand CHAGEE. Price strategy, publicity strategy, and channel strategy, through which people can get the success of its marketing strategy, its unique way of brand culture shaping, brand differentiation, and product market share, brand differentiation and a large number of market research to draw customer tendencies, brand publicity methods and marketing methods, and finally the future suggestions for the CHAGEE brand, to focus on improving the quality of products and services.

1 INTRODUCTION

In recent years, with the vigorous development of the beverage market, milk tea has gradually become a fashion in young people's lives (Filo, 2011). The emergence of new Chinese tea has also promoted the development of tea culture (Xu, 2024). Therefore, there are a large number of milk tea brands in the market, the potential of the milk tea market is huge, but the pressure is also huge, in the competitive environment of the market, some milk tea brand popularity shows a polarized trend, only a small number of brands can get a high degree of attention and market favor, mainly due to the effective accumulation of its brand equity and the full release of market value. These brands often show excellent performance in multiple dimensions such as brand positioning accuracy, product quality control, brand communication strength and effect, brand value building, and brand innovation ability, successfully attracting consumers' attention, meeting their needs and shaping a good brand experience, thus forming a positive cycle of brand potential energy. From the perspective of brand management professionals, those brands that are gradually marginalized by the market may have many problems in brand strategic planning, brand core value transmission, product market adaptability and marketing communication effect, resulting in the brand being unable to

effectively meet the needs and expectations of the target market, and gradually losing its competitive advantage and brand vitality in the market competition, which ultimately leads to the shrinking market share and the continuous decline of brand attention to disappear in the market.

Therefore, an in-depth analysis of the reasons behind the success of the brand can not only reveal the core logic of brand building, but also have important reference value for the future competitive strategy of the milk tea market. At the beginning of this study, the basic dimensions such as the industry background, development process, and market structure of the brand will be systematically elaborated, so as to provide a solid theoretical and practical basis for subsequent in-depth analysis. Then, the SWOT analysis method was used to carry out a comprehensive strategic assessment of the overlord tea queen. In-depth combing of its internal advantages, such as product features, brand image building, Identify weaknesses, such as operational shortcomings, market coverage limitations, At the same time, it has accurate insight into the opportunities brought by the external environment, such as the trend of consumption upgrading and the rise of emerging markets, and potential threats, such as fierce competition, changes in policies and regulations, Through this analytical framework, the current status of the brand is clearly outlined, the future development opportunities are accurately

identified, and the risks and challenges faced are fully revealed.

Then, the classic 4P marketing theory was introduced, and the CHAGEE tea was deeply analyzed from the four dimensions of product, price, channel and promotion. product characteristics was analyzed , pricing strategies, channel layout and promotion methods in detail, and compare them horizontally with the representative tea and beauty to explore the similarities and differences between the two in marketing strategies. Based on the above research, this paper summarizes the successful factors of CHAGEE marketing strategy, such as product innovation and accurate brand positioning. Finally, based on the research conclusions, constructive suggestions are put forward for the future brand development path of CHAGEE Lady, so as to help it continue to develop steadily in the highly competitive tea market and maximize the brand value.

2 BRAND INTRODUCTION

In 2017, CHAGEE was born in the world's tea hometown - Yunnan at the beginning of its birth, since then CHAGEE has insisted on using good tea and good milk to make tea that is friendly to the health of the body, presenting a cup of refreshing and non-greasy, can drink the original leaf fresh milk tea for tea lovers, "make the tea in the bones" is the belief that CHAGEE has always adhered to, CHAGEE takes the original leaf fresh milk tea as the main product, covering pure tea, fresh fruit tea and related derivative products around it, combining oriental culture and tea inheritance and innovation to create a new oriental tea shop (Zhang, 2024).

2.1 Brand Culture

With tea friends, the country has boundaries, and tea has no boundaries, and the present study this paper are committed to creating the best innovative milk tea that belongs to the Chinese people, connecting the world with Chinese tea to spread Chinese tea culture to people all over the world, and is committed to representing Chinese tea to become a new oriental culture.

