

An Analysis of Sexy Tea's Marketing Strategy and Its Impact on Brand Communication of New Chinese Milk Tea in China

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Abstract: In today's landscape, the milk tea market in China is experiencing an unprecedented phase of rapid expansion and remarkable development. Milk tea shops have proliferated across cities and towns, to the extent that ordering takeout without a side of milk tea has become a rarity. The diverse range of milk tea offerings has seamlessly woven itself into the fabric of daily life for countless individuals. Among the standout pioneers in this burgeoning industry is the Sexy Tea (Chayan Yuese) brand, which emerged in 2014 and promptly skyrocketed to fame. Sexy Tea introduced a unique twist to the conventional milk tea experience by infusing a subtle note of bitterness and the captivating aroma of tea into the traditionally sweet and creamy milk tea profile. This innovative approach not only tantalized taste buds but also appealed to a discerning clientele. Furthermore, Sexy Tea's unassuming packaging design exudes an essence of Chinese antiquity and sophistication, providing consumers with a sensory journey that transcends the ordinary. The success of Sexy Tea has ignited a fire within the entire landscape of the new Chinese milk tea market. Brands like Chagee, Molly Tea, and others have followed suit, embraced innovation and pushed boundaries to continually captivate consumers. Together, these new Chinese milk tea brands have played an instrumental role in propelling the milk tea market forward, infusing it with a distinct and vibrant new energy that continues to shape and redefine the industry.

Keywords: Sexy Tea, New Chinese Milk Tea, promotional strategies, culture meaning, digital culture communication

1. Introduction

With the rapid development of the Chinese market, the beverage industry has achieved great success in recent years. Chinese New Chinese Milk Tea brands have emerged among them as trend-setting forces in the market. Sexy Tea (Chayan Yuese) has attracted a wide range of consumers with its unique marketing strategy and innovative product portfolio. Sexy Tea has quickly emerged in the highly competitive New Chinese Milk Tea market with its distinctive brand features, innovative promotional approach and unique consumer experience. This phenomenon has sparked widespread interest, fuelling researchers' interest in its marketing strategy and its impact on the industry as a whole.

This study aims to provide an in-depth examination of Sexy Tea's marketing strategies and the impact of these strategies on Chinese new Chinese milk tea brands. The study will provide an in-depth analysis of Sexy Tea's market positioning, brand identity, promotional activities and consumer engagement and assess its impact on the competitive landscape and development trends of the new Chinese milk tea market. By drawing on Sexy Tea's successful experience, the study will also provide insights for other New Chinese Milk Tea brands on how to develop marketing strategies to increase brand awareness and competitiveness.

By delving into the marketing strategies of the Sexy Tea brand and their impact, this study not only contributes to an understanding of the market dynamics of the New Chinese Milk Tea market but also provides insights for brand managers, marketing professionals, and policymakers on how to implement innovative strategies in a highly competitive market. Ultimately, it is hoped that the results of this study will help to drive the sustainable development of new Chinese milk tea brands and provide a valuable reference for the industry as a whole.

This study will first discuss the current status and trends of the Chinese milk tea market and the background of the Sexy Tea brand, followed by a marketing strategy analysis starting from the STP and 4PS and discussing the impact of the new Chinese milk tea brand and its development prospects.

2. Literature Review

2.1. Trends in China's Milk Tea Market

Since the late 20th century, when milk tea was introduced from Taiwan to mainland China, China's milk tea industry has been expanding, becoming an indispensable part of the lives of many young and middle-aged people. There are four stages of development in China's milk tea industry, namely, powdered milk tea, bucket milk tea, hand-cranked milk tea, and ready-to-drink tea. Now, it is in the crazy expansion stage of ready-made tea drinks, with a market of nearly 100 billion [1]. Nowadays, more and more local brands are gradually rising. According to the daily economic news on the "generation Z" (born in 1995 ~ 2010) new tea drink consumer research, MIXUE ice cream & tea is the "generation Z" most favourite new tea drink brand, popular with the "generation Z". MIXUE ice cream & tea is the most popular new tea drink brand among Generation Z, favoured by 28.1% of respondents, followed by Good Me and Sexy Tea, accounting for 8.3% and 7.6% respectively. In the past two years, there has been a concentrated outbreak of "net red milk tea", and based on the development mode of online channels, milk tea products and the development of the milk tea industry have also begun to embark on the network mode, attracting many young people with changing consumer attitudes through online advertising, blogger push, and exquisite shop decoration. Sexy Tea is a brand that has become a different firework in the new tea drinks because it highlights its "new Chinese" milk tea attributes [2].

