

# Brand Development Strategies for Small and Medium-sized Tea Enterprises in the Tea Industry: A Case Study of the Tea Industry in Fengshun County, Meizhou City, Guangdong Province

Guizhou Wan\*

Zhongkai University of Agriculture and Engineering, Guangzhou 510225, China

\*Corresponding email: wanguizhou7724@163.com

## Abstract

In recent years, the No. 1 Central Document has emphasized the importance of building high-quality agricultural and food brands, as well as fostering leading enterprises in agricultural product processing and well-known brands. The development of agricultural brands is essential for enhancing the product value of the tea industry, promoting the integration of its primary, secondary, and tertiary sectors, and strengthening its role in benefiting farmers. Fengshun County, a major tea-producing area in Guangdong Province with a long history of tea cultivation, has yet to establish a strong tea brand. This study employs field surveys to examine the current state of the tea industry brand in Fengshun County. It identifies key issues including a low level of industrialized operation, an unclear tea product pricing system, and low brand equity value. Accordingly, it proposes countermeasures such as enhancing industrialized operation, diversifying the tea product matrix, and increasing the value of premium brand equity.

## Keywords

Fengshun County, Tea industry brand, Brand equity value, Small and medium-sized enterprises

## Introduction

With the comprehensive victory in the battle against poverty, it has become a top priority to effectively connect with the rural revitalization strategy, consolidate the achievements of poverty alleviation, and promote high-quality development of the agricultural industry. The No. 1 Central Document of 2024 emphasizes the need to enhance the level of rural industrial development, “encouraging all regions to vigorously develop characteristic industries based on local conditions and supporting the creation of local specialty brands”. While promoting the integration of the primary, secondary, and tertiary industries, the agricultural sector also focuses on the cultivation and development of agricultural brands. Building strong agricultural brands not only better aligns with the requirements of high-quality agricultural development but also serves as a key focus of the “Hundred, Thousand, Ten Thousand Project” in Guangdong Province [1]. This study conducted field investigations of relevant tea enterprises and cooperatives in Fengshun County, Meizhou City, along with on-site interviews with responsible personnel. The aim was to gain a more intuitive understanding of the

current state of brand development in the Fengshun tea industry and the issues that need to be addressed.

Fengshun County is located in the southern part of Meizhou City. There are 547 mountains ranging from 500 to 1,000 meters in height within the county, among which 57 peaks exceed 1,000 meters. Since ancient times, it has been known that “high mountains and dense clouds produce fine tea”. The uniquely advantageous high-mountain ecological environment endows Fengshun tea with exceptional quality. According to statistics, in 2023, the total tea planting area in Fengshun County reached 110,000 mu (approximately 7,333 hectares), with an output of 6,600 tons of dried raw tea. This generated an output value of approximately 1.433 billion yuan, accounting for 30.15% of the county’s total agricultural output value.

In the context of the continuous advancement of rural revitalization, promoting industrial revitalization, actively tapping into the value of the agricultural industry, and building strong agricultural product brands have become important measures. These measures are aimed at promoting high-quality modernization development.

Fengshun County possesses abundant tea cultivation resources [2]. With the continuous development of the tea industry, a variety of tea brands have emerged.

Fengshun tea is of excellent quality, with various brands having won numerous awards, including national geographical indication products and the “Yue Brand” agricultural brand, among other certifications. Notably, “Matu Green Tea” is a geographical indication protected product of Fengshun County and has been successfully designated as a “Guangdong Provincial Characteristic Agricultural Products Advantage Zone”. In terms of regional public brand development, the Fengshun County tea industry has 16 products certified as famous, special, high-quality, and new products. These include 7 under “Fengshun High-Mountain Green Tea” and 9 under “Fengshun Dancong Tea”. In addition, 11 enterprises have been certified under the county’s public brand “Fengshun High-Mountain Tea China Climate Ecological Premium Product”. In the development of the “Yue Brand” agricultural brand, the Fengshun tea industry has 7 enterprises with 8 products selected.