2.2 Development History

November 17th, the seventh anniversary of the establishment of the CHAGEE brand. 2021 is an important turning point for CHAGEE: in June, it moved its headquarters to Chengdu, the "Western

Milk Tea Capital", and simultaneously launched the brand 2.0 upgrade. Three months later, it opened its first flagship store in Chengdu Chunxi Road with a new brand identity. In October, it officially announced two rounds of financing totaling 300 million yuan, and began to enter the field of vision of mainstream business media.

In 2023, CHAGEE will become a phenomenal new tea drink brand. According to Frost & Sullivan, among China's ready-made tea brands in 2023, CHAGEE will only rank fourth with 10.8 billion yuan. At this time, the number of stores of CHAGEE was less than half of the top ones.

The new tea drink knockout round is speeding up, and the overlord tea girl continues to run hard. In the first quarter of this year, the GMV of CHAGEE exceeded 5.8 billion yuan, and the GMV target for 2024 is 20 billion yuan. As of May 20 this year, the number of registered members of CHAGEE has exceeded 130 million, and the number of registered members has doubled in less than half a year. In July, CHAGEE opened its global headquarters in Shanghai, and its ambition to become a global tea brand was undoubtedly revealed.

3 SWOT ANALYSIS OF CHAGEE AND TEA BEAUTY

3.1 Analysis of the Advantages of CHAGEE

China is the birthplace of tea culture, and Chinese consumers have cognitive resonance with traditional Chinese tea culture, and prefer to promote the "new Chinese" tea drink that promotes Chinese tea culture compared to other tea products that lack cultural connotation, and the new Chinese tea drink occupies a place in the Chinese tea market, combining ancient Chinese culture and history with milk tea to make it unique, and integrating elements such as opera costumes, traditional embroidery, seal carving and woodcarving into the brand logo (Yao, 2024). The store design also has the characteristics of the national dynasty (Jing, Qing & Zhao, 2024).

Compared with the unique advantages and market advantages of Chayan Yuese, CHAGEE: The market of Chayan Yuese is mainly concentrated in Hunan, and CHAGEE has a large number of distribution in various provinces, with more than 3,700 stores, covering 282 cities in 31 provinces, while there are only more than 500 and covering 13 cities in 5 provinces.

Advantages of business model: CHAGEE coffee table adopts the model of direct sales and franchise, and Chayan Yuese is a pure direct sales model, so CHAGEE quickly occupied the mid-end market and quickly seized a large number of market shares (Zhang, 2014).

3.2 Analysis of the Disadvantages of CHAGEE

According to the survey, the sales volume of its signature products accounted for more than 35%, and the over-reliance on a single product led to the lack of innovation of other products. The positioning of the product price, the unit price of CHAGEE products is between 15 and 20 yuan, and the price is more expensive than ordinary milk tea, so it is necessary to ensure the reliability and health of raw materials, and at the same time, it must also have strict requirements for its own service and environment, but it is inevitable to face the problem of ultra-rapid expansion.

3.3 CHAGEE Opportunity Analysis

With the support of the current domestic policies and the promotion of the domestic "Belt and Road" initiative, China's international influence is increasing, which provides an important foundation for the internationalization of Chinese products, and the test of CHAGEE in Southeast Asia has achieved great success, which provides a positive signal for the future promotion to the world.

The advanced concept of the company's founder, is committed to building CHAGEE into another "Starbucks", A Starbucks belonging to China, the brand must have the courage to go out, it is obvious that CHAGEE has and dare to fight.

People's pursuit of health, in recent years, people pay more and more attention to the health of the diet, high-quality raw materials and professional material processing, to ensure the health of CHAGEE drinks, and according to the poll more than 60% are willing to spend more money on the same type of health drinks, this is undoubtedly a huge opportunity (Huang, 2024).

