

Development countermeasures of tea enterprises from the perspective of regional brand construction: Taking Sichuan Meng-top Camellia as an example

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Abstract: The construction of tea regional brand is of great significance to promote the development of tea industry in the region, and under the complicated market environment, many tea enterprises are faced with many survival challenges. Therefore, this paper selects Sichuan Meng-top Camellia as the research object, on the basis of comprehensive analysis on the situation of regional brand construction in tea industry and the development status of tea enterprises, analyzes the significance of regional brand construction, and provides reference suggestions for the long-term development of tea enterprises.

1. Introduction

As a big agricultural country, China has always attached importance to agricultural development. In his report to the 19th National Congress of the Communist Party of China, General Secretary Xi Jinping proposed that the rural revitalization strategy should be implemented, the modernization of agriculture and rural areas should be promoted, agricultural brand building should be promoted, and China should move from a large agricultural country to an agricultural power. As one of the sub-sets of agricultural development, regional brand building in the tea industry has important practical significance for promoting regional agricultural economic development. At present, under the fierce market competition conditions, the importance of brand building in tea areas has become increasingly prominent. In this paper, Sichuan Mengding Camellia is studied as an object of research. Mengdingshan tea-producing area is rich in producing high-quality green tea due to its unique natural conditions. In May 2017, in the first China International Tea Expo, Ya'an Mengding Camellia was selected as "China's Top Ten Tea Area Public Brands". After years of development, the number of Mengding Camellia production enterprises in the famous mountainous area of Ya'an City has reached 1,299.

Since November 2017, the Yashan City Government of Ya'an City has started to carry out the transformation and upgrading of tea enterprises in the whole district, reducing the number of tea enterprises, standardizing production and management, and promoting the brand building of Mengding Camellia on the basis of double trademark^①. The development of the tea market and the strong rectification of the government have caused many tea companies to feel the crisis of survival and have taken the pace of self-help. Therefore, under the perspective of regional brand construction, how tea enterprises seize the development opportunity of the famous mountain tea brand construction, promote their own transformation and upgrading, and build a stronger market competitiveness is a major practical problem^[1].

2. The research background

2.1 Current status of regional brand building in tea industry

The Ministry of Agriculture of China has identified 2017 as the "Agricultural Brand Promotion Year" in China. Since 2017, the construction of agricultural regional brands has been increasingly valued by the government, enterprises and farmers. The No. 1 Document of the Central Committee pointed out that promoting the construction of public brands in agricultural products and cultivating domestic high-quality brands is an important development direction for improving China's

comprehensive agricultural competitiveness. At present, the regional brand building of agricultural products in China is still in the exploration stage. Taking the regional brand building of agricultural products as the guide, promoting the reform of the supply side of agriculture is the general trend of development. As one of the important agricultural industries, the tea industry is still relying on the macro guidance of the government and leading enterprises to take the lead in building the main direction of regional brand development.

A comprehensive comparison of the data on the evaluation of the public brand value of China's tea regions in 2014-2018 (Figure 1) shows that under the trend of increasing brand value and average value year by year, the value of brands in different tea regions still differs significantly. In 2018, the CARD China Agricultural Brand Research Center of Zhejiang University carried out a brand value evaluation for the national tea regional brand. Pu'er tea ranked the first among the national tea regional public brand values with a market valuation of 6.410 billion yuan, while the lowest brand value was only 0.81. 100 million yuan^[2]. Different regional brand markets have different influences, which will lead to uneven brand quality and price. This is one of the main problems facing the brand building of tea industry in China. It can be seen that the importance of enhancing the brand value of tea is increasingly prominent.

