

A Research on the Brand Innovation Strategy and Marketing Model of Chinese Milk Tea Brands Based on Chinese Traditional Culture, Illustrated by the Brand of SexyTea

Beisha Da^{1,†}, Meixi Liang^{2,a,*}, Yaxian Yang^{3,†}, and Mengyuan Zhao^{4,†}

¹*School of Design, East China Normal University, Chengdu, 610000, China*

²*School of Economics & Management, Beijing Forestry University, Beijing 100000, China*

³*School of Information, Yunnan University of Finance and Economics, Kunming, 650000, China*

⁴*School of Business Administration, Henan University of Economics and Law, Zhengzhou, 450000, China*

a. Liang220401911@bjfu.edu.cn

**corresponding author*

†These authors contributed equally.

Abstract: Made in a country with large tea yields, the tea products produced by the main raw materials of milk and Tea are continuously developing in China. On the other hand, with the increasing confidence in Chinese culture in recent years, the development of domestic brands has been rapid. This study aims to explore the role of the new Chinese-style style in brand innovation and marketing strategies in order to improve the competitiveness and market shares of tea drinks brands in the Chinese market, with the hope of providing a reference for other brands entering the tea drinks market and companies hoping to empower their brands with new Chinese-style aesthetics. This study will take the case of Sexy Tea and adopt a review research method. Firstly, it will discuss the popularity and influence of the new Chinese-style aesthetic in traditional Chinese culture. Secondly, it will analyze how Sexy Tea has integrated the unique Chinese-style aesthetic into its product innovation and marketing and then discuss the competitiveness that has been brought to Sexy Tea after incorporating the new Chinese-style aesthetic. Finally, relevant optimization suggestions will be provided for Sexy Tea's future development and how to maintain its competitiveness. This study found that Sexy Tea has successfully attracted the attention of a large number of consumers through innovations in products, brands, and research and development techniques based on traditional Chinese culture and has created a profound and distinctive brand image in the new-style tea market.

Keywords: Sexy Tea, brand innovation, Chinese traditional culture, tea shop

1. Introduction

Along with China's rapid development, demand in the third industry continues to grow. People, especially contemporary young people, pursue faster and more stylish ways of living. Made in a country with large tea yields, the tea products produced by the main raw materials of milk and Tea are continuously developing in China. Because of its mouth-watering richness, packaging fashion, and

matching contemporary lifestyle, tea drinks are trendy among the first generation of people now, and tea drinks are distributed in cities all over the country. According to the "2022 High-quality Development Report on Tea Drinks" jointly released by the Xinhua News Agency and the Tea Research Institute of the Chinese Academy of Agricultural Sciences and NAYUKI Tea, the creator of the new tea drinks track, the market size of the new tea drinks industry will exceed 290 billion yuan in 2022, with about 450,000 stores across the country, and the annual consumption of Tea exceeds 200,000 tons [1].

On the other hand, with the increasing confidence in Chinese culture in recent years, the development of domestic brands has been rapid. In this context, the popularity of traditional Chinese culture is increasing, and the rise of tea culture is showing signs of growth. Whether it is in the field of lifestyle or fast-food brands, more and more people are inclined to choose new Chinese-style brands. This tendency is particularly evident in the rapidly growing tea drinks market, where Sexy Tea, a leading new Chinese-style drink brand, has gained a firm footing with its innovative new Chinese-style design and high-quality products. Overall, the rise of new Chinese-style brands highlights the increasing globalization and cultural exchange of contemporary Chinese culture, which is characterized by its unique blend of traditional and modern elements.

Sexy Tea is Hunan Tea Yue Cultural Industry Development Group Co., Ltd. (original Hunan Changsha Tea Yue Restaurant Management Co., Ltd.) brand established in March 2015. SexyTea specializes in tea drinks and desserts. It draws inspiration from drinks ideas in Hong Kong, Guangdong, and Taiwan and uses a combination of new and innovative thinking to create a new generation of three-dimensional and complex culinary enterprises. Borrowing its unique mouthfeel and cultural attributes, Sexy Tea is popular on the Internet, and it attracts a large number of customers to purchase it. Compared with other new tea brands, Sexy Tea combines Chinese traditional culture with product innovation and brand marketing with its unique new Chinese style, whether it is the Chinese name or the design of the outer packaging, the taste of the product, and the selection of raw materials. The lines of marketing and marketing are closely connected with traditional Chinese culture, creating the new Chinese style characteristics of the brand. Sexy Tea is mainly distributed in Changsha City with its model of direct sales and no franchise and has gradually become a well-known brand representative in Changsha. After gaining fame, it gradually began direct sales in other parts of China, such as Nanjing and Suzhou.