2.2. Introduction of Sexy Tea

As the birthplace of tea culture, tea is not just a drink in China, but also a culture. Drinking tea has long been a habit of Chinese people. Sexy Tea is not only a fusion of Chinese tea culture, but also the first Chinese-themed milk tea shop in mainland China.

Founded in mid-2014 and headquartered in Changsha's busiest area, Huangxing Pedestrian Street, Sexy Tea will only open shops in Changsha before 2020, and there will be a Sexy Tea shop every ten metres on Changsha's streets. Until 2020, Sexy Tea started to open shops in Wuhan, then came to Chongqing, Nanjing and other cities.

Sexy Tea is a tea beverage brand with R&D, production, and sales as a whole, constantly introducing unique, delicate, novel and green milk tea products to customers, creating a high-quality leisure space for consumers. Sexy Tea Milk Tea emerged at a time when consumers' enthusiasm for

traditional milk tea was sharply declining. As a pioneer in the production of fresh tea drinks in China, Sexy Tea insists on its own characteristics and introduces milk tea drinks that are unique in the market. Each drink is divided into three layers, from top to bottom the first layer is different flavour ingredients, the second layer is made of New Zealand light cream, and the third layer is tea base with Chinese characteristics [3].

3. Marketing Strategy Analysis of Sexy Tea

3.1. STP Analysis

Geographic Segmentation - Sexy Tea's hometown is Changsha, Hunan Province, and when consumers from all over the country are calling for Sexy Tea to open shops outside of China, Sexy Tea first chose Wuhan, Hubei Province, which is closer to Changsha. On the one hand, Wuhan is a new first-tier city with a high level of consumption, and on the other hand, Wuhan has a large number of college students, who are willing to pay for the online milk tea and even queue up for eight hours to buy it, and college students are very active in milk tea consumption and online promotion. Milk tea consumption and network publicity is very positive. The fact that Tea Face gradually chose to open shops in Chongqing and Nanjing is also due to such urban reasons.

Demographic Segmentation - Although the majority of milk tea drinkers are young people, when Sexy Tea incorporates a strong Chinese tea base, pure Nestle milk and imported blueberries, more middle-aged and older people are willing to buy this innovative, healthy, tasty, old-fashioned milk tea.

Sexy Tea's product positioning is a new Chinese tea drink, and its newness is not only reflected in the production of the tea drink and the innovation of the flavour, but also in the name of the product, the brand logo and the visual design of the cultural and creative periphery. The target market is firstly Changsha locals who are proud of and trust Taxy Tea, and secondly, the customer market all over the country who love the new Chinese style products, love to drink tea leaf tea, and even keen on the Netflix Milk Tea to hit the market.

3.2. Marketing Strategy Analysis

3.2.1. Promotional Strategies

The most creative tea drink: This tea shop, described by consumers as "the most creative tea shop", also has independently designed creative products. In addition to the sales of the tea shop itself, they have also created a separate retail brand shop, "Zhihu - tea ". There are about 100 SKUs of cultural and creative products, including flavored tea, teacups, umbrellas, puzzles, car line books, postcards, and other peripherals.

Undeniably, cultural, and creative products can increase the thickness of the brand, and the brand's unique cultural attributes have become cultural symbols that young people are willing to wear and carry on their backs to express themselves while also driving the sales of tea through cultural and creative products.

Sentimental, interesting brand power: IP brand image with face value is not enough to really impress consumers also rely on a unique soul. Because often the image can be copied, but the soul of the brand IP is difficult to imitate.