Despite the considerable brand strength of the tea industry in Fengshun County, it has failed to realize its due brand effects, and the brand equity value of Fengshun tea remains unable to compete with nationally renowned tea products. Compared with other famous tea-producing regions in China, such as Fuding White Tea, Yunnan Pu’er Tea, and Keemun Black Tea, the tea industry in Fengshun County still lags significantly in brand development. It is necessary to further explore the locational advantages, resource endowments, and industrial strengths of the Fengshun tea industry and enhance its brand equity value. This will help promote industrial transformation and upgrading. Ultimately, it will strengthen regional radiation capacity and lay a solid foundation for the sustainable development of the Fengshun tea industry.

### **The importance of agricultural brand development for the tea industry**

#### ***Enhancing the product value of the tea industry***

In an era of highly developed material culture, consumers place greater emphasis on the superior quality of agricultural products when making purchasing decisions and are willing to pay a higher price for them. Building a distinctive agricultural brand amplifies the

returns from high-quality agricultural products for brand entities [3]. The premium pricing of agricultural products also benefits the development of local agricultural, cultural, and tourism industries, thereby increasing the economic returns for farmers [4].

As an economic crop, tea has long been valued by consumers for its high quality and distinctiveness. Such differences in quality characteristics are increasingly reflected in the brands developed within the tea industry. As consumer demand for tea products continues to diversify, tea brands are expanding their visibility and market reach. Consequently, returns exceeding the industry average profit margin will continue to increase within a certain price range. The premium value of tea products depends on brand equity, which stems from consumers’ brand perception and willingness to pay, representing a crucial aspect of a brand’s market competitiveness.

#### ***Increasing the degree of integration of the primary, secondary, and tertiary industries in the tea industry***

A long-term focus on the development of the primary industry while neglecting the development of the secondary and tertiary industries is a key factor in the slow progress of agricultural modernization. This has also resulted in a lack of understanding among industry entities regarding brand operations and their role in the market economy, leading to many agricultural products with significant potential failing to establish strong brand influence [5]. The development of agricultural brands and the integration of the primary, secondary, and tertiary industries complement and reinforce each other. The enhancement of agricultural brand value is accompanied by the generation of higher profits, which stimulates brand entities’ motivation to create high-quality products. The production of high-quality products, in turn, necessitates significant upgrading and expansion of the industrial chain. This will promote the development of a more three-dimensional, diversified, and extensible industrial chain, and strengthen the integration of the primary, secondary, and tertiary industries. The essence of integrating the primary, secondary, and tertiary industries into agriculture lies in enhancing the added value of agricultural products through the extension of the industrial chain and the expansion of agricultural multifunctionality. Compared with other industries, agriculture has significant room for

improvement and development in terms of industrial integration.

### ***Strengthening the tea industry's role in driving farmer income and linkage***

The “market connection” effect of agricultural brands can effectively bridge the link between farmers and the market. This facilitates the endogenous reorganization of agricultural production factors and production relations and further induces the natural emergence of modern agricultural development elements within smallholder operations [6]. Promoting stable income growth for farmers is an enduring theme of work related to agriculture, rural areas, and farmers. Farmers are the main actors in rural revitalization. Currently, it is difficult for individual farmers to sustain their production and livelihoods solely through agriculture, nor can they achieve modern agriculture through their own efforts alone. A key factor lies in the significant information gap that hinders the effective connection between farmers and the broader market. The development of agricultural brands not only provides long-term, stable, and effective economic benefits for local farmers engaged in the production and sale of agricultural products but also ensures the effective supply of social demand for agricultural products.

