Based on SWOT Analysis to Explore the Marketing Strategy of Sexy Tea’s Inconvenience

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ABSTRACT

With the rapid growth of Chinese society, different Milk Tea brands started to emerge and join the competitive market. Among them, Sexy Tea, with its unique marketing strategy and the idea of hunger marketing, has gradually become a landmark for Changsha, China. Yet, it brings inconvenience to customers while being very successful. The study aims to analyze what marketing strategies were used to overcome the inconvenience. This paper is built on using the Hunger Marketing theory and the marketing mix theory, which contains product, price, promotion, and place. In addition, SWOT analysis was performed by identifying and analysing the internal and external parameters of Sexy Tea Brand that impact the successful implementation. This research argues that the inconvenience of Sexy Tea is a form of hunger marketing for the brand. The internal strengths of the brand further minimize some of the negative effects of inconvenience. However, in the long term, inconvenience needs to be addressed by Sexy Tea. Although this research concludes that inconvenience positively affects the brand, it does not confirm the widespread use of inconvenience as a marketing strategy for brands other than Sexy Tea.

Keywords: SWOT analysis, 4Ps, Hunger Marketing, Sexy Tea, Milk Tea, Sexy Tea

1. INTRODUCTION

With the development of Chinese society, the residents' quality of life has also increased with the increase of income level. In turn, the milk tea industry has gradually improved with the changing state of life of the population. From the simple powder brewing era to the fresh milk brewing era and now the new style of tea drinking, milk tea consumers are getting bigger and bigger, and more innovative brands are emerging with this wave [1]. Sexy Tea, a milk tea brand founded in 2013, has caught the wave of the new style of tea drinking market by establishing a new style of tea drinking belonging to the brand in the fresh milk brewing era. The brand has been settled in Changsha since its inception, and at the end of 2020 finally opened its first provincial milk tea shop in Wuhan. On an opening day, according to official Weibo statistics, the wait for milk tea was up to eight hours, long enough for consumers to travel to Changsha and back. Some customers were even willing to pay ten times the price to buy a cup of milk tea from a scalper. The milk tea shop, which was originally only developed in Changsha, made the crowd go crazy on its first day out of the city, and the fact that the brand's milk tea could only be purchased in Changsha before was certainly inconvenient. With such an inconvenient way of purchasing, Sexy Tea's reputation rose rather than diminished, even creating a mass sensation on its first day out of Changsha.

Compared with other new tea brands in the national and even the world market, "Sexy Tea" is a local brand, focusing on the local market in Changsha, where there are already more than 200 stores gathered due to geographical scarcity and high network visibility. once became synonymous with the city of Changsha. In recent years, with the rise of new tea brands, the phenomenon of long lines outside the new stores is not uncommon, and even "long queuing lines" once became a marketing strategy. What is it that makes consumers so crazy about a cup of milk tea for around 15 Yuan?

The product strategy of Sexy Tea firmly grasps the post-80s and post-90s "pursuit of literature, quality"
consumers, and 70% of them are female. The brand also adopts the target concentration strategy so that the store operation, product quality, and raw material inventory can be effectively controlled [2]. From the perspective of consumers, the deep core of the brand and the user needs, with customers, cost, convenience, and communication as the fit point to establish a long-lasting connection with customers and enhance the brand's value [3].

The unique product and brand design of Sexy Tea has a large number of sticky "fans", and the mystery caused by information asymmetry makes consumers have a strong willingness to pay. Therefore, consumers are willing to buy the cup of milk tea even though they face higher time costs and prices [4].

When new milk tea brands create inconvenience as a strategy of Hunger Marketing for their customers, like Sexy Tea, and it can build a positive customer value to compensate for the inconvenience at the same time. Although several scholars have studied the importance of packaging and service that made Sexy Tea achieved their growth and success, the impact of the inconvenience in their marketing strategy draws little attention among researches. An in-depth understanding of this marketing strategy is still absent from extant literature. Therefore, this paper will focus on the research question that investigates what marketing strategy and marketing mix theory are used by Sexy Tea to compensate for the inconvenience. How effective are these strategies, and how can they be improved?

