

A Study on the Optimisation of Brand Management of Luckin Coffee

Xicheng Zhu *

School of Natural Sciences, The University of Manchester, Manchester, United Kingdom

* Corresponding Author Email: xicheng.zhu-3@postgrad.manchester.ac.uk

Abstract. This study focuses on the brand management of Luckin Coffee, discusses the main problems it faces and suggests ways to improve it. Luckin Coffee has risen rapidly in a short period to become a major competitor in the Chinese coffee market. However, as the company continued to grow, some problems gradually emerged. Firstly, Luckin Coffee has the problem of unclear positioning in brand management. The company has focused too much on expansion and neglected to create a clear brand image. This will lead to confusion in the market and reduce brand loyalty. Secondly, quality control and supply chain management are also challenges for Luckin Coffee. Some negative incidents have affected product quality and damaged the company's reputation. Finally, the company's price-competitive strategy is problematic, as it lacks innovation and long-term sustainability. The recommendations of this study are mainly based on brand positioning, quality control and supply chain management, as well as the innovation of pricing strategy, adopting diversified methods to adapt to the constant changes in the market. The research in this paper is of great significance because Luckin Coffee is an important participant in the Chinese coffee market, and its brand management issues and optimisation suggestions can be used as a reference for other companies. Through in-depth research on Luckin Coffee's experience and problems, it can provide useful reference and guidance for the future development of China's coffee industry, help improve the competitiveness of the industry, provide better products and services, and meet the needs of consumers.

Keywords: Brand Management; Scheme Optimization; Luckin Coffee.

1. Introduction

With people's pursuit of quality of life and the rise of coffee culture, the coffee industry has become a rapidly developing market. As an emerging coffee chain brand in China, Luckin Coffee has made remarkable achievements in just a few years. However, with the increasingly fierce market competition and the continuous improvement of consumer quality, Luckin Coffee is also facing many brand management problems. This article will delve into the rapid development of this emerging industry and the fierce competition it implies, and then focus on Luckin Coffee's brand management in China.

The rapid growth of the coffee industry stems from the fast pace of contemporary life and the rise of social networking. With the increasing urbanization and people's pursuit of a high quality of life, coffee consumption has changed from a simple caffeine supply to an emotional, social and lifestyle. In this booming market, competition among coffee brands is becoming increasingly fierce. International coffee giants such as Starbucks and Nestle have been expanding their global market share, while the Chinese market as an emerging force has attracted a number of domestic and foreign coffee brands competing to enter. The competition in the coffee market is no longer just about providing coffee drinks, but more about brand uniqueness, consumer experience, social value and digital innovation. A brand is no longer just a logo, but a medium that conveys culture and values [1].

In the Chinese market, Luckin Coffee has gradually become one of the most noticeable coffee brands. Founded in 2017, Luckin Coffee quickly captured the market with its innovative business model and strong desire to expand. Its initial strategy was to open dense stores in major Chinese cities, offering relatively affordable prices to meet the consumer needs of urban white-collar workers and the younger generation.

However, with the continuous expansion of the scale of the company and the intensification of market competition, Luckin Coffee also began to face a series of brand management problems. First of all, its brand positioning and core values are gradually blurred, leading to confusion in market cognition and declining brand loyalty. Secondly, the company faced a number of negative events that affected product quality and sustainability management and damaged the company's reputation. Finally, the company's marketing strategy lacks innovation and long-term sustainability and needs to be readjusted and optimized.

In this context, the study will deeply analyze the brand management of Luckin Coffee and provide relevant optimization suggestions. This article will start from the development process and related activities of Luckin Coffee, focusing on Luckin Coffee's strategies and measures in key areas such as brand building, communication and maintenance. Through case analysis, this study will deeply understand the brand management practice of Luckin Coffee and provide theoretical basis for problem analysis. Then, through the problem analysis, it systematically analyzes the challenges faced by Luckin Coffee in brand management. The author will focus on issues and problems in key links such as brand building, brand communication and brand maintenance. The conclusion of the problem analysis will directly guide the research and put forward relevant suggestions to solve the problems existing in the brand management of Luckin Coffee. These suggestions will focus on improving brand awareness, improving product quality and service, and strengthening marketing to help Luckin Coffee meet the challenges of brand management and enhance brand competitiveness and market position.

