Success brewing for China's tea giants

Beverage brands find fans across Southeast Asia by adding tropical flavors, adapting to local tastes

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As Chinese tea beverages embark on their journey to global prominence, Southeast Asia has emerged as the first destination for many leading brands.

The combination of Chinese tea and the vibrant flavors of tropical fruits results in an innovative, health-conscious offering that captivates consumers in the region.

"The beverage market in Southeast Asia is characterized by its diversity and openness, coupled with a rich supply of fresh fruits and a rapidly expanding consumer base, presenting Chinese brands with ample opportunities for integrated growth and future prospects," said Chen Zhiyu, Thailand regional director of ChaPanda.

The Chinese tea chain, established in Southwest China's Sichuan province in 2008, has rapidly expanded into overseas markets over the past two years. It now operates in South Korea, Thailand, the United States, France, and Australia. As of March, it had about 70 overseas branches, with 40 percent in Southeast Asia.

In 2024, the brand entered Thailand — its first stop on overseas expansion. "The tropical country has great consumption power for cold beverages all year round. Although there are a variety of fruit smoothies available (in Thailand), a combination of light Chinese tea and fresh fruit is a new track," Chen said.



Thai customers enjoy beverages at a Naisnow outlet in Bangkok's CentralWorld mall in March.
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Southeast Asia's coffee and tea market reached $9.9 billion last year, a 52 percent jump from $6.5 billion in 2021, as rapid outlet expansion, digital ordering, and broader consumer adoption fueled growth, according to the Singapore-based business information company Momentum Works.

Chinese brands widely recognize the region's market potential. Back in 2018, Mixue opened its first overseas store in Hanoi, Vietnam. Now, it operates more than 4,700 stores outside China, with Southeast Asia remaining its core overseas market.

The Chagee brand, meanwhile, has followed a more measured approach. After entering Malaysia in 2019, it has expanded to 196 stores in the market. In Singapore, it operates 22 outlets, including at Changi Airport and the National University of Singapore.

In Indonesia, operations have been carried out through a joint venture with a subsidiary of the local retail group Erajaya, and halal certification has been secured to better align with local consumer expectations.

Several brands have also emerged as key players in this trend. After the COVID-19 pandemic, brands such as Heytea, ChaPanda, and Naisnow expanded their presence across the region.

Fruit teas are among the top sellers for most of the brands. "The popularity of fruit teas, light milk teas, and vegetable teas suggests that consumers are increasingly aware of the health benefits. This mindset is (evident) among young (consumers) and the middle class," said Fei Cheng, general manager of Naisnow International Business Department.

Thailand's tea industry encompasses diverse segments, ranging from traditional Thai iced tea to premium organic varieties — driven by health-conscious consumers and bubble tea adoption (94 percent among people aged 20 to 29) — according to a report by Iconic Research, a local Thai company.

It revealed that Thai consumers increasingly view tea as a wellness beverage, substituting it for sugary sodas and energy drinks. This health consciousness directly fuels growth in Thailand's organic tea sector and green tea market.

The research showed that 62 percent of tea drinkers actively pursue healthy eating, making them receptive to messaging about functional benefits and clean ingredients. Generation Z leads this wellness movement, seeking products aligned with health and sustainability values.

Naisnow entered the Thai market by opening its first overseas branch in Bangkok in December 2023.

The brand promotes a healthy lifestyle by offering a wide range of high-fiber and vitamin-rich options made with Chinese teas and fresh fruits.

Moreover, the trend of reducing daily sugar consumption is also supported by local authorities. On Feb 11, Thailand's Department of Health launched a major initiative to cut the default sugar content in "normal sweet" beverages by half of their original recipes.

In line with local consumer preferences in Thailand, Chen revealed that ChaPanda had initially increased the sugar content of its drinks by 15 percent from the level in the Chinese market to match the average sweetness of Thai beverages.

"But as more consumers nowadays are becoming more aware of health, we have reduced the sugar content ... while trying to explore more recipes with healthy ingredients," Chen said.

In addition, the brand uses local halal milk for milk-based beverages that meet the demand of Muslim customers.

"(To appeal) to local consumers, we also make (region-specific) costumes for the brand's mascot panda. For example, the panda will be dressed in a gentleman's style in France. In Singapore, the mascot will cosplay as the Merlion, while in Thailand, it will have a beach-style outfit," Chen said.

The proliferation of Chinese tea beverage outlets across Southeast Asia does more than introduce these unique flavors to a new audience. It also provides a glimpse into the depth and diversity of Chinese traditions on the world stage.

"When I traveled to China, I particularly enjoyed drinking Heytea and Chagee. The reason why I like going to China is that the people there are very friendly, the scenery is particularly spectacular, and each place has its own unique charm," said Paullar, a 31-year-old Thai.

"Apart from tea, I also really like Chinese cuisine. Chinese traditional customs and delicious food make me enjoy every trip to China very much," she added.

Beyond business expansion, Chinese tea beverage brands are also integrating social responsibility into their global strategies.

In Singapore, Chagee opened a "silent store" employing hearing-impaired staff members, complete with accessible facilities. This initiative demonstrates a commitment to inclusive employment while offering a practical example of how brand operations can contribute to local communities.

Mixue emphasizes local hiring and talent development. In Malaysia, the brand employs over 2,900 local staff members and has trained more than 4,000 personnel to date.

To that end, the company has experimented with culturally themed product launches, linking drinks to national celebrations or local design elements.

In August 2025, to commemorate Singapore's National Day, Chagee introduced a new orchid-flavored beverage, the "Orchid Biluochun Milk Tea", inspired by Singapore's national flower, the Vanda Miss Joaquim.

Most recently, it partnered with the Asian Civilizations Museum (ACM) and the Singapore Tourism Board to launch *Garden of Senses: A Tea Reverie*, an immersive, multisensory tea culture exhibition. This marks a landmark collaboration and is ACM's first in-depth curatorial partnership with an international brand.

By the end of 2025, Chagee's overseas membership in the Asia-Pacific region had grown 177 percent from a year earlier, with 61 percent of members under 30, demonstrating the brand's strong value-recognition among local youth.

Fei from Naisnow said Chinese tea-based beverages are a cultural icon for many foreign consumers, and the company seeks to serve as a gateway for the world to explore Chinese culture.

Apart from offering popular Chinese desserts as non-drink options, Naisnow has also integrated Chinese cultural elements and developed several related products.

"For instance, to celebrate the Year of the Horse, we collaborated with designers to make small pendants. The gifts symbolize this year in the Chinese zodiac — a spirit of progress and perseverance. They also provide another look at Chinese culture," Fei said.

Chinese tea, together with other cultural trends such as toys, the creative industry, and costume dramas that go viral among the younger Thai generation, combines commercial objectives with social contributions, said Arphon Thiragun, a lecturer at the School of Sinology at Mae Fah Luang University.

Over the past decades, Chinese culture has influenced Thai people through multiple forms, Arphon said. For example, Hong Kong movies and the iconic musical style of Teresa Teng are unforgettable memories for many elderly Thai people. Such cultural exchanges are now evolving into more creative and vivid forms.

She cited examples such as the popularity of the cute fashion accessory Labubu from China and the Thai mascot Butterbear — both widely loved by consumers from China and Thailand.

"Now, such cultural exchanges create mutually beneficial outcomes for business operators and consumers. In particular, deepened cultural exchanges are shaping the image of the world in the minds of younger generations and have sparked their enthusiasm for exploring different countries and their cultures. This will lay a solid foundation for a deep understanding of the world," Arphon added.

Xinhua contributed to this story.

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