### **Problems in the brand development of Fengshun County's tea industry**

#### ***Low level of industrialized operation and insufficient support for tea industry brands***

The development of industrialized operation in the tea industry of Fengshun County, Meizhou City, is relatively lagging, making it difficult to support the high-quality development of tea industry brands. According to data from the Meizhou Administration for Market Regulation, tea sold under branded products accounts for 1.50% of total tea sales, while tea sold through retail formats accounts for 3.29%. This reflects that the majority of local tea is circulated in the form of raw tea materials and wholesale, without forming strong brand influence, and the high-end premium tea market remains to be developed.

Through field research, it was found that, firstly, in terms of tea production in Fengshun County, the cultivation, harvesting, and processing of tea heavily rely on family-based and workshop-style production, with manual labor

serving as the primary production model. However, with the acceleration of population aging, the shortage of young and middle-aged labor has become particularly prominent, characterized by distinct features of elderly agriculture. The farming model, which relies on personal experience, faces a lack of successors [7]. The core cost of agricultural products lies in yield. The Fengshun County tea industry faces a shortage of personnel with specialized technical expertise, outdated infrastructure, and low mechanization coverage, leading to low production efficiency. As a result, tea cultivation techniques fail to keep pace with the times, and the industry lacks advantages in terms of production costs and tea quality. Secondly, in terms of rural collective economy in Fengshun County, the collective economy of each village is excessively weak, and the development of organized rural collective economy lags behind, making it difficult to achieve intensive production. This results in excessively small organizational units, preventing farmers from participating in the modern agricultural industry chain. Output efficiency is significantly insufficient, farmers lack competitiveness in the market, struggle to access better sales channels, and cannot sustain their livelihoods through agriculture. This has led to a pattern of part-time farming, where the elderly engage in agricultural work in rural areas while the young and middle-aged seek employment elsewhere, posing a significant obstacle to the development of agricultural modernization. The Fengshun tea industry lacks strong industrialized operation to drive its development, resulting in low product added value and weak industrial extensibility, making it difficult to provide robust support for tea industry brands.

#### ***Unclear pricing system for tea products and ambiguous targeting of consumer groups***

The pricing system for branded tea products in Fengshun County is unclear. There are approximately 150 tea enterprises in the county, with most enterprises' sales revenue concentrated between 500,000 and 5 million yuan. There are no national-level leading enterprises or leading tea enterprises with revenue exceeding 200 million yuan, reflecting a lack of leadership from sales-driven leading enterprises. Enterprises have not established a standardized product system or a unified pricing system. Consumers are faced with numerous Fengshun teas of different brands and varying qualities.

This makes it difficult for them to define product quality based on price levels, and consequently, they struggle to form a clear price perception when purchasing. Moreover, among the available brands, some carry excessive premiums, while others are priced too low. Yet, these teas share the same name and originate from the same production area. Consumers know only that it is Fengshun tea but remain unclear about its specific brand. This confusion between price and quality not only leaves consumers perplexed when choosing products but also hinders the sustainable development of the Fengshun tea industry and obstructs the high-quality construction of tea brands.

At the same time, the targeting of consumer groups for Fengshun tea products remains rather ambiguous. During the production and sales process, tea enterprises have not conducted in-depth market research or analysis. They lack clarity on which consumer groups their products are suitable for and have failed to develop their own tea markets. Some enterprises have even abandoned their brands altogether, making no effort in brand building or market expansion. Currently, tea enterprises in Fengshun County still lack a clear positioning regarding their target market. They have yet to determine whether their products should target high-end consumers with premium-quality, high-priced famous teas, or cater to the general public with affordable “daily consumption teas” that offer good value for money. As a result, Fengshun tea products struggle to precisely capture their target customer groups in the market.

The unclear pricing system and ambiguous targeting of consumer groups place Fengshun tea products at a disadvantage in the tea market. Whether in terms of brand awareness or customer loyalty, they cannot compare with renowned premium teas.