In today's competitive tea drinks market, a large number of practitioners and homogenized brands are entering the market, resulting in fierce competition. Accelerating product development, improving product quality, and constantly introducing new SSSproducts are all essential for maintaining competitiveness. There are many studies on tea drink brands today, but most of them focus on their business strategies, lacking research on how their culture and style affect their competitiveness. Therefore, this study aims to explore the role of the new Chinese-style style in brand innovation and marketing strategies in order to improve the competitiveness and market shares of tea drinks brands in the Chinese market.

This study will take the case of Sexy Tea and adopt a review research method. Firstly, it will discuss the popularity and influence of the new Chinese-style aesthetic in traditional Chinese culture. Secondly, it will analyze how Sexy Tea has integrated the unique Chinese-style aesthetic into its product innovation and marketing and then discuss the competitiveness that has been brought to Sexy Tea after incorporating the new Chinese-style aesthetic. Finally, relevant optimization suggestions will be provided for Sexy Tea's future development and how to maintain its competitiveness, with the hope of providing a reference for other brands entering the tea drinks market and companies hoping to empower their brands with new Chinese-style aesthetics.

2. Chinese Traditional Culture to Modern Business Empowerment

2.1. The Meaning of Chinese Traditional Culture

Traditional Chinese culture refers to the unique Chinese culture that has evolved and developed based on the culture of the Middle Kingdom (ancient China). Traditional Chinese culture is rich and colorful, covering all aspects of society, including humanities, history, industry, commerce and farming. It is the treasure of the Chinese nation's cultural treasures. The practice of China's modernization shows that economic construction must rely on science and technology and technological progress, while the improvement of science and technology requires the development of culture. Therefore, Chinese traditional culture is of great relevance to economic and social development. Tea culture refers to inherited tea-related abilities and literacy, including ideology and morality, literature and art, customs and habits, in terms of outreach. It takes the humanistic dimension as the core, and the tea industry and tea technology. It is juxtaposed with the tea industry and tea technology. To this concept, tea culture is not existing only in contemporary Chinese society but has a long history of development. In today's society, more and more young people are attracted to tea culture, and with that, there are many milk tea brands or retailers that tend to traditionalize the style of their products, increasingly incorporating tea culture. Chinese traditional culture is the sum of material and spiritual wealth that has been passed down from generation to generation and has Chinese characteristics. In other words, Chinese traditional culture has a distinctive historical extension and authority [2].

2.2. Cross-Border Development of Commercial Brands with Culture

Brands play cross-border and break the circle; the essence is the brand overflow or the extension of the brand audience. Increasing competition among enterprises leads to the continuous breaking of boundaries between industries. The new generation of consumers expect brands to be more eager for emotional resonance than just the products themselves. There are many epidemic periods and brands have to try other means to gain attention quickly [3].

Therefore, the integration of Chinese traditional culture and commercial brands is also increasingly emerging. As young people increasingly understand and like Chinese traditional culture, more and more companies try to integrate their own corporate culture or goods with traditional culture, opening up a new path of commercial development.

2.3. Combination of Traditional Culture and Business

In the present business model, the primary business model is to combine culture with business, and at the same time, it is also made into the cultural and creative industry. The cultural creative sector is to take the connotation of culture and give it a new look and value through the expression of creative forms. Combining local culture with business generates new business hotspots, constantly satisfies the needs of contemporary youth, and improves the status of Chinese traditional culture in society and business [4].

2.4. The Influence of Traditional Culture on Business

First, Traditional culture can stimulate innovation through the study and exploration of conventional culture can inspire innovation and bring new ideas and creativity to the business field.

Second, culture can provide unique products and services for the business field. Chinese traditional culture has characteristic art forms and cultural symbols and integrating traditional culture

into business can open up different areas of business and make business development more diversified.

Third, traditional culture can enhance the cultural connotation and value of brands.

