

The Way of Tea Drinking Survival in the Internet Era

— Taking Heytea as an Example

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Abstract: The Internet model has promoted the development of commerce, not only the traditional retail industry has been developed, and the catering industry such as milk tea and coffee shops is booming. As the first generation to open the online operation model, although the ‘Internet +’ model has begun to take shape, there are still gaps in the relevant tea drinking culture. Based on the literature research method and case analysis method, this paper analyzes the existing marketing model of Heytea and proposes relevant improvement policies, with the purpose of widening the gap with other related tea brands and improving the core competitiveness of its products. As the earliest generation of beverage stores to enter the ‘Internet +’ model, Heytea has rich experience in marketing planning, online and offline marketing activities. This paper analyzes the marketing based on the ‘Internet +’ model through researching the brand cross-border co-branding and innovative marketing activities of Heytea.

Keywords: e-word-of-mouth, brand crossover, big data.

1. Introduction

Founded in 2012 in Jiangmen, Guangdong Province, Heytea pioneered cheese tea through real milk and real tea, creating an entire new tea industry. Meanwhile, Heytea has also opened a new inspiration window, remoting new tea drinks into the world of tea art and culture design and going global. So far, besides mainland China, Heytea has set up more than ten overseas stores, including Hong Kong, Macao, Singapore, the UK, Australia, and Canada. By shaping and spreading the brand in user touch points such as brand content and store space, Heytea has accumulated strong brand potential energy, brought the brand experience that inspires joy to more mass users and also promoted the industry into the era of branding. Heytea rose in the Internet era. Based on the Internet, tea launched the first batch of online ordering and takeout services in the tea industry. Stauss proposed that for Internet celebrity stores because they rely heavily on the online communication and sharing of customer groups on the Internet [1], the relevant information exchanged by consumers on the Internet is called ‘e-word-of-mouth.’

2. Literature review

Brand, earliest called ‘brander,’ derived from old Norwegian, which means ‘mark.’ To distinguish their own animals from those of others, ancient people burned iron tongs on their own animals as identification. In China, during the Ming and Qing Dynasties, porcelain makers would print on the bottom of the ceramics the place of origin or according to the year number, such as made in Jingdezhen, the Qing Dynasty Jiaqing, and so on. At present, Jingdezhen porcelain is a well-known brand in the porcelain world. Blazheska thinks the ultimate goal of every marketing effort and brand is to satisfy consumers and ensure the quality of the product itself meets expectations [2]. Heytea is not only a brand; it combines offline products with online purchases, and at the same time, it is also spreading tea culture. Meanwhile, symbols build public cognition and shape people's way of life. Khanom points out that social media marketing has become an important means for companies to promote products or services, interact with customers, and build brand awareness [3].

3. Marketing strategy analysis of Heytea --- Based on 4Ps

McCarthy offered the “marketing mix”, often referred to as the “4Ps”, as a means of translating marketing planning into practice [4]. Chai refers that 4Ps delimits four distinct, well-defined and independent management processes [5]. Despite the consistent effort by many physical businesses to deal with the 4P in an integrated manner, the drafting but mainly the implementation of the P policies remains largely the task of various departments and persons within the organisation. Even more significant thought is the fact that the customer is typically experiencing the individual effects of each of the 4Ps in diverse occasions, times, and places, even in case some companies take great pains to fully integrate their marketing activities internally.

The key to Heytea’s success is quality products and a wide range of products. Not only are the stores selling freshly made drinks, but they also include desserts, ice cream, bottled tea etc. Heytea launched zero sugar and zero fat sugar substitutes a long time ago to continuously increase the strength of the brand hardware and enhance the consumers' experience.

The raw materials used in the production of Heytea are real materials, and its raw materials suppliers are selected from all over the world. Recently, the Heytea company also announced the tea drink formula, in the form of pictures displayed on the order mini program via WeChat, so that consumers can more intuitively understand the calories, sugar content, fat content and other information of the ordered drinks. And provide SGS test report.

At first, the positioning of Heytea is facing against Starbucks, and other high-level tea-drinking brands, the average price of a drink is about 30 CNY, which is based on the direct business model. Since 2022, Heytea has begun to take the route of price reduction and changed into a franchise model. Table 1 shows the current product price statistics, and according to figure 1, it can be easily found that the price ranges from 16-20, occupying nearly half, and the proportion of the price, which is below 10 and over 26, is only 10%.

Table 1: Price Distribution of Heytea.

