Analysis of the Marketing Strategy of HEYTEA

Kunhuan Li*
School of Sports Engineering, Beijing Sport University, Beijing, 100000, China

Abstract. The aim of this paper is to study HEYTEA’s marketing strategies, exploring its path to success and its impact on the market. Through a detailed analysis of HEYTEA’s development history and marketing practices, the unique strategies and innovative initiatives of HEYTEA in market competition are investigated. The research adopts two methods, literature review and case analysis, combined with relevant data and information, to comprehensively analyze HEYTEA’s marketing strategies from multiple dimensions. The research findings indicate that the key to HEYTEA’s success lies in its strategic collaborations with other brands and co-branding activities. Through partnerships with well-known brands, HEYTEA has expanded its consumer base and enhanced its brand image. Additionally, the constant product innovation and introduction of new beverages have been crucial factors in attracting consumers. HEYTEA's continuous adaptation to meet the demands of young consumers for personalized and trendy drinks has been instrumental in its success. The conclusion of the study is that HEYTEA's marketing strategies have achieved success with predominantly positive effects. HEYTEA has gained consumer favor and obtained a competitive advantage in a highly competitive market through collaborations with other brands and product innovation. It is recommended that HEYTEA continues to focus on innovation, strengthen digital marketing, and expand its international market efforts to maintain its leading position and achieve sustainable development in the future.

1. Introduction

In the modern business landscape, effective marketing strategies play a crucial role in driving the success and growth of a brand. With the rise of the digital era, companies are exploring innovative approaches to reach and engage with their target audience. HEYTEA, a renowned Chinese tea brand, has emerged as a prominent player in the highly competitive beverage industry through its unique marketing strategies and new media integration. HEYTEA was born in 2012 as a small street-side shop in an alley. Initially, it was called "Huang Cha" and had the English name "ROYALTEA." Despite its small size, HEYTEA continuously introduced innovative and attractive products at a time when modern-style milk tea had not yet emerged. As a result, it had already formed a certain consumer base. In 2016, the company decided to abandon the original name and rebranded itself as HEYTEA, which means "inspiration tea." Today, HEYTEA has grown into a large-scale business, with its headquarters being ShenzhenMeixi Catering Management Co., Ltd. Thanks to HEYTEA's bold innovations, its corporate culture resonates well with the young consumer demographic, leading to widespread acceptance and admiration [1]. This paper aims to analyze the marketing strategies employed by HEYTEA and examine how the brand leverages new media platforms to enhance its market presence. By delving into the various aspects of HEYTEA's marketing approach, people can gain valuable insights into the company's success and understand the implications for other businesses in the industry. The significance of this study lies in exploring HEYTEA's marketing strategies, which have proven instrumental in its rapid growth and popularity among consumers. Understanding the underlying principles and tactics employed by HEYTEA can provide valuable lessons for marketers, entrepreneurs, and industry professionals seeking to create impactful marketing campaigns. The paper will follow a structured approach to analyze HEYTEA's marketing strategy, focusing on key elements such as product differentiation, aesthetic design, co-branding collaborations, and integration with digital marketing channels. Additionally, this analysis will highlight the company's utilization of advertising, digital marketing, public relations, and discounts as communication tools within its integrated marketing efforts. By examining HEYTEA's marketing strategy and its integration with new media platforms, people can gain insights into the effective utilization of various marketing channels to attract and engage consumers. This analysis will provide a comprehensive understanding of how HEYTEA's marketing strategies have contributed to its brand recognition, customer loyalty, and market competitiveness. The subsequent sections of this paper will delve into the specific marketing activities and collaborations undertaken by HEYTEA, providing a detailed examination of its advertising techniques, digital marketing campaigns, and discount strategies. Through this comprehensive analysis, the researchers aim to uncover the key factors driving HEYTEA's marketing
success and draw relevant implications for industry practitioners. In conclusion, this paper will shed light on HEYTEA's marketing strategy, highlighting its integration with new media platforms and the effectiveness of its various marketing collaborations. By analyzing the company's approach, marketers and businesses can gain valuable insights into successful marketing tactics in the beverage industry and adapt them to their own contexts. Ultimately, this analysis aims to contribute to the existing body of knowledge on marketing strategies and provide practical guidance for businesses aspiring to achieve similar success in the market.