Chinese traditional culture has a history of thousands of years, and more and more young people pay more attention to the beauty of products; Chinese traditional culture is increasingly coming into the public eye, in line with the public taste, and the connotation and value of its products continue to deepen. Using traditional culture to increase the status of the brand can better improve the cultural status of Chinese cultural identity [5].

3. Brand Competitiveness Analysis of Sexy Tea - Comparative Analysis

3.1. The Current State of China's Fresh Drink Tea Drinks Industry

With the increase in economic level and consumption ability, the ready-made tea market has developed prosperously. Consumers are gradually transitioning from the traditional basic functional needs of thirst-quenching, taste satisfaction and stress relief to the spiritual needs of healing with high-value products and the health needs of body management and wellness, and with the development of today's internet technology, the new generation of personalized consumer needs of "experience + social" and "product + brand" With the development of Internet technology, the new era of "experience + social" and "product + brand" Personalized consumer demand has also emerged. "The industry has entered the era of "new categories, new products, and new flavor" with the introduction of innovative products with diversified tastes [6].

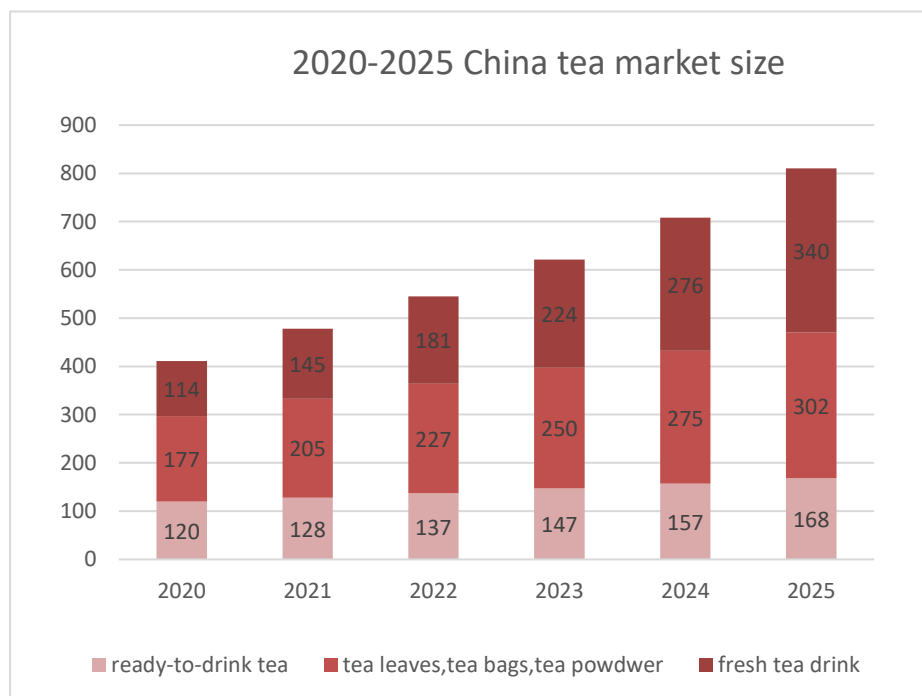


Figure 1: China tea market size, 2020-2025 [7].

As can be seen from Figure 1, the Chinese tea market mainly consists of ready-to-drink Tea, tea leaves, tea bags and tea powders, and ready-made tea drinks, with the overall size showing a gradual expansion trend in recent years. Among them, the ready-to-drink tea market has always maintained a fast growth rate and is expected to surpass tea leaves, tea bags, and tea powders in terms of total market share by 2024, occupying the largest market share in the Chinese tea market. The

ready-made tea industry is characterized by fixed production standards and processes, high production efficiency, large production scale and market size, and large profit margins. The three significant echelons in the ready-made tea market have been formed, and competition has entered the red sea. At present, the ready-made tea market has developed three significant divisions: high-end, mid-range, and bottom-end. And there are also two head brands such as Hey Tea and NAYUKI Tea, and mainstream brands, such as Sexy Tea, Chabaidao, and MIXI ice cream tea.

