

Malaysia x China business relations

March 2023


daxueconsulting
beijing shanghai hongkong





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Baidu search data exposes Chinese perceptions of Malaysia

Chinese netizens are interested in Malaysia's tourism, education, and ethnic.

Associated words on Baidu Index*

A word cloud of terms associated with Malaysia on the Baidu Index. The most prominent word is 'Travel', followed by 'Study Abroad in Malaysia' and 'Kuala Lumpur'. Other visible words include 'Ethnic Chinese', 'Singapore', 'Penang', 'Covid-19', 'Malaysia map', 'Indonesia', 'languages in Malaysia', 'University of Malaya', and 'Philippines'.

* The associated words related to the name of the country

Suggested topics on Baidu Search^

A word cloud of suggested search topics on Baidu. The most prominent word is 'Capital', followed by 'Ethnic Chinese' and 'Malaysia map'. Other visible words include 'Exchange rate', 'Study Abroad in Malaysia', 'Singapore', 'UTM', 'National Flag', 'University of Malaya', 'University Rank', and 'Languages in Malaysia'.

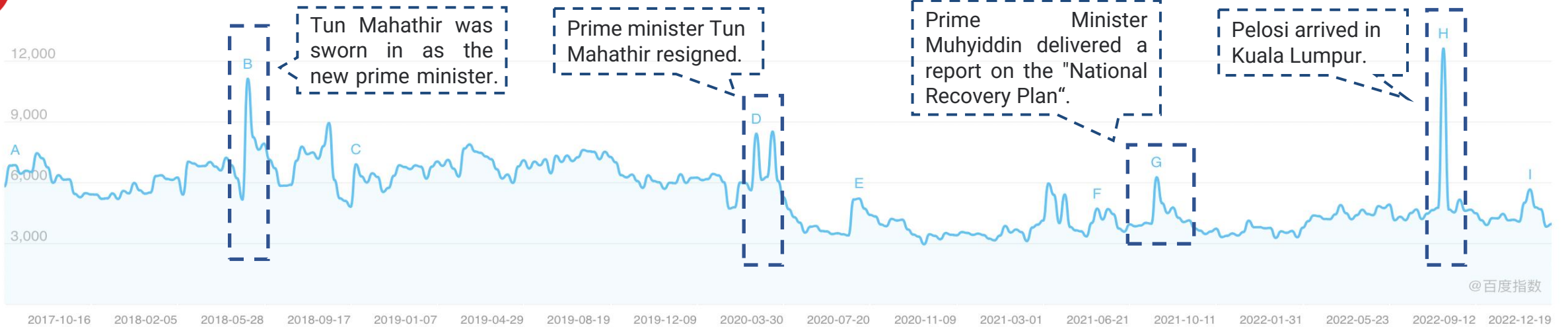
^ The suggested topics after typing the name of the country in the search bar

Source: Baidu & Baidu Index, 2022.

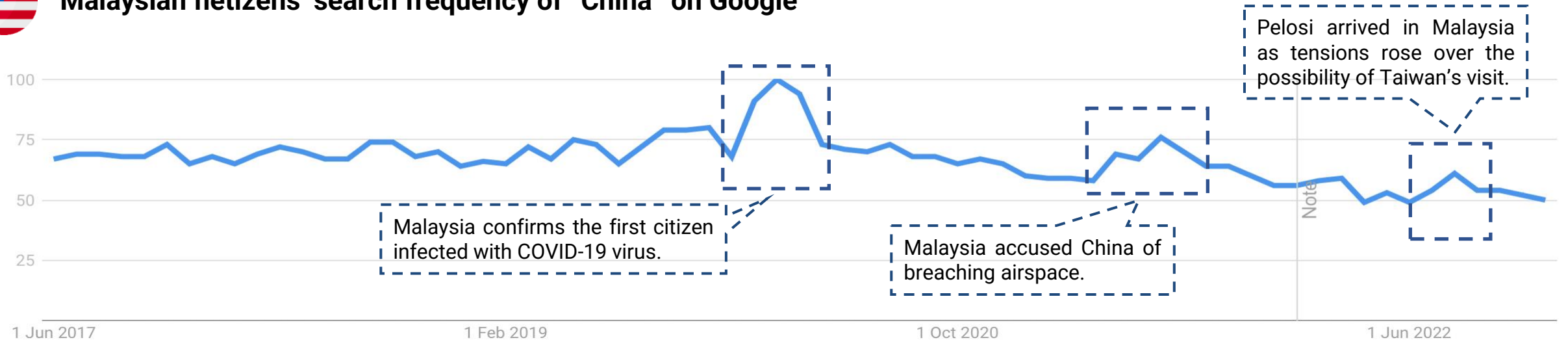
Chinese netizens were enthusiastic about Malaysia's politics