2. Competitive edge

Competitive advantage refers to the advantage that a company obtains in the market relative to its competitors, enabling it to stand out and achieve success. Here are the competitive advantages that HEYTEA possesses in the market competition: HEYTEA's products have a great taste and high-quality ingredients. Traditional milk tea beverages often use cheap tea powder and milk powder as ingredients. However, HEYTEA abandons these unhealthy ingredients and uses fresh tea leaves and fresh milk as the tea base for its products. Additionally, HEYTEA innovatively combines salty and creamy cheese to create a "tea-based with cheese topping" healthy beverage. HEYTEA quickly gained popularity among young customers with its product innovation, high-quality and healthy ingredients, and rich flavor. The offline stores are stylish and minimalist, providing a completely new experiential environment. HEYTEA embraces the current trend of fashionable minimalism and designs its stores based on its brand philosophy of "cool, inspiration, Zen, and design." The stores are equipped with comfortable waiting and leisure areas for customers, creating landing points for customer entertainment, socializing, and even work. Customers can engage in daily social interactions, gatherings, and work activities within the stores. HEYTEA empowers the business through store space design and redefines the scene experience in the tea beverage industry. Enthusiasm for co-branding collaborations and the launch of co-branded products. Since its establishment in 2017, HEYTEA has collaborated with over 50 brands, spanning a wide range of industries, including cosmetics, cultural and creative products, fashion, daily necessities, and the internet. This approach caters to the characteristics of young customers who are fond of novelty. By leveraging the brand influence of both collaborating parties, HEYTEA brings together complementary consumer groups and generates increased brand discussion and buzz [2].

3. Marketing mode

Therefore, the next step will be to analyze further how HEYTEA integrates its marketing strategy and its new media marketing strategy with other marketing collaborations. The key to integrated marketing is to determine a unified theme for the company, coordinate the use of various communication channels, and leverage the advantages of different communication tools to achieve higher profits. It can be seen that HEYTEA maintains a central theme and objective across almost all marketing channels. Direct statements such as "Bring authentic quality tea drinks and brands that inspire joy to more users" can be seen on the official accounts of every new media platform. Surprisingly, during the data collection process, it was discovered that almost all of HEYTEA's marketing activities and products can be summarized into two keywords: differentiated product and aesthetic and inspired design. The four main communication tools in integrated marketing include advertising, digital marketing, public relations, and discounts. Through investigation, it can be seen that HEYTEA is very adept at using co-branding to spread social topics and gain new fans and amplified effects through interactions with other brands. Taking HEYTEA's recent co-branding activity as an example, this analysis will examine the efforts made in the process of integrated marketing from the perspectives of the four communication tools. Let's start with a brief introduction to the co-branding case. HEYTEA collaborated with a popular Chinese game called "Genshin Impact." Genshin Impact is currently one of the most popular games in China, and HEYTEA aimed to attract more new consumers through this collaboration. In just 10 days, HEYTEA sold 1.4 million cups of beverages during the co-branding campaign. The first communication tool is advertising. HEYTEA decorated some special theme stores for the co-branding campaign, where game characters were displayed on the walls, attracting more game enthusiasts to take photos. In return, HEYTEA's beverages were added to the hands of the game characters. Regarding digital