Based on the research background, this paper assumed the answer would be that Sexy Tea uses good service, successful customer engagement strategies, and the construction of the Internet platform to compensate for the inconvenience, which is also a strategy of hunger marketing and stimulate customers' desire to buy. These marketing strategies are an advantage at this stage, but they will evolve into a disadvantage in future development and need to be improved. To examine the hypotheses, this paper will conclude the impact of Hunger Marketing on Sexy Tea from a theoretical perspective and construct a SWOT model related to the Sexy Tea case according to strengths, weaknesses, opportunities, and threats, and then propound some rational suggestions to help Sexy Tea attract more market share.

2. LITERATURE REVIEW

2.1 Marketing Mix

The first research of the Marketing Mix concept in literature came from the 1950s, and Borden, N.H. is credited as being the first one to come up with the concept [5]. Later in the 1960s, Edmund Jerome McCarthy developed a framework for essential aspects of the marketing mix, which is now known as the "4P’s" of Marketing Mix, with the first one being the most important. However, the marketing mix has been criticized for being incomplete, for not properly considering customers' needs, and for neglecting service and industry marketing. To overcome some of the shortcomings, scholars have extended the 4Ps. Judd introduced a fifth P, people, thus considering the marketer as the main marketing parameter [6]. Booms and Bitner transformed service marketing into a 7P by adding three "service P’s": participants, physical evidence, and process [7]. Kotler added two P’s by including political power and opinion formation as part of his concept of mega marketing [8]. Finally, Baumgartner added 15 P’s to complete the marketing mix [9].

Many scholars have disputed the "4P’s" Marketing Mix concept, claiming that it has flaws and is only appropriate for traditional marketing methods. E. Gummesson believes that in practice, the 4Ps are too often used for manipulation of customers and argues that Relationship marketing(RM) provides a more radical change, a paradigm shift [10]. D. Popovic points out that the concept of the 4Ps is losing its importance, as it has been criticized as being a production-oriented definition, not customer-oriented, therefore could impede the application in some companies [11]. E. Constantinides identifies two main limitations of Marketing Mix: internal orientation and personalization by reviewing the criticism on the 4P’s emanating from five “traditional” marketing areas [12].

However, several studies have concluded that the “4P’s” framework of the Marketing Mix is still an effective tool in marketing today. It is employed by the majority of management practitioners and scholars. Despite their shortcomings, C. Goi believes that 4Ps remain a major part of the marketing mix, and subsequent Ps have not yet reached a consensus on qualifications and protocols for practical application [13]. H. Ke analysed the Chinese cultural environment and combined the 4Ps marketing mix with case analysis together to illustrate the characteristics of the cross-cultural marketing strategy of multinational companies [14]. R. Karim and his team use the traditional marketing mix to define its relationship with tourism development in Pakistan and discover the continued relevance of a marketing mix based on the 4Ps [15].

2.1.1 Price

Price is the amount that the consumer must exchange to receive the offering [16]. It appears to be an important factor in the marketing mix, and Kotler defines price as: "the amount of money charged for a product or service. So, the price of a product equates to the amount the consumer pays for that product [17].
As various factors determine the price of a product, pricing should be dynamic to accommodate these fluctuations over time. Price includes basic price, discount price, payment time, and loan terms. The factors in pricing are determining the cost of a product, marketing strategy, and expenses related to distribution, advertising expenses, or any kind of price change in the market.

2.1.2 Product

Product refers to a physical product or service for a consumer to be ready to pay. It mainly includes the entity, service, and packaging of the product. It refers to the collection of goods and services provided by the enterprise to the target market, including the utility, quality, appearance, style, brand, packaging, and specifications of the product and the factors such as service and guarantee. For tangible products, their form, functionality, features, and benefits are often considered from the consumer's stance to satisfy their needs or wants [18]. The product is the key element of the marketing mix, and a product serves as a bundle of benefits attained by consumers in an exchange transaction.

2.1.3 Place

According to Kotler, one of the keys to success lies in the community's choice in which the firm operates [19]. A place is a physical place and a distribution channel where consumers access the firm's intermediaries.