Directly operated and not franchised: The main reason why Sexy Tea is not open for franchising is that it is still worried that after the release, there will be problems with the management and the quality of the milk tea will not be well controlled, and once there is a problem with the quality of the milk tea, it will directly affect its reputation, which is more than worth the loss [4].

3.2.2. Logo and Packaging Design Strategy

Logo: The ancient beauty in the logo is holding a fan, looking gentle and skilful, the character's temperament is very noble and elegant, behind the woman is a red octagonal window. Red and black are the colours commonly used in China's early pottery. During the Xia, Shang and Zhou Dynasties, they were widely used in architecture, clothing and other areas of life, and in the Qin and Han Dynasties, black and red were even more important. Therefore, in China's traditional colour scheme, it is common to see red and black matching, emphasizing the balance of warm and cold; and black and white matching has been passed down from the ancient times to the present day, with white as yang and black as yin, and the two matching to harmonize yin and yang. Black hair and white fan, clothing form a strong contrast, ancient, easy to identify, good use of traditional cultural symbols and the role of colour.

Packaging: The positioning of Sexy Tea's packaging design is "the combination of traditional Chinese tea and modern drinks". Sexy Tea often chooses Chinese traditional famous painting and calligraphy elements for redesign, including landscape paintings, figure paintings, bird and flower paintings, such as "Han Xizai Night Banquet", "Thousand Miles of Rivers and Mountains", "Dwelling in the Fuchun Mountains", etc. The use of traditional painting elements in the packaging of milk tea gives the brand a special cultural connotation, but also gives the traditional paintings a new vitality, so that everyone holding the milk tea has become a walking museum, which adds the brand's "national style". This makes every person holding the milk tea become a walking museum, which adds to the beauty of the brand's "national style", and also brings consumers a sense of satisfaction and a desire to collect and share [5].

3.2.3. Product Strategies

Sexy Tea (Chayan Yuese) defers its drink line into 3 categories:

First is the fresh tea with cream on its top, this kind of tea has been described as the "Hardest tea to consume". This means that the tea is completely "fresh", and it will taste bad after storing it for a while. In Chinese, the word "hardest" also means that it does not taste well. This kind of counter-promotion could significantly draw people's interest in the product while letting people be aware of the concept of "fresh" [6].

The second category is products with smooth foam on top of it, as described by Sexy Tea (Chayan Yuese), different tea drinks from this category have a similar approach. (The way they make it), while the taste made by different tea bases will be completely different.

Apart from innovatively creating a tea with different toppings and bases, Sexy tea (Chayan Yuese) keeps traditional tea drink products (pure tea). according to them, they described it as the "most unacceptable tea" since it's not that popular. But they chose to produce these drinks with a little innovation, and they wish to let more people fall in love with the pure and traditional tea as well.

Currently, the business development strategy was not to develop extremely fast and expand to all the major cities in China. According to Sina Finance, until August 2023, Sexy Tea has only opened stores in 10 cities. Located in Changsha, they had not opened stores in another city after the first 7 years [7], with such little store chains, it is possible that they cannot meet all the customers' needs. Therefore, they developed many products that customers could purchase online, such as pre-packed tea bags and water cups. With the help of E-commerce, customers around China could enjoy Sexy Tea's products, while also leveraging the brand to a new level through a (product line extension) for the tea bags they sell. As well as the water cups they sell (Brand extension).

Over the years, Sexy Tea's drink line remains almost the same, but they improve their products stably step by step, such as its famous drink Youlan Latte has been updated for several versions. This means they keep spending efforts on improving the very fundamental but important customer

experience, this makes a big difference in other brands which only focus on releasing new products to catch costumer's eyes [8].

3.2.4. Pricing Strategies

When comes to the setting of the price, Sexy Tea has a relatively lower price than other players in the market: The average price of Sexy Tea is only about 10-20 yuan, compares with other players (Hey Tea and Naixue which average in 15-30 yuan). This price level usually accounts for the main group of consumers who purchases this kind of milk tea drink. At the same time, they will have high expectations for the drink they purchased [8].

The reason why Sexy Tea is this successful is it uses high-quality materials, which will obviously end up a good experience for the customers. Such as Oolong tea supplied exclusively by contracted tea gardens, as well as fresh milk and Anchor whipping cream.