marketing, HEYTEA has always been focused on promoting its brand on online platforms. HEYTEA promotes activities and new beverages on multiple platforms simultaneously and even launches fan creation contests to increase engagement. On Douyin (TikTok), HEYTEA promotes beverages through short videos within one minute, using popular internet memes and recommended music. On Bilibili (B Site), HEYTEA attracts netizens with 3-10 minute store exploration vlogs and themed videos on replicating beverages at home. On Xiaohongshu (Little Red Book), HEYTEA invites numerous KOLs (Key Opinion Leaders) and KOSs (Key Opinion Shapers) to taste the beverages in advance and share their experiences. On Weibo, HEYTEA provides real-time updates on the latest sales information and lottery activities. The data exported from TikTok's backend shows the 15 most popular videos from this co-branding campaign. Surprisingly, none of these videos were posted by HEYTEA itself but were created by invited internet celebrities. In some smaller activities within the co-branding campaign, it is worth mentioning that HEYTEA attracted all game fans to its private domain platform through interactive quizzes and rewarded them with in-game items. From these examples, it can be seen that HEYTEA employs multiple communication tools in its integrated marketing, including advertising, digital marketing, public relations, and discounts. The following analysis will delve into
HEYTEA’s specific strategies in these areas and its collaborations with other marketing efforts. Advertising: HEYTEA promotes its co-branding campaigns through store decorations and posters. For example, in the collaboration with the game “Genshin Impact,” HEYTEA decorated special theme stores and displayed game characters on the walls to attract the attention of game enthusiasts. Additionally, HEYTEA combined game characters with their beverages on vertical posters to increase the appeal of their advertisements. Digital Marketing: HEYTEA places great emphasis on promoting its brand on online platforms. They simultaneously promote activities and new beverages on multiple platforms, and organize fan creation contests to generate more discussions. For example, on Douyin (TikTok), HEYTEA promotes their beverages through short videos with internet memes and popular music. On Bilibili (B Site), they release store exploration videos and videos showcasing how to replicate their beverages at home to attract netizens. On Xiaohongshu (Little Red Book), HEYTEA invites KOLs and KOSs to preview their beverages and share their experiences. On Weibo, HEYTEA provides real-time updates on the latest sales information and conducts lottery activities. Public Relations: HEYTEA engages in co-branding activities with other brands to generate social topics and gain more fans and amplified effects. Such collaborations help HEYTEA attract new consumers. For example, HEYTEA collaborated with the popular game “Genshin Impact,” which attracted a large number of game enthusiasts’ attention and resulted in a significant increase in beverage sales during the campaign. Discounts: HEYTEA offers promotional discounts during specific occasions or events to attract more customers. This strategy helps increase sales and create a sense of urgency among consumers. However, it’s important to note that the specific details of HEYTEA’s discount strategies were not mentioned in the given information. In summary, HEYTEA integrates its marketing strategy and new media marketing strategy by utilizing various communication tools such as advertising, digital marketing, public relations, and discounts. The co-branding collaborations with popular brands or games, like the “Genshin Impact” partnership, help HEYTEA generate social topics, attract new consumers, and increase sales. HEYTEA also leverages online platforms to promote its brand and engage with consumers through creative and engaging content. By coordinating these different marketing efforts, HEYTEA aims to maintain a consistent theme and objective across all channels while maximizing the impact and reach of its marketing campaigns.