3.4 CHAGEE Threat Analysis

The "threat of potential entrants" refers to the fact that while CHAGEE Season has taken the majority of the 20 yuan milk tea market, there is still a risk that other emerging competitors may enter the market and pose a challenge to existing businesses. Even if CHAGEE

has a large share of the current market, due to the attractiveness of the market and relatively low barriers to entry, other companies may still seek breakthroughs in price, product innovation or brand strategy, thereby dividing market share and bringing competitive pressure.

At the same time, competitors within the industry, such as brands such as Mi Xue Bing, also pose a significant threat. With its product innovation, brand recognition or marketing methods, Mi Xuebing can attract the same consumer groups, and then compete with CHAGEE for market share. Due to the ever-changing consumer demand in the milk tea industry, the entry of competitors may lead to more competitive markets, which will affect the profitability and market position of CHAGEE Season. In summary, although CHAGEE Tea Season has dominated the market, potential market entrants as well as existing competitors may still pose a threat to it through differentiated competition, which in turn will affect its market share and future growth.

4 4P ANALYSIS

4.1 Product Strategies

By differentiating itself by using raw leaf fresh milk instead of fruit tea, CHAGEE aims to enter the vacuum market that has not yet been fully occupied and meet consumer demand for high-quality beverages. In addition, CHAGEE also focused its resources on promoting the flagship product "Boya Juebian" through the "Big Single Product Strategy", which is based on extensive market research and customer feedback, with the goal of quickly attracting consumers' attention and driving sales. In order to increase the brand's appeal, CHAGEE also launched a packaging design with Chinese characteristics, so as to enhance the brand's recognition and resonate with the cultural identity of consumers (Shi, Yang & Yu, 2021).

4.2 Price Strategies

CHAGEE is positioned in the mid-end market of 15-20 yuan, and no national head brands have emerged in this price segment, so CHAGEE can quickly occupy a large market share in this relatively unsaturated and huge market space. Its price strategy not only takes into account the purchasing power of consumers, but also ensures the high quality of products and brand image, thus establishing a strong competitive advantage in the market.

4.3 Channel Strategies

Bawang Chaji has selected a large-scale store of more than 200 square meters in the channel layout to improve the market coverage and popularity of the brand. At the same time, the company carries out large-scale replication on the mainstream store type of about 260 square meters, and strives to enhance the potential energy of the brand in the high-end business district through accurate site selection. Despite the high rent pressure, CHAGEE still maintains a high queue rate and conducts social communication through online channels, especially new media platforms such as Xiaohongshu, to increase brand exposure and user interaction (Wang, 2024).

4.4 Promotional Strategies

CHAGEE promotion strategy focuses on the combination of precise operation and consumer experience, attracting consumers through private domain traffic management and offline interactive activities, and enhancing brand stickiness and engagement, so as to achieve the dual goals of sales conversion and long-term customer maintenance.

Private domain traffic management: CHAGEE establishes direct contact with customers through channels such as store WeChat groups, and regularly launches promotional information, such as weekly discounts, exclusive discounts on members' days, this method not only accurately reaches the target consumers, but also strengthens user stickiness and encourages repeat consumption through "loyalty incentives". According to the theory of consumer psychology, price concessions can effectively stimulate purchase motivation, while the sense of exclusivity further enhances customers' sense of belonging and loyalty. Offline interactive activities: CHAGEE co-branded with popular IPs (such as "Tomb Robbery Notes") to hold themed pop-up stores, as well as interactive promotions in conjunction with traditional festivals (such as the Mid-Autumn Festival), providing rich prizes and games. This kind of activity caters to consumers' needs for freshness, fun and social attributes, reinforces brand impressions through immersive experiences, and creates added value for customers. The core of the promotion strategy is to meet the affordable needs of consumers through online precision operations, provide social and entertainment value through offline activities, and strengthen the connection between brands and consumers. This two-pronged approach not only increases consumer attention and engagement with

the brand, but also creates a higher repurchase rate and market recognition for the brand (Yu, 2023).