Chinese netizens' search frequency of "Malaysia/马来西亚" on Baidu



Malaysian netizens' search frequency of "China" on Google



Time frame: Jun 2017 – Dec 2022

Where in Malaysia are Chinese investing? (1/2)

Popular areas are concentrated around Kuala Lumpur and Peninsula Malaysia.



KUALA LUMPUR—The capital of Malaysia & the political, economic and cultural center of Malaysia: Kuala Lumpur is one of the most cosmopolitan cities in Southeast Asia and one of Southeast Asia's financial centers. Kuala Lumpur's tourism and cultural and entertainment industries are also attracting more tourists and foreign investors.

BANGSAR—The expats' neighborhood: It has excellent infrastructure, a wealth of educational resources and newer medical facilities. Bangsar has a wide range of bars and high-end restaurants, which makes it one of the popular places to live for expats.

DAMANSARA HEIGHTS—“The Beverly Hills of Kuala Lumpur”: It is ranked as one of the most expensive housing areas in Malaysia. The area has convenient transportation, close proximity to premium shopping centers, and amenities such as plazas, parks, and country clubs.



Image source: Unsplash, Esmonde Yong, 2020

A view of the Petronas Tower, Kuala Lumpur

Source: Juwai

Where in Malaysia are Chinese investing? (2/2)

Chinese investors also invested in well-established states such as Selangor and Penang



Image source: Unsplash, Wan San Yip, 2020

A view of Penang Island

KUALA LUMPUR CITY CENTRE—The cosmopolitan of Malaysia: The famous Twin Towers, the International Convention and Exhibition Center, the National Gallery, the National Museum, and other important facilities are all located here, as well as an international Islamic university. There are also many shopping malls, luxury hotels, mansions and corporate headquarters in the area.

PENANG—The Pearl of The Orient: Penang has a wealth of tourism resources. Penang is not only known for its multicultural and harmonious development, but also for its reputation as the "electronics manufacturing base". The city is highly urbanized and industrialized.



Image source: Unsplash, Dave Yap, 2022

A view of Port Klang

SELANGOR—The richest state in Malaysia: The region's main economic activities are in the service, manufacturing and construction sectors. Selangor is home to major industrial areas, and it has the busiest port in Malaysia, Port Klang.

Source: Juwai

Malaysian consumers are avid tea drinkers

According to Grab's Food Trends Report 2020/2021 in Malaysia, tea and bubble tea are in the top 10 food categories that are most searched on GrabFood.

The tropical climate and preference of Malaysian consumers boosted the sales of tea drinks



On average, each Malaysian drinks **3** cups of bubble tea per month



BREAKFAST
09:00 – 10:00

- Malaysians like to start their day with coffee & tea.
- **Coffee & tea orders increased by 6.2x in 2020.**
- Tea and teh Tarik (milk tea) are among the top items ordered for breakfast.



LUNCH
12:00 – 13:00

- The **second highest** consumption time as compared with other mealtimes.
- Brown sugar milk tea and tea are popular for lunch.



TEATIME
14:00 – 17:00

- Milk teas are especially popular during teatime.
- An average of **4 brown sugar milk teas were ordered every minute** during this period.



DINNER
18:00 – 19:00

- The meal which people usually **spend the most** budget on.
- Brown sugar pearl milk tea and teh tarik are popular for dinner.