3.2. Overview of Sexy Tea

Sexy Tea (formerly Hunan Changsha Chayue Catering Management Co., Ltd.), was established in March 2015. The brand is based on Hong Kong, Guangdong, and Taiwan's creative milk tea shops, focusing on the "traditional Chinese style + new fashion" of the new Chinese Tea, using the latest generation of composite innovative thinking to launch the latest three-dimensional composite food and drinks business. The brand is centered in Changsha for shop expansion, using the image of ancient ladies, the combination of fans and octagonal windows as the brand's iconic logo, the use of ancient Chinese poetry to name the products, Chinese style paintings into the product packaging design, with the slogan "let young people love Chinese tea" in the love of national style, the pursuit of the individuality of young consumers. In addition, with its unique taste and traditional Chinese cultural attributes, as well as the distinctive decoration style and high film rate of the concept shop, Sexy Tea has rapidly become popular on the Internet, attracting many customers to purchase and upload social media to share publicly. While reducing the cost of brand promotion, Sexy Tea has also become a genuine internet celebrity milk tea brand.

3.3. Comparative Analysis of the Same Dimension with Different Tea Drinks Brands

3.3.1. Competitor with A Unified Market Layout (Mid-Market): Chabaidao.

Primary difference: Brand culture is clearly highlighted.

Chabaidao: Mainly "milk tea" and "fruit tea", although the packaging design incorporates panda elements, to a certain extent, combined with the regional characteristics of Sichuan culture, but the expansion of the product naming process does not highlight this cultural characteristic, did not play a role in the overall promotion of the brand. The product naming process did not highlight this cultural identity and did not have a promotional effect on the overall brand. In addition, based on the brand itself for the franchise model, the rapid expansion of shops cannot be in the regional culture to leave a unique impression of scarcity.

Sexy Tea: Sexy Tea has a Chinese style as its theme, and the creation of its national style tea culture is refreshing. "In terms of packaging visuals and product innovation, the brand is always in the traditional Chinese style, strengthening the brand's perception among consumers. At the same time, the overall brand image of Sexy Tea is unified yet distinctive. In terms of shop design, it is divided into themed concept shops and street-side shops, all of which are mainly Chinese in style, with 'lanterns', 'dark wooden walls' and 'classical illustrations'. 'Classical illustrations' are found everywhere. On the packaging of the cups, the Chinese illustrations contain a variety of ancient story illustrations, classical beauties, ancient Chinese characters, and Chinese floral motifs [8,9].

3.3.2. Competitor with A Similar Brand Positioning (New Chinese Tea Drink): Chagee.

Primary difference one: High level of social interest and discussion.

By referring to the Baidu index, in the past six months up to 28 April 2023, the overall daily average value of the search index of Sexy Tea is 4141, and the general daily average value of Chagee is 3119. In addition, in the microbiological platform, Sexy Tea has 315,000 followers, the cumula-

tive number of video plays is 3.36 million times, and the rep like rating is as high as 3.788 million, while Chagee has 54,000 followers, the cumulative number of video plays is 916,000, and the rep like rating is 67,000[10]. The overall popularity of the video is much lower than that of Sexy Tea.

Primary difference two: Cultural peripheral products flourish

Sexy Tea: Create a separate retail brand shop Zhihu Tea. Create a wide variety of cultural and creative products - there are about 100 stock-keeping units (SKU) selling peripheral products, including flavored Tea, teacups, umbrellas, travel mugs, satchels, shirts, mobile phone stickers, puzzles, postcards, and other products that involve daily travel. Launching products with regional cultural characteristics: for foreign brands, tapping into local culture makes it easier for consumers to feel a sense of affinity and resonate from an emotional level. The person in charge of the brand Sexy Tea introduced "a city with a characteristic" and said "we have gone to Nanjing in the pre-opening to learn about the city of Nanjing's life characteristics and fireworks, and successively launched derivatives with Nanjing characteristics." For example, the city-limited Daguerreotype Cup 'Nice to Know You' [11]. 96.02 million sales were reached on e-commerce platforms in February 2023, with a 51.47% year-on-year percentage growth rate and 365.29% year-on-year percentage growth rate [12]. Although not as high as its Chongqing offline shop sales of 2 million a month [13], the growth rate is impressive, and the sale of Sexy Tea's peripherals is also highly competitive on the e-commerce platform.