#### ***Insufficient brand development efforts and low brand equity value in the tea industry***

From the perspective of brand entities, a brand is considered an intangible asset that requires upfront capital investment and research and development. As an external manifestation of a product, brand equity can reflect the value of the product through multiple dimensions [8].

According to the Meizhou City Tea Industry Development Plan (2023-2027), Meizhou City currently promotes the “Jiaying Tea” brand, which specifically

includes green tea, oolong tea, black tea, and other tea categories. Tea sold under branded products accounts for 1.50% of total tea sales, while tea sold through retail formats accounts for 3.29%. This reflects that the majority of local tea is circulated in the form of raw tea materials and wholesale, resulting in a lack of clear brand recognition among consumers. In the 2025 China Regional Public Brand Value Evaluation Report for Tea, the regional public brand of Fengshun County’s tea industry was not listed, indicating that its brand value is severely underestimated [9]. Consumers’ perception of product quality, brand identification, brand awareness, and brand recognition determine the level of brand equity value. Fengshun County’s tea industry shows significant deficiencies in the attention given to and the development efforts directed toward these four factors. In today’s increasingly developed internet landscape, there remains a significant gap in promotion targeting online consumer groups. The product audience is primarily composed of people from the Hakka region, resulting in a limited product market. Tea enterprises mainly focus on traditional tea sales, leaving considerable room for improvement in terms of industrial chain richness, as well as the creativity and differentiation of tea products.

#### **Suggestions for brand development of Fengshun County’s tea industry**

##### ***Improving the level of industrialized operation is the main pathway for brand development in the tea industry***

The development of tea industry brands requires a sound level of industrialized operation as its foundation. A well-established modern agricultural management system can serve as a bridge connecting smallholder farmers with modern agriculture, revitalizing land utilization and production efficiency. This, in turn, provides strong support and a fundamental guarantee for the development of tea industry brands. The lagging brand development in Fengshun County, Meizhou City, stems from the low level of industrial operation, which is ultimately attributable to the excessively small scale of farmers’ production organizational units. Further exploring the construction of a modern agricultural management system with Chinese characteristics represents an important historical task in accelerating the

construction of China's agricultural powerhouse in the new stage [10]. Effectively addressing the connection between smallholder farmers and the larger market will resolve the challenges in improving the agricultural industrial management system, thereby building strong support for tea industry brands.

In improving the level of industrialized operation for agricultural brand development in Fengshun County, the first priority is to address the issue of modernizing smallholder farmers. Currently, cultivating modern farmers is necessary to solve the problems of elderly agriculture and the shortage of young and middle-aged labor. First, relevant local authorities should acknowledge and accept the reality of elderly agriculture. Given the broader national trend of population aging, efforts should be made to provide elderly individuals with production spaces suitable for their labor capacity, enabling them to integrate into the modern agricultural management system as soon as possible. Second, attention should be paid to cultivating modern, high-quality farmers. This includes strengthening the agricultural knowledge systems and skills of young local farmers returning to agriculture through relevant departments and associations, enabling them to focus on agricultural production over the long term. Third, introducing high-quality professional farmers can play a driving role in the development of local agriculture, while also compensating for the labor shortage resulting from the broader trend of farmers gradually exiting agriculture and migrating to urban areas for employment. Secondly, a moderate-scale operation mechanism should be introduced. Currently, the organizational units of farmers in Fengshun County are too small, making fragmented land difficult to utilize effectively. The driving capacity and industrial influence of new agricultural entities in Fengshun County's tea industry also require improvement. In this regard, there are numerous domestic cases that can serve as references. For example, the "large-scale entrusted farming" model in Huainan, Anhui Province, which is primarily based on "two entrustments, two follow-ups, and one guarantee", ensures that entrusted farming contracts are signed with farmers while fully respecting their willingness. Village collectives are entrusted to manage the land operation rights of smallholder farmers, and then the village collectives further entrust the consolidated land to