4.Product

When it comes to HEYTEA’s marketing, HEYTEA’s co-branded model deserves mention. HEYTEA has successfully executed collaborations across various domains, including popular games, Chinese-style TV series, high-end luxury brands, and office software. While these collaborations may initially seem improbable, HEYTEA has managed to achieve them. Based on the information gathered from HEYTEA’s official WeChat account and Weibo, the author selected HEYTEA’s co-branding marketing activities conducted from January 1, 2019, as the research sample. As of October 30, 2020, HEYTEA has conducted a total of 46 co-branding marketing activities. Among all the co-branding activities, the highest number of collaborations was with food brands, accounting for 39% of the total, with 18 collaborations. This includes 8 collaborations with beverage brands. HEYTEA has collaborated with similar brands, especially with ChaYanYueSe and %Arabica, which are considered similar brands in consumers’ minds.

The collaboration with ChaYanYueSe, a popular tea brand in Changsha with a "new Chinese-style tea beverage" positioning, was particularly intriguing to consumers, although it may have seemed confusing. Both brands benefited from this collaboration. Firstly, ChaYanYueSe is currently a regional brand, mainly operating in Changsha and exploring the market in Wuhan, while HEYTEA is positioned as a global brand. The two brands only have minimal conflicts in their business presence in Changsha because ChaYanYueSe focuses on cream and tea, while HEYTEA specializes in cheese and tea. Secondly, the combination of ChaYanYueSe’s "Chinese style" and HEYTEA’s "trendy" aligns with the brand images both brands aim to create. The second highest number of collaborations was with fashion brands. Fashion brands have the most frequent co-branding marketing activities in the market, with successful examples such as Nike and Uniqlo. The third category is furniture brands as HEYTEA is a tea beverage brand, it naturally evokes associations with cups for consumers. Therefore, collaborations with home furnishing brands, or even directly with cup brands, meet consumer expectations. Additionally, it is worth noting that HEYTEA’s co-branding boundaries are expanding. The collaborations have extended beyond personal care products such as body wash and skincare to include games, animation, and even mobile applications. These collaborations with brands that are not directly related to the tea industry help expand HEYTEA’s scene range and break industry boundaries. Furthermore, in previous co-branding activities, HEYTEA’s logo was prominently positioned, indicating that HEYTEA primarily led the collaborations. However, in recent collaborations with brands like Hema and Wonderlab Milkshake, HEYTEA’s logo was placed in a secondary position, suggesting that HEYTEA has become a chosen co-branding partner for other brands. This also indirectly reflects that HEYTEA’s brand attractiveness has drawn the attention of other advertisers. Let’s begin by examining recent collaborations with popular games. The accompanying product image on the left side of this page showcases HEYTEA’s collaboration with the otaku-favorite game, Genshin Impact. As a highly popular game, HEYTEA capitalized on this partnership by offering limited edition drinks and merchandise. Some consumers purchased these drinks solely for the sake of the associated peripheral products. HEYTEA’s limited edition drinks stand apart from the ordinary due to their integration of game-inspired elements, which resonates with consumers and justifies their willingness to pay a premium. Despite
a supply of 1.4 million units, the products quickly became out of stock, signifying HEYTEA's success in capturing the hearts of gamers. This collaboration has proved so fruitful that HEYTEA recently embarked on a second collaboration with the same game, indicating satisfaction with their previous cooperation. [4] Another notable collaboration involves Fendi, a renowned high-end brand. This year, Fendi and HEYTEA joined forces to launch a collaboration that generated considerable buzz. Some individuals even claimed that HEYTEA was responsible for introducing them to their first cup of Fendi. Together, Fendi and HEYTEA organized an art exhibition titled "Hand in Hand," providing consumers with a limited product experience infused with Chinese Yi characteristics, showcasing respect for craftsmanship and local culture. Prior to the art exhibition, the co-branded cup bodies, coasters, and badges became highly sought-after items among consumers. This collaboration stands as a unique innovation within the tea industry, leveraging the stark contrast between the two brands to generate widespread attention, including trending on social media. The accompanying image of a queue of 200 cups waiting at ten o'clock in the morning on the exhibition day further attests to the public's enthusiastic anticipation and satisfaction with HEYTEA's collaboration. This success aligns with HEYTEA's aspiration to inspire consumers with bold, avant-garde, and fashion-forward tea experiences, reflecting the brand's unwavering ambition. [5] Regarding the acquisition of these insights, they were primarily obtained through social media platforms. HEYTEA boasts a substantial following of 450,000 fans on Xiaohongshu, with each post receiving hundreds or even tens of thousands of likes. This platform has enabled HEYTEA to reach and engage a diverse audience, promoting their collaborations to a wide array of users. Leveraging social media has facilitated rapid brand dissemination, heightened product exposure, provided timely feedback, and fostered brand recognition and customer loyalty. [6] Moreover, marketing on social media has proven cost-effective, allowing HEYTEA to allocate resources more effectively towards the development of new products.

In conclusion, HEYTEA's co-branding strategies, exemplified by its successful collaborations, have enabled the brand to expand its reach, enhance customer loyalty, and position itself as a trendsetter in the tea industry.

5. Social media

This passage is focusing on the mini-program of HEYTEA which name is HEYTEA GO, which is also a kind of social platform. At that time, the biggest pain point for HEYTEA was the long queue time for customers. After the launch of the "HEYTEA GO" mini-program, it achieved integration of ordering, appointments, and delivery. Within 7 months of its launch, "HEYTEA GO" attracted 6 million users through zero-cost promotion, with a repurchase rate reaching 300%. [7] This data reduced the number of people queuing at HEYTEA stores while significantly increasing the order volume and improving operational efficiency. Most importantly, the data accumulated from user interactions allowed HEYTEA to develop a clear user profile and understand consumer preferences. In the early stages, HEYTEA's promotion of the mini-program was simple. They would display a QR code in their stores, encouraging customers to scan and order without having to queue. As the promotion expanded, HEYTEA introduced dedicated "Go Quick Sales" stores specifically for the mini-program service. These stores were small in size and exclusively accepted orders through the mini-program. HEYTEA added a large number of users through this mini-program.