The conclusion part summarizes the research results of this paper and looks forward to the future development direction of Luckin coffee brand management. It is hoped that this paper can provide reference for the brand managers and scholars of coffee chain brands such as Luckin Coffee and promote the sustainable development of the coffee industry.

2. Luckin Coffee Development Process

Founded in 2017, Luckin Coffee is headquartered in Xiamen, Fujian Province. With the corporate vision of "Starting with coffee and making Luckin a part of People's Daily life", Luckin Coffee breaks the traditional coffee business model and becomes the largest coffee chain brand in China. It adopts a unique business model, makes full use of the retail mode combining big data technology and mobile Internet, integrates high-quality supply chains, and deeply cooperates with suppliers in various fields to provide consumers with high-quality and convenient products [2]. However, Luckin Coffee is also facing some challenges and problems in the development process, which requires brand management optimization.

Luckin Coffee, a new coffee chain brand in China, has emerged rapidly in just a few years. Luckin Coffee started with convenient online ordering and efficient delivery services and quickly attracted the attention of many consumers. Subsequently, Luckin Coffee began to actively lay out offline stores and quickly emerged in the Chinese coffee market through continuous expansion and innovative marketing strategies [3].

Luckin's journey has been encouraging. In just two years of establishment, the number of Luckin Coffee stores has increased dramatically, and it has quickly become a major competitor in the Chinese coffee chain market [4]. Its unmanned coffee shop model innovation has gained widespread attention, allowing users to place orders, pick up goods, and pay through a mobile app without human services. This efficient and convenient service model has attracted a large number of young consumers [5].

In general, Luckin Coffee has successfully attracted a large number of consumers with its innovative marketing strategy, convenient online ordering, and unmanned coffee shops. However, with the intensification of market competition, Luckin Coffee needs to continuously improve its quality and service, strengthen the differentiated positioning of the brand, and continue to maintain its competitive advantage in the Chinese market.

3. Analysis of Brand Management Issues

3.1. Insufficient Brand Recognition

Lack of brand recognition is a significant challenge for Luckin Coffee. Although the brand has rapidly expanded the number of stores in a short period, the brand recognition of Luckin Coffee is relatively low in some small cities. This issue is critical because insufficient brand recognition could have a significant negative impact on Luckin Coffee's market share and customer loyalty.

This problem can be traced back to the intensity of market competition. Competitors have adopted more prestigious marketing strategies, thus increasing their brand awareness, which has exacerbated the lack of consumer awareness of Luckin Coffee. In the market competition, brand recognition is the key factor to establish and consolidate market share. Research data shows that in some small cities, less than 30% of respondents can accurately identify Luckin coffee, which shows the urgency of the lack of brand recognition. The lack of brand recognition can lead to lower sales and difficulty in attracting new customers [3]. It can also damage the brand's reputation. Customers often prefer to interact with brands they know and trust, and a lack of brand recognition can hinder building that closeness.

3.2. Quality Control Issues

Quality control is an urgent problem for Luckin Coffee. Some customers are not satisfied with the product quality and taste of Luckin Coffee, which poses a serious threat to the brand's reputation and loyalty, so measures need to be taken to deal with this problem.

The problem can be traced back to the supply chain challenges of rapid expansion. The complexity and inadequacy of the supply chain may lead to less stringent quality control, which affects the quality of coffee [6]. As a quality product, customers' expectations are no longer limited to low prices. They also pay attention to product quality, service, and other factors, and have increasingly higher requirements for coffee quality [3]. Further, some consumers reported that they ordered a cup of coffee but ended up with a cold drink made mostly of ice. This experience severely damages the customer experience and negatively impacts the brand's reputation. Luckin Coffee needs to focus on strengthening quality control to ensure that every cup of coffee can meet consumer expectations.

3.3. Insufficient Differentiation of Service Experience

The lack of differentiation in service experience is a challenge that Luckin Coffee needs to deal with. Although Luckin Coffee has introduced innovative ideas such as unmanned coffee shops and pop-up shops, providing convenient online ordering and unmanned service experience, it still fails to fully differentiate itself from competitors in terms of service experience, providing a distinctive experience, and attracting more consumers' attention and loyalty.

Luckin Coffee's competitors have adopted various innovative ways to provide a unique service experience, which is particularly important in the fierce market competition. Service experience is a key aspect of consumer interaction with a brand, and it includes not only product quality, but also convenience of service, personalization, fast service, professionalism of employees, and emotional connection with the brand. In this area, differentiation is critical to brand success [7].