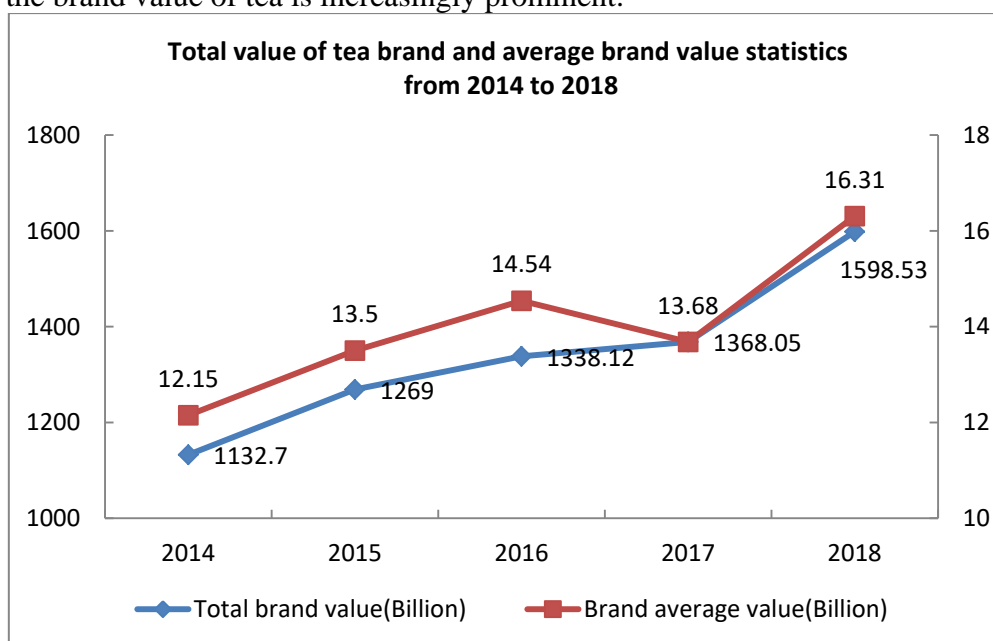


Figure 1 Total value and average brand value of tea brands from 2014 to 2018

With the rapid development of the economy, the gradual improvement of people's living standards and quality, consumers are increasingly inclined to choose more brand-effect products, and the brand competition in the tea market is also intensifying. As far as Sichuan Mengdingshan tea is concerned, its brand value and income have gradually increased from 2015 to now, but due to the weak local brand building, it competes with Yunnan Pu'er, Anhua black tea and other famous teas. The force remains to be tapped.

2.2 Development status of tea enterprises

Regional brands are the product of the development of industrial clusters to a certain stage. In the process of regional brand building, the aggregation of many famous brand enterprises in the cluster and the resulting cluster effect play an important intermediary role^[3]. Zhao Weihong and Sun Ru pointed out that as a key agent of regional branding, enterprises bear the function of transforming the external influence of regional branding into internal behavior of enterprises^[4].

In the process of branding the tea area, the company plays the role of booster. According to Netease News, the number of Chinese tea enterprises continues to grow. In 2016, there were more than 70,000 tea production and processing retail enterprises in China, but there was no tea company with a market share of more than 1%. This is not only a practical problem of brand building in the

tea area, but also a problem that enterprises need to solve in order to achieve transformation and long-term stable development.

This study focuses on the Mengdingshan tea-producing area in Sichuan. As one of the origins of tea cultivation in China, due to the special history of growing tea and superior natural conditions, the early stage has caused a large number of tea enterprises to gather. The strategies developed by many tea companies are also different. Some companies emphasize diversification, while others focus on tea branding. Under the leadership of the government, the steady development of opportunities by tea enterprises, the improvement of skills of farmers, and the full cooperation of cooperatives, the value of tea brands in the Mengdingshan tea-producing areas in Sichuan has risen.

Under the background of the rapid increase in the number of brands in tea regions in the country and the trend of branding of tea enterprises, the Yashan Municipal Government of Ya'an City began to carry out the transformation and upgrading of tea processing enterprises in the whole region, reducing the number of tea enterprises, and clearly stipulated that only after rectification Reserve more than 200 tea companies with strength and potential. Under the increased competition in the tea market and the strong rectification of the government, many tea companies have been caught in the crisis of survival and have taken the pace of self-help. Taking the eight major tea groups in Ya'an as an example, major tea companies have continuously improved their development models and formulated long-term and stable development strategies. Among them, Fengfeng Tea Company adopted the model of enterprise plus cooperatives, and incorporated the farmers into the production and operation of the company through the tea planting cooperatives, thereby ensuring the quality of the purchase of tea raw materials. At the same time, it also actively expanded the company's business and incorporated rural tourism into tea. Brand building, and strive to achieve the integration of tea travel. Weiduzhen Company focuses on the expansion of product market channels, gradually expands the product market by using social e-commerce in China, and expands the customer base through existing channels in foreign countries. Huangfuyuan Tea Co., Ltd. actively financed and outsourced product promotion. The rest of the major tea companies are gradually exploring new development models to enhance their strength and avoid the fate of being eliminated.

According to the data of the People's Government of the Mountain District, as of June 2018, 866 of the original 1,299 tea enterprises in the region have completed the transformation and upgrading, and the phenomenon of "small scattered" of the tea industry over the years has been gradually improved.

3. The significance of regional brand construction in the tea industry

3.1 Promoting the adjustment of industrial structure

The regionalization of agricultural products is an important indicator of regional agricultural development and the mainstream trend of China's agricultural modernization development. To build a regional brand of agricultural products can promote the continuous development of regional industries. In the process of construction, the tea regional brand can promote the integration of regional one, two and three industries by constructing a new ecological industry model.

3.2 Promoting the reform of the supply side of agriculture

Along with China's economic and social development and the increase in per capita income, consumers pay more attention to the safety and quality of agricultural products. The demand for agricultural products begins to shift from attention to availability and diversity to quality and safety. However, at present, China's agricultural product market still faces many practical problems such as supply and demand misplacement and a large number of low-end products [5]. The same problem exists in the Chinese tea market. In addition, some tea companies use public regional brands for illegal market activities, undermine brand effects and influence the order of the tea market. One of the causes of many problems is that China's agricultural supply and demand structure is still asymmetrical, leaving many companies with opportunities. The branding of tea area is the back engine for promoting the reform of agricultural supply side. Tea enterprises and farmers should

enhance their awareness of brand protection and push forward the quality of agricultural supply.