How to Personalize Marketing? The author crawled a lot of data on the website for analysis. Based on the data obtained from online crawling of HEYTEA GO, the author believe that HEYTEA should focus on the following two aspects on HEYTEA GO in the future: The sales of succulent grapes are the best, which means that no matter how many new products are launched, HEYTEA should prioritize the marketing of succulent grapes. [8] Young people seek unique and personalized experiences. HEYTEA will introduce the concept of personalized customization, allowing customers to tailor their tea beverages based on their taste preferences. By offering a variety of flavor options, ingredient choices, and sweetness adjustments, HEYTEA will ensure that each customer can enjoy a one-of-a-kind HEYTEA experience. HEYTEA can leverage social media platforms to launch engaging and attention-grabbing marketing campaigns. Through collaborations with popular social media platforms among young people, such as Instagram, TikTok, and WeChat, HEYTEA will share carefully crafted visual content, fun challenges, and user-generated content activities to engage young people and encourage them to share. [9] Additionally, HEYTEA will collaborate with key opinion leaders (KOLs) and social media influencers to become brand ambassadors, further expanding brand influence. Young people seek unique and personalized experiences. The mini-program will introduce the concept of personalized customization, allowing customers to tailor their tea beverages based on their taste preferences and preferences. By offering a variety of flavor options, ingredient choices, and sweetness adjustments, HEYTEA will ensure that each customer can enjoy a one-of-a-kind HEYTEA experience. Partner with popular brands and designers to launch limited-edition co-branded products. Such collaborations will attract young people's attention and enhance the brand's fashionability and uniqueness. [10] Additionally, HEYTEA can collaborate with music, art, and fashion events to host special activities and parties, creating more HEYTEA-related social experiences for young people. HEYTEA stores will focus on creative and interactive designs. These stores will introduce innovative interior decorations and interactive elements such as art installations on walls, projection mapping, and virtual reality technology to capture the interest and engagement of young people. By creating a unique and distinctive store experience, HEYTEA will establish a social space that attracts young people to visit, take photos, and share. Establish a user engagement and reward program to encourage active participation in HEYTEA's activities and social media interactions. By offering incentives such
as check-ins, sharing, commenting, and referring friends, users can earn points, discounts, and exclusive benefits. Such programs will inspire young people's involvement and loyalty while increasing their interaction with the HEYTEA brand.

6. Conclusion

The research on HEYTEA's marketing strategies has provided valuable insights into the brand's success and its impact on the market. Through the analysis of HEYTEA's co-branding activities and its evolution from a small street-side shop to a prominent player in the tea beverage industry, several key findings have emerged.

Firstly, HEYTEA's strategic collaborations with various brands, particularly in the food and beverage industry, have contributed significantly to its growth and brand recognition. The partnerships with similar brands, such as ChaYanYueSe and %Arabica, have allowed HEYTEA to tap into new consumer segments and strengthen its brand image. Secondly, HEYTEA's ability to adapt to market trends and introduce innovative products has been a driving force behind its success. By constantly offering unique and appealing tea beverages, HEYTEA has been able to attract and retain a loyal customer base, even in a highly competitive market. The research findings have demonstrated a predominantly positive impact on HEYTEA's brand reputation and consumer perception. HEYTEA's bold rebranding and its alignment with the preferences of the young consumer demographic have propelled its rapid acceptance and admiration. Looking ahead, it is recommended that HEYTEA continues to focus on product innovation and strategic collaborations to maintain its competitive edge. Expanding its co-branding boundaries into new industries and exploring partnerships with global brands could further enhance HEYTEA's brand influence and market reach. Additionally, HEYTEA should invest in digital marketing and e-commerce capabilities to capitalize on the growing trend of online shopping and delivery services. Leveraging social media platforms and implementing targeted marketing campaigns will help HEYTEA engage with a wider audience and strengthen its brand presence.

As the tea beverage market continues to evolve, HEYTEA's future development is expected to be characterized by sustained growth, expanding market share, and increased international presence. By staying true to its core values of innovation, quality, and customer satisfaction, HEYTEA is well-positioned to remain a leading player in the industry and continue delighting tea lovers with its unique and inspiring offerings.

References