Chagee: the peripheral products mainly include the blind box at the bottom of the cup, paper fan, shadow experience set, co-branded with Disney. Sichuan Opera face-changing tea gift box and some other peripheral products but has not established its own independent peripheral selling brands. The products are not available on e-commerce platforms. In Taobao, Sexy Tea has a flagship shop with a fan base of 1.1 million, while the tea factory has not set up a shop, except for individual tea factories selling the signature product. There are no other products related to the brand, except for individual tea factories selling the same tea base of the "Bo Ya Jue Xian".

4. Marketing and Business Analysis of Sexy Tea

4.1. Brand Image Innovation

When it comes to branding, the focus of Sexy Tea is on the concept of "traditional Chinese style". The image of a classic beauty holding a fan to cover her shyness is used as the logo, showing the nobility and elegance of the ancient Chinese style and conveying a beautiful sentiment of a woman who is pleasing to herself. In terms of product packaging, Sexy Tea has also put in much effort. As well as buying the copyrights to well-known traditional Chinese painting works such as Thousands of miles of mountains and rivers, dwelling in the Fuchun Mountains, they also created secondary designs based on them, combining traditional culture with contemporary aesthetics and innovating in packaging and side-line range of products [14]. By subtly highlighting the brand's own characteristics in terms of color, painting symbols, and calligraphy, Sexy Tea's unique "Chinese style" image is created.

In recent years, the Chinese state has put more emphasis on promoting and developing traditional Chinese culture and awakening the nation's confidence in local culture through new media and other means. At the same time, economic development and steady growth have also laid a solid foundation for the nation's cultural confidence, further promoting the nation's growing cultural confidence and subliminally transferring this confidence to consumer behavior [15]. As a new type of product, "Chinese style" is highly sought after by young people, who are the main consumers of the new era. Based on this, Sexy Tea has tapped into the "Chinese style" mentality of today's youth, ensuring that the surrounding products and tea style are consistent while combining classic elements

with modern trendy culture, using quirky and interesting illustrations and humorous copy, adding playfulness to the brand that is unique in the tea drinks industry.

4.2. Research and Development Technology Innovation

With economic development and rising consumption levels, consumer demand for quality products is becoming more diversified; the hot topic of health and wellness in recent years has also led to a preference for healthy food and drinks. In addition, the younger generation, growing up in a fast-developing economic environment, is more open to new things, more sensitive to product and service quality, and promotes a delicious and healthy diet.

China is the hometown of Tea, with a long history, and has gradually formed a unique tea culture in the development of nearly a thousand years, which is one of the important components of Chinese traditional culture. On the basis of pure Tea, Sexy Tea has creatively developed a new style of milk tea drink named "Making Chinese tea by using Western methods", which is made with fresh milk, pure Tea, and nuts as the main ingredients, supplemented by cream, and without adding too many ingredients [16]. And the original method of "pick, stir and drink", has left a deep impression on consumers. Meanwhile, compared to the sweetness of most of the products in the milk tea market, Sexy Tea has focused on highlighting the aroma of Tea in its drinks, giving people a sense of refreshing taste, which has been well received by consumers. With its unique taste, it differentiates itself from most tea drink brands in the market that highlight the taste of fresh milk and rich ingredients, creating a differentiated product. Not only does it meet consumers' differentiated needs, but it also responds to the current consumer's pursuit of healthy food.

4.3. Marketing Strategy Innovation of Omni-Channel Alliance

Initially, Sexy Tea opened only in Changsha, Hunan Province, insisting on direct sales rather than franchising, with a very high density of coverage and a unique geographical "hunger marketing" to strengthen the perception of the brand and to stimulate the perception of the consumer. At the same time, with the development of the Internet, it established itself as one of the most iconic brands in the region. And then gradually expanding to Wuhan, Nanjing, Shenzhen, and other cities since 2020. As the saying goes, "Things are precious when they are rare," and the unique regional restriction of Sexy Tea has brought it extremely high heat and traffic while ensuring the quality of its products. A lot of internet celebrities and tourists traveled far away to Changsha just to taste a cup of milk tea that is popular on the Internet. The scarcity effect not only attracted more consumers to offline shops but also encouraged those who could not go offline to buy tea bags, tea powder, and other products that can be made at home, creating a win-win situation for both online and offline sales channels.