stronger professional agricultural production and operation entities. During this process, local relevant departments provide follow-up support for production factors, while specialized agricultural service enterprises and agricultural technicians offer continuous socialized services. Meanwhile, relevant insurance provides a guaranteed minimum return for the entrusted farmland. Another example is the co-management model in Chongzhou, Sichuan Province, which is structured as "land share cooperatives + agricultural professional managers + comprehensive agricultural services". In this model, farmers contribute land operation rights as shares to establish cooperatives, hire professional managers with agricultural expertise to carry out production activities, and promote the development of specialized supporting services for agriculture. Achieving a modern level of industrialized operation will lay a solid foundation for the brand development of Fengshun County's tea industry.

***Developing a diversified tea product matrix is a powerful driver for high-quality brand development in the tea industry***

The high-quality development of Fengshun County's tea industry brands cannot be achieved without the construction of a diversified tea product matrix. This process requires cooperation and coordination among tea enterprises, relevant industry associations, and even policymakers in Fengshun County.

Tea enterprises in Fengshun County should develop a tea product system characterized by multi-dimensional market positioning, diversified product types, and varied pricing, based on precise market demand research. Relevant tea industry associations should fully play their role as communication bridges, strengthening exchanges and cooperation within Fengshun's tea industry. This will promote resource sharing and complementary advantages, and break through the current predicament where enterprises operate in isolation. Policymakers should assess the situation carefully and provide top-level design for the overall brand development of Fengshun County's tea industry, offering strong support and guidance at the policy level for the development of local tea enterprises.

Regarding the tea product matrix itself, Fengshun's tea industry should provide consumers with various options across different consumption scenarios, such as

launching tea products tailored for business gifts, home consumption, tourism souvenirs, and other purposes. At the same time, the Fengshun tea industry should fully leverage its advantages as a tea-producing region in terms of raw materials. This will enable it to transform traditional tea products into deeply processed goods such as tea beverages, tea-flavored foods, tea health products, and more. In product pricing, full consideration should be given to various consumer groups. On the basis of maintaining quality and quantity, a reasonable price range should be established - offering both affordable “daily consumption teas” that ordinary consumers can easily purchase, as well as premium teas that pursue exceptional quality. A broad consumer base, strong market coverage, and a diversified tea product matrix will bring strong social recognition to Fengshun’s tea industry brands and inject powerful momentum into their high-quality development.

***Possessing high-quality brand equity value is an important foundation for the sustainable development of tea industry brands***

The lack of attention to product quality, brand identification, brand awareness, and brand recognition has hindered the sustainable development of Fengshun County’s tea industry brands.

In terms of tea product quality, Fengshun County’s tea industry can strengthen supervision over tea production and establish a tea traceability system. Through technological means, each tea leaf can be given a “identity certificate”. By scanning a QR code, consumers can access information such as the tea’s growing location, harvesting time, production process, and the story of the tea farmers.

In terms of tea brand identification, regional characteristics of Fengshun County and elements of traditional Fengshun tea culture can be incorporated into tea product packaging design. Specialized Fengshun tea stores can be established to provide consumers with convenient selection options and reduce the search costs associated with purchasing Fengshun tea.

In terms of tea brand awareness, Fengshun County should make full use of local government resources to promote the Fengshun tea brand, such as leveraging official new media platforms for publicity. At the same time, Fengshun tea elements can be integrated into various local cultural and tourism initiatives, allowing

visitors to experience Fengshun’s tea culture while enjoying its scenic landscapes and rural charm.