Luckin Coffee needs to think hard about how to provide a more engaging and differentiated service experience. This could include improving staff training, ensuring they can provide excellent service, increasing the efficiency of express services, enhancing the interaction between brands and consumers, introducing personalized service options, and more. At the same time, it is important to listen to customer feedback and needs to continuously improve the service experience based on consumer expectations.

3.4. Insufficiently Competitive Pricing Strategy

The competitiveness of the price strategy is a challenge that Luckin Coffee must seriously face. Although the brand has achieved certain success in innovative marketing strategies, there may be

certain deficiencies in price competition. The continuous emergence of competitors, such as new brands Lucky Coffee and Cudi Coffee, quickly occupied the market in small cities with low prices, which put competitive pressure on Luckin Coffee and led to an escalating price war.

In the competition with competitors, Luckin Coffee is often forced to continuously lower prices to attract consumers, which may have a negative impact on the sustainable profitability of the brand. Although price wars can sometimes attract more consumers in the short term, in the long term they can weaken the profit potential of the brand and reduce the financial stability of the company [8].

4. Optimisation Suggestions

Luckin Coffee should strengthen the construction of brand recognition. Relevant marketing departments should increase advertising and use different media platforms such as TV, social media, and Internet advertising to increase brand exposure. According to advertising effectiveness studies, advertising is crucial to improving brand awareness. The company can sponsor cultural or community events that integrate the brand into people's lives. This not only helps to increase brand awareness but also enhances the emotional connection between the brand and the target audience. Content marketing can be used to attract and retain the interest of the audience by going straight to engaging content such as blogs, short videos, and interesting stories [3]. This helps increase social media sharing and discussion, further spreading the brand. Companies should build advertising teams, develop creative campaigns, select appropriate sponsorship opportunities, and develop content marketing strategies. At the same time, companies should regularly review the effectiveness of their advertising and adjust their strategy to maximize brand exposure. These initiatives will help overcome the lack of brand recognition and make Luckin Coffee stand out in a highly competitive market.

Luckin Coffee should strengthen quality control. To solve the quality control problem, Luckin Coffee should take the following measures: The company should coordinate the supply chain optimization: re-examine the supply chain process, reduce complexity, improve efficiency, and ensure the freshness of coffee beans [9]. Luckin Coffee can learn from successful supply chain management cases, such as McDonald's and Starbucks. Luckin Coffee can improve staff training to ensure they understand the standards and processes involved in making each type of coffee. Training helps to improve product consistency and provide a better customer experience [10]. The quality control department should strengthen the quality inspection and the quality control of the production process, including the formulation of quality standards, random inspection, and quality assessment. This ensures that the product meets specifications and reduces errors and complaints. These suggestions will help improve the product quality of Luckin Coffee, meet customer requirements for quality, reduce dissatisfaction, enhance brand reputation and loyalty, and help increase sales. In the meantime, companies should conduct supply chain audits, develop new training programs, increase quality control, and regularly review supply chain and employee performance. These measures will help address quality control issues, improve product consistency, and enhance brand image.

Luckin Coffee should improve its service experience. Relevant departments should strengthen staff service training, which can improve staff professionalism by providing more comprehensive staff training, including etiquette, customer service, and coffee knowledge. The professional and friendly service attitude of employees is an important factor in improving the service experience [11]. The company should provide personalized service options, for example, allowing customers to customize coffee, and choose flavors and cup shapes. Personalized service helps to meet the needs of different customers and improve their loyalty [3]. At the same time, customer service departments should actively listen to customer feedback, through social media, online surveys, or direct communication, to understand their needs and expectations, so that they can make improvements accordingly. These recommendations will help

Improve the quality of the service experience and differentiate Luckin Coffee from its competitors. More friendly and professional staff, personalized service, and responsiveness to customer feedback will increase customer satisfaction, increase customer loyalty, and ultimately help increase sales.

Companies can conduct employee training programs, develop personalized service policies, and establish feedback channels to collect customer suggestions and opinions promptly. These measures will help improve the service experience and increase customer satisfaction.