3.2.5. Placing Strategies

When comes to place, as mentioned in the previous STP, Sexy Tea positions its shops in many areas in Changsha. Instead of being a high-profile, Sexy tea place it's shops everywhere and people in Changsha could get it at ease. This is a great example of intensive marketing intermediaries; their extension products are also distributed in different online stores.

4. Analysis of the Influential Role of New Chinese Milk Tea Brands in China

4.1. Reinventing Tea Culture IP

The rapid development of Sexy Tea, a new Chinese tea brand, has brought together many interesting cultural factors, which have given the tea products a cultural core and become the unique cultural symbol of the new Chinese tea brand. Every new product release has brought a certain level of media attention and sparked widespread discussion in society. This is the opportunity to connect different cultural symbols of new Chinese tea brands into the brand cultural IP of the entire industry [9].

4.2. Enhancing the Aesthetics of Tea Culture

After Sexy Tea, the milk tea brand "Chagee" adopts the traditional Peking Opera's face and portrait elements in its shop decorations, advocating the cultural concept of "meeting the world with oriental tea", and expressing the oriental aesthetics of the combination of Chinese tea and opera. Both the packaging and the flavour of the milk tea are similar to Sexy Tea's idea. On the other hand, there is the beauty of the language of the copywriting. New Chinese tea brands in the tea drinking scene carefully created a late night refreshment, workplace tips, close friends, sleep and other consumer culture scenes, different scenes mapping a different state of mind, the overlap of the state of mind and copywriting presents the language of the Chinese creative aesthetics. For example, the advert slogan "Fresh Fruit + Chinese Tea = Human Taste" reflects the normative and artistic beauty of the new Chinese tea advert copy.

4.3. Expanding New Technologies and Audiences

In terms of technology, New Chinese Tea creates novelty by adding fresh ingredients to the tea and subtracting from the traditional Chinese tea. In addition to the usual milk, fruits and nuts, a variety of agricultural products such as grains, taro, as well as probiotics and even collagen peptides are added to the product. Of course, the presentation of new technology does not mean infinite stacking of ingredients, but rather integrating artisanal processes such as hand-pounding, hand-brewing, fresh

extraction, cooking, microbiology and other production processes; In terms of audience, the new Chinese tea drink brand has focused on the new generation of young consumers, actively catering to their individual cultural aesthetics, unique consumption habits and delicate dietary pursuits, grasping the mindset of the next generation that is willing to express themselves and seek cultural consensus, closely following their spiritual needs of chasing the flow tendency of the times, and even identify the tagline health features of young people who love to eat foods high in sugar and high in fat, and achieving the 0-sugar, 0-fat, and 0-carb concept's popularity in the beverage industry.

4.4. Innovating New Rituals and Interactions

In recent years, new Chinese tea drinks have become a “new favourite” for social interaction, which can not only satisfy the audience's need for refinement and diversification of beverages, but also meet the demand for emotional interaction between reality and the virtual world. The phrase “the first cup of milk tea in autumn” has become popular on the Internet over the years, and Honey Snow Ice City and Gu Ming Tea Drink have re-launched the topic of “the first cup of milk tea in autumn” on microblogs and other platforms, calling for the drinking of a cup of tea to express their love for the people around them. By creating a sense of ceremony, which is missing in modern fast-paced life, the new Chinese tea brands aim to achieve the purpose of multiple interactions between people, giving the cultural connotation of tea drinking the image of happiness and satisfaction, triggering resonance, and fulfilling the needs of interaction between individuals and groups [10].

5. Potential Challenges for Sexy Tea's Future Development

5.1. Geographical Limitations of the Business Scope

“Sexy Tea has always been known as a landmark brand in Changsha, and this “deep ploughing into a city” model has brought huge dividends but has also limited its development to a certain extent. Starvation marketing has resulted in the loss of a large number of out-of-town consumers, which does not generate enough revenue for Sexy Tea shops. Therefore, “Sexy Tea” should do a good job of researching in the field, and on the basis of ensuring word-of-mouth, expand its shops to other places, not only in big cities, but also in small cities, so that more people can drink Sexy Tea and fall in love with Sexy Tea, and maintain modesty and affinity, not to be a brand that is above the rest.