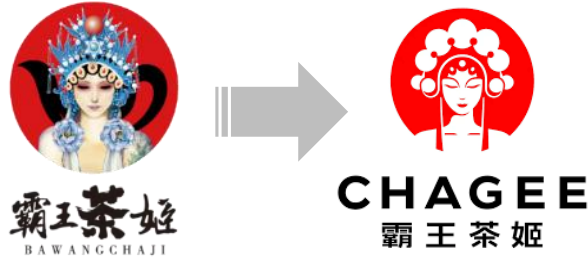
SUPPER
22:00 – 05:00

Teh tarik and royal milk tea are the top items ordered for supper.

Source: GrabFood (2021)

Case Study: CHAGEE 霸王茶姬 (1/2)

Chagee is one of the most popular Chinese tea-based drinks brands in Malaysia.



2017

A Premium tea beverage, 霸王茶姬, was **founded** in November, in Yunnan.

2019

霸王茶姬 **entered Malaysia** on August 10, opening its first store in Petaling Jaya.

2021

As of November, 霸王茶姬 has 28 stores in Malaysia.

2022

- Malaysia branches officially changed the logo and brand name to CHAGEE 霸王茶姬 on April 2.
- Datuk Lee Chong Wei, Malaysia's former badminton silver medalist, became the brand ambassador for CHAGEE.



Average monthly turnover of

300,000 CNY
(US\$44,222)



70%
STORES

are located near big names such as Starbucks and McDonald's



The flagship store sold

35,000
CUPS IN ONE DAY



"Malaysia's Queuing King"

3,000+
PERSON/DAY

Source: Jiemian, Chagee, Baidu, New Straits Times

Case Study: CHAGEE 霸王茶姬 (2/2)

CHAGEE's success in Malaysia is due to its branding strategy and ability to change consumers' behavior.



Tea is an important part of Malaysians' culture. The country's tea market is expected to reach **US\$2.75 billion in 2025**, a **CAGR of 5.54%** per year for the period 2020-2025.

Source: Williams & Marshall Strategy (2020)



BRANDING

- CHAGEE **collaborated with Royal Selangor**, a national pewter manufacturer and retailer, to launch a crafted cup and managed to sell **3,000 units**.
- It also launched the "**National Day**" limited edition cup during the National Day of Malaysia where people can doodle on it.

The cup from the collaboration with Royal Selangor



The National Day Limited Edition cup



BEHAVIOR

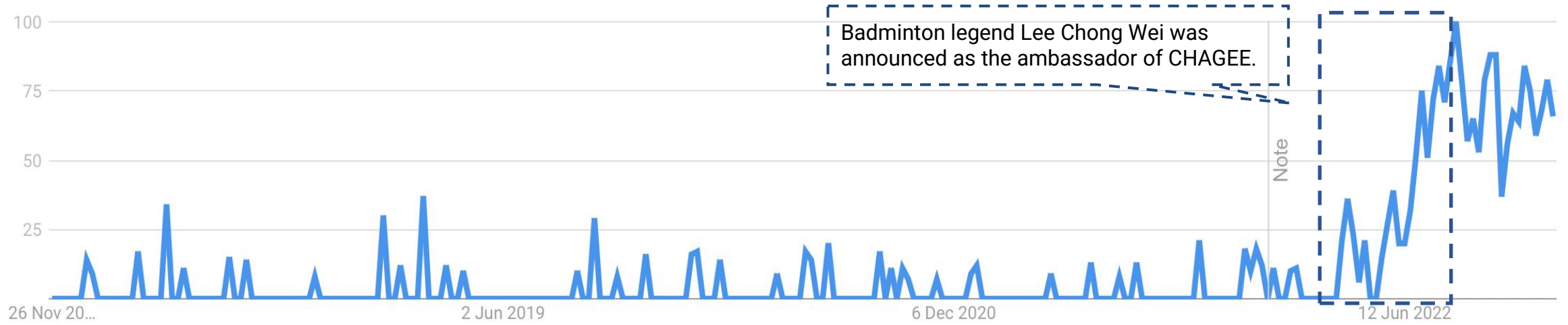
- Malaysian consumers are more attracted to products that have **high-quality** and **health benefits**.
- CHAGEE managed to associate the brand with "**healthy** milk tea" among local consumers. Its "fresh milk tea" series is popular, accounting for 60% of the total sales.
- Malaysians also prefer **functional botanical blends**¹ and **single estate artisanal teas**². Thus, CHAGEE sourced its main raw materials from more than **10 countries and regions**. They also offer a **variety of series** so people can experience different flavors.