Luckin Coffee should optimize its pricing strategy. The sales department should adopt a differentiated pricing strategy. The company should develop a differentiated pricing strategy to provide different prices and package options for different types of customers. For example, Luckin Coffee can introduce high-end coffee products to appeal to customers seeking quality, while continuing to offer affordable options to appeal to consumers on a budget. At the same time, value-added services can be adopted: value-added services related to coffee brands, such as loyalty cards, membership programs, and special offers [5]. This can increase customer loyalty. The company should increase brand awareness: Increase brand awareness so that Luckin Coffee can better reflect its brand value in price. This helps build a price advantage. Through differentiated pricing strategies, value-added services, and brand awareness, Luckin Coffee can better cope with competitors' low-price strategies. This helps increase sales, improve brand profitability, and strengthen brand loyalty. Companies can conduct market research to determine consumer demand and price sensitivity, and then adjust pricing strategies based on the results of the research. At the same time, the company also has to develop value-added service programs, such as point systems, to encourage customers to return. And invest in branding and advertising to increase brand awareness. These measures will help enhance the competitiveness of Luckin Coffee's price strategy.

It should be noted that the above optimization measures are not isolated, but interrelated. To effectively solve the problem of brand management, Luckin Coffee needs to think comprehensively and integrate all aspects of its efforts. At the same time, the relevant departments of strategy formulation should take into account customer needs and market trends, timely adjust and optimize strategies, and continuously improve brand competitiveness and market position.

These optimization measures will help Luckin Coffee to stand out in the fierce market competition and establish and consolidate its brand image and value cognition in the eyes of consumers. Through continuous brand management optimization, Luckin Coffee will be able to better meet consumer needs, establish its market position, and maintain continuous development and growth.

5. Conclusion

The comprehensive research shows that Luckin Coffee faces some challenges in brand management, including insufficient brand recognition, quality control issues, insufficient differentiation of service experience, unclear market positioning, and insufficient marketing strategy. However, through the analysis and discussion in this paper, the following conclusions and optimization suggestions can be drawn.

First of all, Luckin Coffee should focus on improving brand awareness. The sales department can strengthen brand publicity and promotion activities, using a variety of media channels to increase brand exposure and visibility and attract more consumers' attention.

Secondly, quality is one of the core competitiveness of Luckin Coffee. Luckin Coffee should strengthen supply chain management to ensure that product quality and taste meet consumer expectations. Relevant departments should strengthen staff training and quality control, and improve quality control level, to build consumer trust in brand quality.

Third, Luckin Coffee should strengthen its differentiated service experience. The company should provide a unique experience that differentiates itself from competitors through innovative service design and employee training. Luckin Coffee can propose innovative measures such as customized services, comfortable dining environments, and interaction with consumers can attract more consumers and create a distinctive brand image.

In addition, an exact pricing strategy is crucial to the success of the brand. Luckin Coffee needs to clarify its target market and target consumers, formulate corresponding pricing strategies, make it

easier for target consumers to understand and accept the unique positioning of the brand, and establish a close relationship with consumers.

In the future, Luckin Coffee should focus on delivering the core values of the brand, and further consolidate the brand position through innovative activities and upgrading product quality, improving customer experience and relationship management. These optimization measures will help Luckin Coffee maintain a competitive edge in a highly competitive market and achieve sustained development and growth.

The recommendations of this study provide specific strategies for brand managers and marketing professionals to address brand challenges. They can adopt these recommendations to increase brand awareness, improve product quality, create differentiated service experiences, and develop more precise pricing strategies. This helps to increase market share, increase customer loyalty and increase sales.

Customers will benefit from improved quality control and service experience. They will get higher quality products and more satisfying services, which will help improve their consumer experience. In addition, a clear pricing strategy will also make it easier for consumers to understand the brand's positioning and help them make purchasing decisions.

This study can provide scholars and researchers with practical cases on brand management and marketing. These cases can be used for further academic research to delve into the challenges faced by different brands and effective strategies to address them.

These recommendations may inspire other coffee brands or competitors to take similar steps to improve their own brand recognition, product quality, service experience, and price competitiveness. This has helped drive improvement across the industry.

This study has several objective limitations, including the availability of data and the scope of the study. Future research could expand the scope of market research to include more cities, regions, and consumers, leading to a more comprehensive understanding of brand challenges and consumer needs. Further research can delve into consumer feedback to understand their expectations and needs for brand recognition, product quality, service experience, and pricing strategies.

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