Price	Number of products
Below 10	2
10-15	18
16-20	26
21-25	0
over 26	3

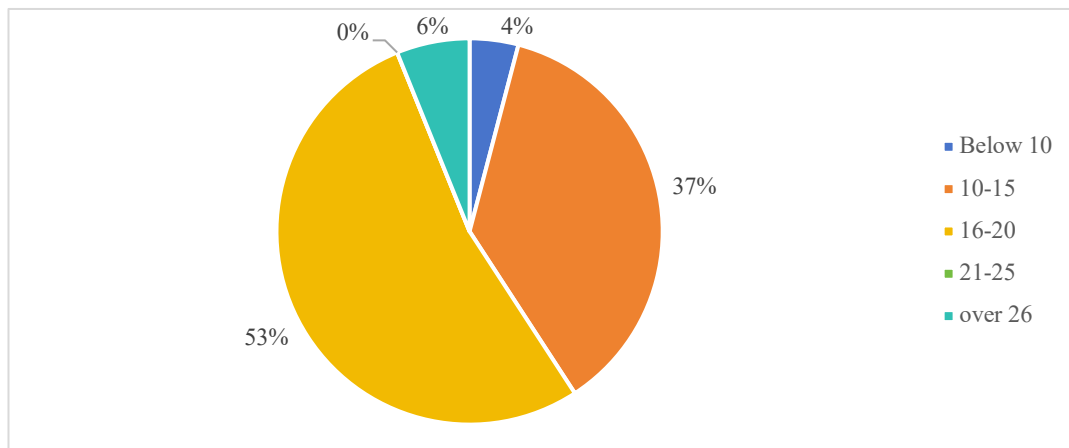


Figure 1: Price Distribution Pie Chart of Heytea.

Heytea's marketing channels are divided into two parts: online and offline. When the tea opens new stores, it will take the activity of buying drinks for 9 CNY in the first three days and require customers to line up offline to pay, creating a crowded scene. Heytea offline stores also operate two service modes: in-store pickup and takeout, and both can be ordered online by mobile phone, avoiding queuing or waiting too long offline and improving operational efficiency. The standard self-operated store has a large area and will be equipped with a complete rest area to give consumers a comfortable and stylish experience. In addition, in Shanghai, Chengdu, and other first-tier tourist cities, Heytea has opened high-end stores, which are called black gold stores. Stores have unique products and different design styles to give consumers different feelings.

The promotion of Heytea can be said to lead the tea drink industry. Heytea is keen on cross-border brand co-branding. Heytea also resorted to starvation marketing. Heytea always maintains innovation and strives to create product scarcity. Recently, with the joint name of Barbie, every store started selling products within ten minutes of the gifts being given out. However, Heytea can control the degree of hunger marketing and stimulate consumers' desire to buy simultaneously. Meanwhile, it will not cause excessive hunger marketing, so there is no negative impact. Although there will be some consumer loss, overall, the advantages outweigh the disadvantages and can maximize the advantages of new marketing.

In the context of digital marketing, all new tea drinks are based on the Internet and social media platforms, such as Weibo, WeChat public accounts, Xiao Hong Shu, TikTok, etc., through the sharing of consumers and the release of official videos to achieve marketing purposes. According to the bar chart below, TikTok leads the new social media. Followers are the first among all the social media. For Heytea, the number of TikTok fans is about four times that of its Xiao Hong Shu fans. Compared with other social media, TikTok is transmitted by video rather than text. Therefore, more people prefer to follow TikTok to receive the latest product consultations and activities.

Figure 2 indicates the number of social media followers of different tea brands. Heytea pays more attention to Tiktok, but compared with Naixue and Starbucks, Heytea has fewer fans.

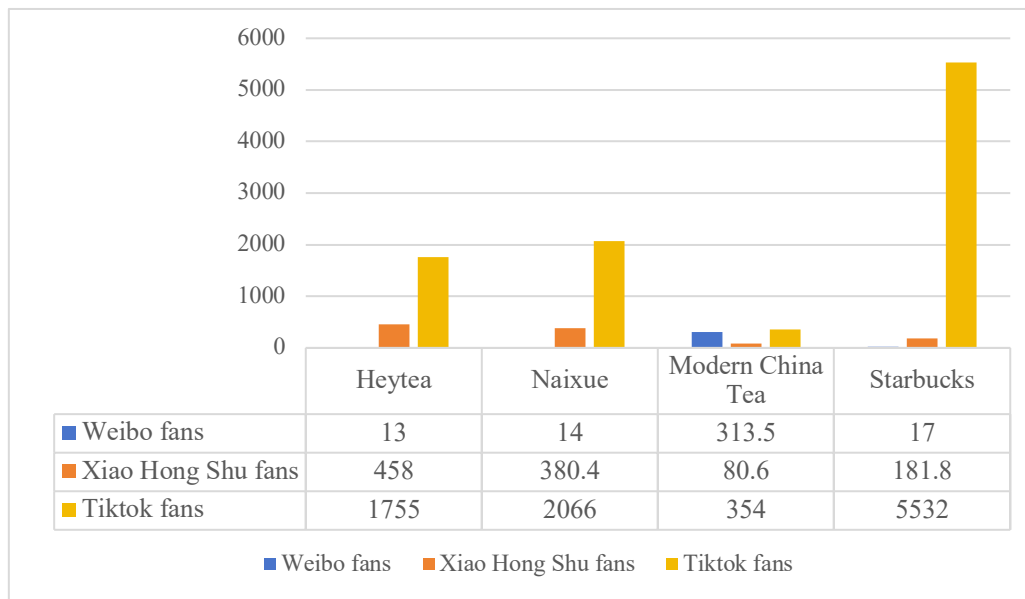


Figure 2: Number of social media followers of different tea brands (Unit: thousand).