Not only that but as a landmark brand in Changsha, Sexy Tea is well placed to promote its brand by leveraging the regional culture. At the end of 2020, the Bank of Changsha, Hunan Museum, and Sexy Tea launched a co-branded credit card named "Drink It". This co-branded event fully combines the local cultural characteristics of Changsha, while Sexy Tea plays the role of highlighting the local food culture in this event. The three platforms together have given the Drinking Card not only its value as a credit card but also its value as a cultural bearer, showcasing and promoting local culture through the card's multiple benefits, attractive content design and ample cultural heritage. This significantly regionalized co-branding event is a good way of reinforcing the regional culture on which the brand is based and also helps Sexy Tea to consolidate its own status in Changsha.

By incorporating traditional Chinese cultural elements into the brand, it is easy to resonate with and be loved by young consumers. Sexy Tea has captured the competitive characteristics based on the integrated and innovative Chinese tea culture, vigorously promoting the Chinese culture, which

has well caught the rise of the "Chinese style" trend, catering to the preferences and trends of consumers. Moreover, Sexy Tea has developed a unique traditional Chinese cultural phenomenon in its promotional posters, product names, and even interior decorations. For example, some ideas of tea-cups' appearances are often derived from famous Chinese paintings and calligraphy, almost all expressions of products come from Chinese classical poetry, and offline stores also use different themes of traditional cultural elements for marketing.

5. Conclusion

By combining with the Chinese style, Sexy Tea is aimed at young people who love the Chinese style and has continued to gain popularity in the new tea market. This study found that Sexy Tea has successfully attracted the attention of a large number of consumers through innovations in products, brands, and research and development techniques based on traditional Chinese culture and has created a profound and distinctive brand image in the new-style tea market. Provide reference experience for the tea market or brands that use traditional Chinese culture to innovate and start businesses. Sexy Tea should grasp its new Chinese-style positioning, maintain its good brand image, and continue to innovate in products and business models to maintain and create competitive advantages. Although this study puts forward the theory that Chinese traditional culture empowers the innovation and marketing of the tea drinks brand, it lacks the support of data on the influence of Chinese traditional culture. It is hoped that future research can compensate for the lack of data.

References

- [1] Ren Yuxi, F.: 2022 High-quality Development Report on New Tea Drinks. *FOOD & MORE*, 135-137 (2023).
- [2] Li Lin, F.: Study on the contemporary value and inheritance of Chinese traditional culture. *Cultural Industry*, 71-73 (2023).
- [3] Qin Xianpu, F.: Brand Creativity Empowering Commercial Value. *China Advertising*, 73-74 (2021).
- [4] He Jiaming, F.: Cultural Creativity Empowering the Last Mile of Consumption-A Study on the Business Model of Cultural Community Based on the Canvas Model. *Time-honored Brand Marketing*, 39-42 (2022).
- [5] The Commercial Value of Traditional Culture.
- [6] Avery Consulting, <https://www.iresearch.cn>, last accessed 2023/05/20.
- [7] Zhongtai Securities, <https://www.zts.com.cn>, last accessed 2023/05/20.
- [8] Guan Shiqian, F.: An analysis of the economic principles behind the phenomenon of "tea and tea" queue and "overpriced milk tea". *Business and Economics*, 28-30 (2021).
- [9] Liu Lin, Wang Yue, F.: Analysis of the competitiveness of the brand of Sexy Tea. *Packaging and Design*, 126-127 (2022).
- [10] Red Meal Big Data, <http://top.canyin88.com>, last accessed 2023/05/20.
- [11] Hong Ye, Tian Mochi, Ding Qianqian, F.: Sexy Tea: development ultimately depends on quality. *FOOD & MORE*, 42-45 (2022).
- [12] Xianjing data, <https://www.synlen.com/?baidu37#/searchList/brandList>, last accessed 2023/05/20.
- [13] China.com, <https://www.synlen.com/?baidu37#/searchList/brandList>, last accessed 2023/05/20.
- [14] Gu Shuyi, Zhang Kangfu, F.: Aesthetic Features of Graphic and Text Creativity in "Tea Beauty and Pleasant Color" Chinese Style Packaging Design. *Design*, 54-57 (2023).
- [15] Zhou Fan, F.: Based on the 4P theory analysis of the marketing strategy of Chayan Yuese for the Z era. *News Communication*, 12-14 (2022).
- [16] Liu Lin, Wang Yue, F.: Analysis on the Competitiveness of Tea Yanyue Se Brand. *Packaging and Design*, 126-127 (2022).