¹ Tea using herbs/fruits that have health benefits.

² Tea leaves that are harvested from one estate, not blended. Focuses on a specific taste and flavor which is dependent on the location of the estate.

Source: Jiemian, Williams & Marshall Strategy

Search trends of CHAGEE 霸王茶姬 on Google in Malaysia



Time frame: Jun 2017 – Dec 2022

Related queries

Milk teas such as Osmanthus Oolong Milk Tea and Glutinous Rice Milk Tea are among the featured drinks in Malaysia.



Chagee Menu



Chagee outlets



Source: Google Trends, Chagee
 Note: Google's improvement in data collection system

Best selling products from Malaysia on Tmall (Excluding tourism)

JULIE'S LE-MOND PUFF SANDWICH CHEDDAR CHEESE CREAM CRACKERS



Price: CNY19.90 (US\$2.93)

Monthly sales: 20,000+

Reviews: 70,000+

Popularity due to: Strong cheese flavor, not too sweet or greasy, lightly salted, trustworthy food quality

MICO CREAM SANDWICH BISCUITS



Price: CNY9.90–37.90 (US\$1.46–5.58)

Monthly sales: 10,000+

Reviews: 2,000+

Popularity due to: Inexpensive, convenient independent packaging, suitable for children

MIAOW MIAOW SQUID FLAVORED CRACKERS



Price: CNY29.90 (US\$4.40)

Monthly sales: 200+

Reviews: 300+

Popularity due to: Crispy, very tasty, good-looking packaging

Source: Tmall, 2022

What do Malaysians think about China?

Chinese investment in digital economy and high-tech sectors are favored by Malaysians.

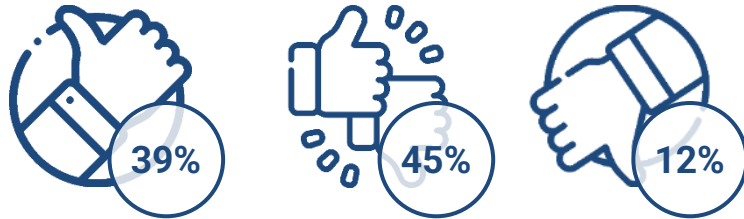


MALAYSIA

- In general, most Malaysians have a neutral view of China and a positive view of Chinese investments.
- However, different ethnicities have varying degrees of favorability. Malaysians of Chinese ethnicity have a more positive view of China.

Sources: World Applied Science Journal, China Daily

Malaysians' perception towards China (2022)

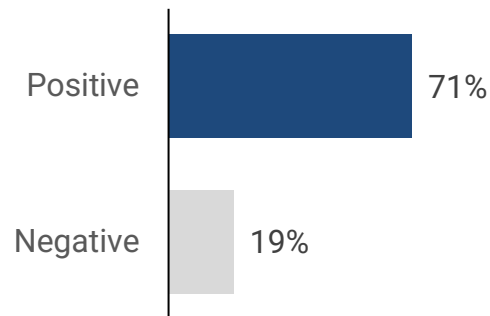


Source: Merdeka Center (1,204 respondents)

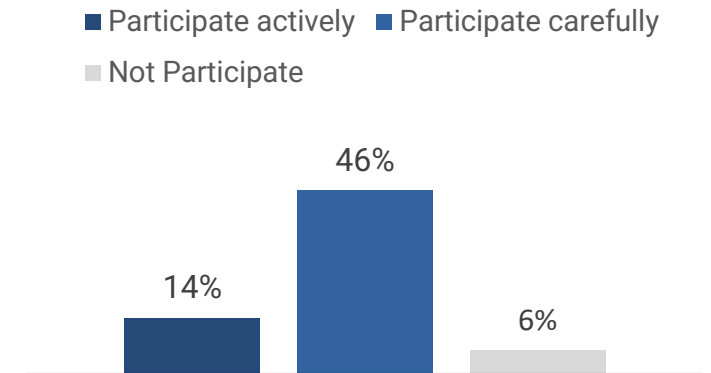
In 2022, 39% of Malaysians surveyed have favorable view of China, which showed a 3% increase from the previous poll in 2016.