4. Design philosophy and brand image of Heytea

Neo, the founder of Heytea, put forward that ‘skin and soul,’ which means updating products and inheriting the soul. Here, skin, another meaning, is the package of products, and the soul means its cultural connotation. Combining skin with soul can make a brand. According to Liu, B. and Zhang, H., in today’s developed network space, it takes more than six hours to queue up to buy a drink in the first Heytea store in Shanghai, including ‘Ticket scalper’ and ‘shop restrictions’ [6]. As a new type of tea drink, Heytea adds coolness, inspiration, and other concepts to build the brand. The audience is basically the post-90s consumers who have witnessed the development of the Internet but also enjoy the spiritual pleasure brought by the trend and quality. Therefore, new things and personalized experiences are often easily and quickly accepted by this generation of consumers, so Happy Tea pays attention to the taste of products at the same time but also pays attention to the brand image and visual design. Due to territory and abundant resources in China, regional differences are obvious, not only reflected in language and culture differences but also in food and diet. As a popular brand, Happy Tea needs to cater to the different tastes of consumers across the country. ‘Heytea’ in Chinese, ‘Xi Cha,’ and ‘Xi’ have different meanings; the basic one is happy. Using ‘Xi’ as its brand can give customers infinite imagination space. Facing overseas stores, Heytea chooses to set up stores in countries with a large population of ethnic Chinese.

The American Marketing Association (AMA) defines a brand as a name, term, logo, symbol, design, or a combination thereof that is intended to identify the goods and services of one or a group of sellers and to distinguish them from competitors. The logo of Heytea is a half-body photo of a person drinking tea with a cup at a 45-degree angle. The cup touched the corners of the mouth, eyes slightly closed, showing a state of self-satisfaction, as if in meditation. Wijaya states that brand image plays a significant role in brand development, as brand image influences brand reputation and credibility, later becomes a ‘guide’ for the consumer audience to try or use a product or service, and then produces a specific experience, which will determine whether the consumer will stay loyal to the brand or just become an opportunist [7].

5. Marketing campaign of Heytea

Heytea's sense of innovation is unmatched by other similar products. It will not only launch limited products according to different seasons and festivals but also carry out a brand crossover with other brands. This week, Heytea has a brand crossover with Nanjing Hongshan Forest Zoo; the product uses Guangxi pasture milk with classic matcha and tender custom milk jelly, making the product taste smooth and mellow. With the diversification of consumer demand, a single brand is no longer enough to interpret people's attitudes towards life. As a new marketing strategy, cross-border strategy has become another major brand strategy after brand extension and has become the most important topic for entrepreneurs. At the end of 2022, Heytea began to open franchised stores. Whenever a new store opens, there will be city fridge magnets in the store. Consumers need to take photos of the products and stores and share them on social media, such as Dazhong Dianping, Xiao Hong Shu, TikTok, etc., which makes a lot of consumer engagement. Figure 3 shows the fridge magnets of Hong Kong, Melbourne, and Burnaby, which were designed according to the characteristic elements of each place.



Figure 3: Heytea Fridge Magnets.

6. Conclusion

Online takeout orders can give Heytea more revenue, but in the delivery process, there are problems such as poor taste of drinks, long delivery time, drinks spilled and so on. Therefore, Heytea should establish its own delivery team like Domino, strictly train delivery personnel, and deliver with the highest quality and fastest speed.

This paper takes Heytea as an example to analyze the brand and marketing campaigns of tea shops. After more than a decade of development, Heytea has a certain position in the new tea industry, attracting many young people to feel the unique charm of Chinese tea. Based on the analysis of the brand positioning and marketing strategy, this paper points out the deficiencies in the current tea operation, and puts forward optimization suggestions for the defects in the market, products, promotion and distribution. In short, in the homogenized competitive environment, the development of tea has a long way to go, and its exploration road full of innovation is also more worthy of attention. E-word-of-mouth has two core themes: product and consumer. In the Internet era, the new tea industry should be based on media availability and its own situation and take specific feasible schemes as the entry point for innovation. The innovation of tea culture is actually a way to meet the lifestyle of

contemporary young people to achieve a win-win result between traditional culture and optimizing their own marketing.

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