5.2. Weakening of Innovation Ability in the Late Stage

As a famous “net red milk tea” brand, “Sexy Tea” should maintain a high degree of sensitivity to the hotspots of the times, and drive the brand development through various ways of online marketing, such as TikTok Live, b-station videos, etc. In addition, “Sexy Tea” should maintain a high degree of sensitivity to the hotspots of the times. In addition, “Sexy Tea” should give full play to its advantage of “new Chinese” style, further explore China's excellent traditional culture, strengthen innovation, and create more new tea products to enhance its core competitiveness. For example, ancient poems can be printed on milk tea cups and peripheral products.

5.3. Food Safety Guarantee

Strengthening supervision and establishing a good brand In the face of the hot tea market, the Sexy Tea team should think of danger, strengthen supervision and quality control, and maintain a warm service attitude to provide consumers with better quality products and services. For example, More Yogurt, a brand that used phylloxera to make yoghurt and deceived consumers through false advertising, now has few customers in front of its shops.

5.4. Enhancing the Defence of Intellectual Property Rights

In a competitive marketplace, the success of a company usually leads to a large number of imitators and plagiarisers. Sexy Tea, a popular brand, is no exception. Sexy Tea is a popular and highly regarded brand, and there are many milk tea shops with packaging and shops similar to Sexy Tea's on the streets. This imitation phenomenon may not only infringe on a company's intellectual property rights but may also damage the brand's reputation and market share.

Therefore, enterprises need to strengthen the protection of their intellectual property rights in order to maintain their market position and competitiveness. This includes legal means such as registered trademarks, patents and copyrights to ensure that other enterprises do not make unauthorised use of their unique brand elements and innovations. It is also crucial to build and establish a favourable corporate brand image. By reinforcing its brand values and delivering superior products and services, a company can strengthen its position in the marketplace and enhance consumer trust and recognition.

In this era of intense competition, companies need to focus not only on the development of marketing strategies, but also on long-term development and brand sustainability. It is only through protecting intellectual property rights and building a good brand image that a company can stand out in a competitive marketplace and achieve long-term success.

5.5. Adjusting the English Name of the Enterprise

At the same time, the English name "Sexy Tea" makes many consumers feel disrespectful to women, and also brings challenges to its publicity and development. It should be used as a lesson to standardise the communication culture and reject vulgarity, and as a disseminator of tea culture, change the name as soon as possible to a more recognisable and elegant translation.

5.6. Developing an Omni-Channel Marketing Strategy

After being affected by various unfavourable factors, Sexy Tea further expanded its online flagship shop on Tmall, selling tea peripherals, cultural and creative products and all kinds of co-branded merchandise, which became one of the main sources of income during the epidemic. In the future, under the background of the Internet technology is gradually developed, the new Chinese tea industry to online development is an inevitable trend, only with the Internet, in order to achieve online and offline go hand in hand.

6. Conclusion

To sum up, the new Chinese tea beverage brand represented by Sexy Tea has formed a new era of Internet cultural landscape with elements of contemporary Chinese tea culture, which continues the vitality and creativity of Chinese tea culture and leads more young people to learn about Chinese tea, fall in love with Chinese tea, and fall in love with the traditional culture of the Chinese nation that has a long history. The limitation of this study lies in the insufficient research on the new media development of new Chinese milk tea. In the digital era, the new Chinese tea industry has combined its efforts to build a brand culture communication characteristic of technology and audience, style and creativity, ritual and interaction, and the development direction of the future study will be more focused on the investigation of the connection between the new Chinese products and the new media communication. More importantly, in the future, only by continuing to dig deeper into the brand culture development strategy of new Chinese tea drinks, each brand market based on its own core strengths, optimising the supply chain, reducing negative news, and doing a good job with the products can its communication power be fundamentally strengthened. Only by adhering to the new

Chinese milk tea business start-up heart and philosophy, in order to do a good job with the Chinese flavour of milk tea brand, to the world.

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