3.3 Helping the branding growth of China's tea regions

Tea products have extremely high practical value and cultural value, and it is of great practical significance to build their brands^[6]. The tea regional brand conveys the source of the product to consumers and spreads the history and culture of the regional brand tea. Creating a regional brand can not only improve the competitiveness and brand value of tea in the domestic market, but also help the tea industry to regulate the production and marketing process. In addition, the tea regional brand building has also opened up a brand new chapter for the “Belt and Road” and international tea culture exchange. It can be seen that tea regional brand building is an important product of the regional tea industry cluster development, an effective means to optimize the regional tea industry structure, and an important way to achieve regional tea industry competitiveness. The regional brand building as a strategic resource and brand development plan for planning and development has great practical significance for the development of regional tea industry.

4. The development strategy of tea enterprises from the perspective of regional brand construction

4.1 Leveraging the dual trademark strategy to drive the development of its own brand

With the implementation of the regional branding strategy, tea enterprises have more space to be placed on regional brands for promotion and promotion, and can promote the value creation of their own brands under the premise of making full use of regional public brands. As a regional public brand, Mengdingshancha is gradually promoting its brand influence under the government's promotion. Regional tea enterprises can implement a dual trademark strategy under the guidance of government policies to jointly promote regional brands and corporate brands. Due to the external characteristics of geographical indication brands, regional brands are vulnerable to opportunism and face the threat of brand depreciation^[7]. Therefore, tea enterprises themselves need to continuously improve product quality, maintain brand reputation when using public brands, and ensure long-term interest.

4.2 Breaking the old and new, innovating tea business model

The main development model of tea enterprises today is still the traditional tea production and manufacturing mode, which is difficult to break through the influence of traditional business thinking. Some tea enterprises in the Mengdingshan area began to adopt the “tea industry + tourism” model under the guidance of the government, but most tea enterprises still manufacture according to the traditional model. Local enterprises can try new business models such as tea estates, embed the manor economy into the brand building of tea areas, relying on tea resources and tea culture to create a combination of production, sales, research and development, brand, culture, tourism and other functions. A comprehensive agricultural estate economy that realizes the integration of three industries^[8].

4.3 Paying attention to the inheritance of traditional handicrafts and taking culture as the essence of development

Traditional handicrafts and handicrafts have a strong cultural atmosphere, showing the inheritance and development of productivity technology, and the characteristics of regional culture and the character of craftsmanship^[9]. The yellow tea and black tea in Mengding Camellia are used as tribute tea, and the production process is a local treasure. Enterprises should explore the traditional craftsmen who master the core technology, relying on the historical charm of tea-making carried by traditional craftsmen, and promote the brand value of tea regions while promoting the development of their own brands.

4.4 Seeking external cooperation to solve financing problems

The sources of funds for Mengdingshan tea enterprises are mainly the company's own profits, government subsidies and bank loans. However, in the process of development, enterprises need to continuously invest funds to develop new projects. The financing channel is a back-end warehouse for enterprises. The financing channels such as government subsidies and bank loans can solve the short-term needs of enterprises, but still make up for a large amount of funding gap. Therefore, enterprises should actively expand financing channels and seek cooperation with other different types of enterprises, cross-domain funding gap.

4.5 Deeply excavating the "tea tourism integration" extension space

Under the guidance of local policies, tea enterprises can promote the deep integration of tea production and processing and cultural tourism in tea producing areas. Along with the development of the tea economy in the Mengdingshan tea-producing area, the government advocates the development model of “tea industry + tourism” and builds tourism projects based on tea. Local enterprises should take advantage of the trend and deeply explore the development space of the “tea industry + tourism” model. The innovative development of tourism projects is not limited to the basic tea garden sightseeing, but also provides tea, tea, tea and tea. A new experience project that enhances the appeal of travelers.

4.6 Strengthening brand marketing operations and enhancing the competitiveness of the tea brand market

The promotion of regional brands is of great significance for presenting the characteristics of regional agricultural products. The marketing operation of the regional brands is conducive to enhancing the regional brand value and meeting the expectations of stakeholders. For the tea enterprises in the Mengdingshan tea-producing area, they should communicate effectively through various media and market under the propaganda of government policies, showing the unique natural conditions, the characteristic advantages of tea and its historical heritage. Increase market response and feedback, deepen the understanding of the community in the Mengdingshan tea regional brand, and enhance the competitiveness of the Mengding Camellia market.

5. Conclusion

The regional brand building of the tea industry can not be ignored to promote the recognition of tea brands, the development and promotion of tea culture. As an important part of regional brand building, enterprises should under the guidance of the government's directional policies, integrate internal advantages, innovate business models, actively finance externally, strengthen brand marketing operations, and explore new markets under the new market environment. living space.

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