In terms of tea brand visibility, while actively expanding the market and promoting its brands, Fengshun tea brands should also proactively strive to participate in strong regional public brands. For example, the well-known Fenghuang Dancong tea is regulated under the relevant regional public brand system to cover only Chaozhou City. However, as a product of nature, tea follows its own growth and development patterns, and its quality is not determined by artificially drawn regional boundaries. Field research has revealed a phenomenon: high-quality tea plantations located within the Fenghuang Mountain range but situated in Fengshun County have long been selling their tea to Chaozhou City in the form of unbranded raw tea materials. These areas share geographical and climatic conditions similar to the Fenghuang Dancong production region. These raw teas are then further processed, packaged, and sold by manufacturers in Chaozhou under the Fenghuang Dancong brand. Due to the restrictions imposed by a single administrative document, Fengshun tea cannot use the Fenghuang Dancong regional brand. As a result, Fengshun’s high-quality tea has long served as a “dowry” for the brands of other cities, leaving Fengshun’s local brands at a long-term disadvantage in terms of visibility, and preventing the region’s high-quality tea resources from realizing their full brand value. Therefore, while enhancing its own brand visibility, the Fengshun tea industry should actively explore opportunities for collaboration with strong regional public brands. This will help it break through geographical restrictions and create more favorable conditions for the sustainable development of the Fengshun tea industry.

**Conclusion**

Fengshun County has favorable ecological and industrial foundations for tea development, but its tea brands suffer from low industrialization, unclear pricing and positioning, and insufficient brand equity. To boost brand value and market competitiveness, efforts should focus on upgrading industrialized operation, building a diversified product matrix, and enhancing brand equity through quality traceability, cultural identity and multi-channel promotion. With joint efforts of government, enterprises and farmers, Fengshun tea can turn resource

advantages into brand advantages, promote industrial upgrading and rural revitalization.

### Funding

This work was not supported by any funds.

### Acknowledgements

The author would like to show sincere thanks to those techniques who have contributed to this research.

### Conflict of Interest

The author declares no conflict of interest.

### References

- [1] Pyzhikova, N., Smirnova, T., Chepeleva, K., Shmeleva, Z. (2020) The brand as a tool for agricultural products promotion in the region. *Ecological-Socio-Economic Systems: Models of Competition and Cooperation (ESES 2019)*, 178-184.
- [2] Xing, L. (2024) The building of regional public brands of agricultural products based on rural revitalization strategy - a case of "millennium-old flavors of Huai'an" brand building. *Science Time*, 10 (129), 5-19.
- [3] Li, C., Wen, F. (2025) A semiotic analysis of regional symbol translation and brand value in agriculture. *Pakistan Journal of Agricultural Sciences*, 62(3), 395-405.
- [4] Yang, W., Xie, C., Ma, L. (2024) Tripartite evolutionary game and simulation analysis of brand enhancement for geographical indications agri-food. *China Agricultural Economic Review*, 16(2), 340-367.
- [5] Santoso, S., Widyanty, W., Nurhidajat, R., Ramadhani Marfatah, M., Mahmud, G., Fahlevi, M., Shahid, D. (2022) System dynamics modeling for developing an agrotourism-creative economy in the framework of the village innovation system. *Frontiers in Environmental Science*, 10, 962235.
- [6] Wang, W., Zhang, Y. (2021) Regional brand empowerment: an effective way for small farmers to connect with modern agriculture - based on a case of Guangji township in Sichuan. *Academic Journal of Zhongzhou*, 5, 36-43.
- [7] Liu, J., Fang, Y., Wang, G., Liu, B., Wang, R. (2023) The aging of farmers and its challenges for labor-intensive agriculture in China: a perspective on farmland transfer plans for farmers' retirement. *Journal of Rural Studies*, 100, 103013.
- [8] Wang, D., Shen, C. (2024) Tourists' perceptual positioning of brand equity and competitive relationships in organic agricultural tourism. *Agriculture*, 14(10), 1706.
- [9] Hu, X., Li, C., Wei, C., Wu, Q., Zhu, J., Shi, J. (2021) China tea regional public brand value evaluation report. *Chin. Teas*, 43, 32-51.
- [10] Yan, Z., Peng, L., Wu, X. (2023) Evaluation system for agricultural and rural modernization in China. *Agriculture*, 13(10), 1930.