5 COMPARATIVE ANALYSIS WITH TEA AND PLEASANT COLOR

In the tea market, CHAGEE and Tea Yan Yue Se have their own characteristics, but CHAGEE has obvious advantages. In terms of brand positioning, CHAGEE focuses on high-end culture and quality, accurately targets mid-to-high-end consumers, digs deep into tea culture, controls quality details, and establishes a high-end professional image. Although the tea and beauty pay attention to the appearance experience and the audience is young, it is slightly weaker in terms of culture and quality.

In terms of price, CHAGEE is priced higher due to high quality, matching high-end products and services to provide a value-added experience for consumers who pursue quality. The price of tea and beauty is close to the people, focusing on the young market, and it is difficult to meet the needs of the middle and high-end.

In the channel layout, CHAGEE chooses a high-end location, and the store design integrates culture and aesthetics to create an immersive space and highlight the high-end positioning. The layout of the young people's active area and online is not as good as the overlord tea queen in terms of space experience.

In terms of promotion strategy, CHAGEE emphasizes cultural connotation and cooperates with art activities to enhance brand value and loyalty. The use of entertainment promotion, in cultural dissemination and high-end image building is slightly inferior.

The two have their own characteristics, CHAGEE has won the recognition of the mid-to-high-end market through its profound cultural heritage and high-quality tea drinks, while Chayan Yuese has attracted a large number of young consumers through its appearance and youthful marketing methods.

Differences in business models CHAGEE adopts the way of direct sales and joining, and Chayan Yuese adopts the way of direct sales, and direct sales and franchise are two different business models, and they have some obvious differences in management, operation, risk, Here are the main differences: Direct marketing is suitable for businesses that want to control their brand image, service quality, and operational standards, and have enough capital to

make large-scale investments. Under the direct sales model, the headquarters has greater control, but it also faces higher capital risks and expansion restrictions. Franchise is suitable for businesses that want to accelerate brand expansion with external funding and resources. Under the franchise model, the headquarters can obtain stable franchise fees and management fees, and the expansion speed is relatively fast, but it also needs to rely on the execution of franchisees, and may face the risk of inconsistent brand image and increased management difficulty (Mo, 2017).

6 CONCLUSION

In the context of the rapid growth of tea brands and increasingly fierce market competition, the brand development of CHAGEE must carry out in-depth market analysis and strategic planning. Through SWOT analysis, this paper can clarify the advantages, disadvantages, opportunities and threats of CHAGEE in the market, and further point out that the brand must achieve sustainable development through differentiated positioning in a highly competitive environment. Specifically, CHAGEE should combine its brand cultural characteristics, dig deep into the needs of consumers, formulate innovative product strategies in line with market trends, and at the same time, accurately determine the main products and marketing strategies through market research and 4P analysis, so as to ensure that the brand can quickly respond to market changes and seize new market opportunities.

In order to stand out in the fierce market competition, CHAGEE should take culture as the core to enhance brand recognition and consumer brand loyalty. At the same time, given the slower pace of expansion of the direct sales model, brands can accelerate market penetration through the franchise model, quickly occupy the second- and third-tier cities, and reduce operational risks. However, in order to ensure the consistency of brand image and service quality, the headquarters needs to establish a sound franchise management system to ensure that the brand maintains a high standard of operation and quality control during the rapid expansion.

In addition, the success of a brand depends not only on existing marketing strategies, but also on in-depth market research, continuous adjustment of product mix and marketing methods to continue to meet the changing needs of consumers. A brand's competitive differentiation will be key to maintaining its long-term competitiveness in the future market.

Overall, the success of CHAGEE is the result of a combination of factors, including precise market positioning, innovative product design, effective marketing strategies and flexible channel expansion. In the future, brands should pay more attention to the detailed needs of consumers, and promote the long-term development of brands and the increase of market share by optimizing user experience and innovating service models.

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