Most Malaysians welcome Chinese FDIs but would join the Belt and Road Initiative (BRI) with extra caution

Perception of Malaysians towards Chinese investment (2022)



Malaysians' view towards BRI projects (2022)



Source: Merdeka Center (1,204 respondents)

About Daxue Consulting



Our mission is to guide businesses to holistic growth in Asia

Through our market research and strategy consulting, we equip businesses with the knowledge and guidance to achieve growth in China and beyond

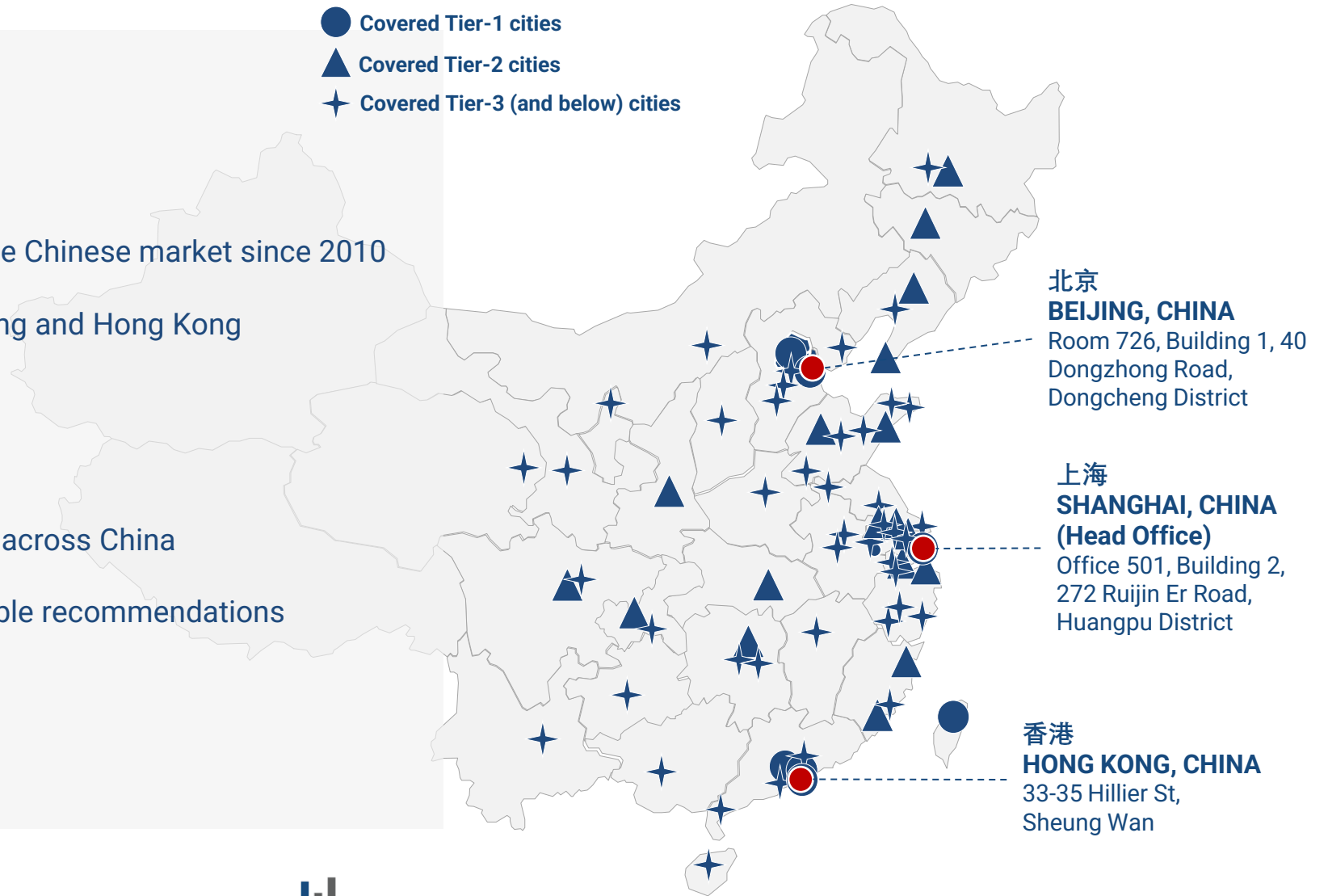
Who We Are

Your Market Research Company in China

We are Daxue Consulting:

- A market research firm specializing on the Chinese market since 2010
- With 3 offices in China: in Shanghai, Beijing and Hong Kong
- Employing 30+ full-time consultants
- Full, complete, national coverage
- Efficient and reliable fieldwork execution across China
- Using our expertise to draw precise, reliable recommendations
- With key accounts from around the world

- Covered Tier-1 cities
- ▲ Covered Tier-2 cities
- ✦ Covered Tier-3 (and below) cities



The values we embrace



Our clients' goals are our goals

We see ourselves as an extension of the client's business in China or their target country, hence, we advise them as if we were in their shoes and investing along with them.



Embrace change enthusiastically

Similar to how markets are constantly changing, our mindset is also always evolving. We value routine only when it helps us improve and we value change because it helps to keep pace with our time.



Intellectual humility gives clarity

Only through the lenses of humility can knowledge be seen clearly. At daxue consulting, we are humble toward science and the truth. We interpret data in a way that lets it speak for itself, even if contradicts our hypothesis.



Freedom enriches creativity & responsibility

Freedom to manage and envision her or his mission increases the sense of responsibility to that mission.



Knowledge is meant to be shared

While our projects team dives deep to provide catered research to clients, the media team shares insights publicly. At the same time, we foster a culture of sharing knowledge in our team, each individual works to increase their own knowledge and freely shares ideas each other.

Our services



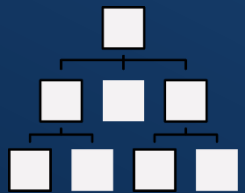
Market research

Our China market research services leverage both qualitative and quantitative methods across a broad range of industries sectors to fuel your strategic plan and support your expansion in China.



Strategy consulting

Our team can provide you with a wide selection of consulting services aimed at supporting your strategic decisions in China.



Management consulting

Our consulting service aims to give you both a clearer understanding of any aspect of your business, as well as a comprehensive overview of your target market.



Branding

Through using a set of different methodologies, our international team of market managers can answer your branding issues and support your growth in China.

Our methodologies



Desk research



Tribe marketing



Employee engagement survey



Persona definition



Brand positioning



Expert interviews



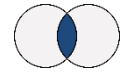
Market sizing



Online & offline surveys



Lean management



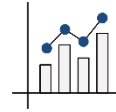
Co-branding strategy



A/B testing



Focus groups



Online data scraping



Activation toolkit



Sensory research



Tech-assisted research



Store checks & mystery shopping



Social listening



Brand naming



Market entry

Our past and current clients

400+ clients with 600+ projects for the past 10 years

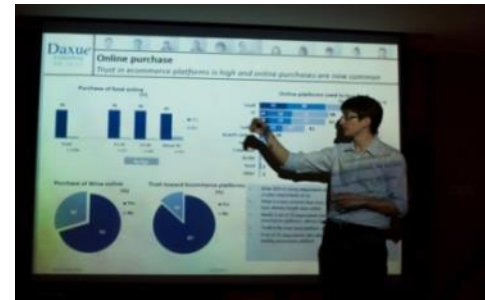


An experienced organization with the Asian market

Regularly featured and quoted in publications all over the world



TV INTERVIEWS ON PRIME-TIME TELEVISION IN SINGAPORE



WORKSHOP ON CHINA'S FOOD IMPORTS



LECTURING AT PEKING UNIVERSITY MBA.



DAXUE ON THOUGHTFUL CHINA



FREQUENT SPEAKERS ON BUSINESS TOPICS



STAY UPDATED ON ASEAN MARKET INSIGHTS



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