2.1.4 Promotion

Promotion is one of the most powerful elements in the marketing mix [20]. Sales promotion activities include publicity, public relations, exhibition, and demonstrations. Promotional activities are primarily intended to supplement personal selling, advertising, and publicity. Promotion helps sales.

2.2 Hunger Marketing

Hunger marketing means that commodity producers and sellers reduce the supply of commodities through a series of control measures. Its purpose is to create an "illusion" of demand to maintain commodity prices and high-profit margins [21]. Hunger marketing uses the concept of scarcity to formulate strategies that can be explained and applied to each other. Increase the terminal price by adjusting the quantity of supply and demand. In fact, hunger marketing is based on the "utility theory" of western economics. According to this theory, the utility of goods is not equal to their value. Utility mainly refers to the satisfaction of consumer goods. It is a mental state, which has a certain relationship with its use-value, but it is not completely equal. In addition, in the process of product marketing, as long as the limited time and quantity are mentioned, consumers' attention will be attracted and urge consumers to buy products. Practicality is closely related to a specific time and environment [22].

3. METHODOLOGY

3.1 Research Design

The method of processing and data analysis used in this research is the descriptive and qualitative analysis which is SWOT analysis by taking Sexy Tea as a case study. To identify the main internal (strengths and weaknesses) and external (opportunities and threats) parameters that have an impact on the successful implementation, SWOT analysis is used to determine and evaluate the marketing activities and strategies that have been implemented by Sexy Tea through the 4P marketing mix approach which contains product, price, promotion, and place. The SWOT analysis is certainly powerful in business strategy analysis for marketing, analysing the marketing environment, which can be grouped into the macro and micro levels. In addition, the marketing mix strategy is carried out through consumer engagement of the marketing mix attributes of Sexy Tea.

3.2 Sexy Tea

Sexy Tea was established in 2013 and is a milk tea shop that started in Changsha. It is a landmark brand in Changsha and is the first brand in China to use Chinese tea and integrate Chinese culture. The brand uses different kinds of tea and fresh milk to create a refreshing tea base unlike any other brand and adds whipped cream and dried nuts to the milk tea to create a unique three-layer structure. The founder of the brand, Lu Liang, experienced several failures in business start-ups and started planning Sexy Tea in 2012. After learning from those failures that he experienced, Lu Liang became more conservative, and after a year of planning, Sexy Tea opened its first shop.
The brand offers great products and services to its customers. Sexy Tea is obsessed with maintaining a high quality of its products in each and every store. Which usually leads to a long queuing time and a limited tasting period. Meanwhile, according to a survey conducted by C. Wang, the pricing is 30% to 40% lower than that of competitors [2]. In addition to using various promotional strategies, the brand makes itself recognizable by opening multiple stores in the busiest and most trafficked streets. Data from satellite map shows that it opens nearly 400 shops and 200 shops in the city centre, with an average of one Sexy Tea shop every 50 meters [2].

Today, Sexy Tea has certainly become a huge success. Thanks to the publicity on the internet and recommendations from KOLs, the brand’s reputation has spread nationwide. When visitors travel to Changsha, they often consider the brand’s milk tea as a “must-try”. According to the Changsha Evening News, 30 tourist reception units in Changsha received a total of 1.69 million visitors during the May Day holiday on May 5 [24]. If all these tourists come with a desire to try a cup of milk tea unique to Changsha, Sexy Tea's consumer base will be extremely large.

### 3.3 Data Analysis

Although Sexy Tea has many shops in the city centre, the demand far outweighs the supply, resulting in consumers waiting a long time to get their products. The reasons why customers are willing to consume the brand's products despite knowing that the queues are long are what this article is trying to explore. Through swot analysis, a clear conclusion can be drawn, and a strategic policy can be given.

#### 3.3.1 Strength

The internal strengths of Sexy Tea are analysed in four dimensions: Price, Product, Place, and Promotion, using the 4p theory, which shows that the brand has clear advantages over its competitors. The sailing price is one of the strengths of Sexy Tea in the Chinese milk tea market. Sexy Tea's milk teas are in the range of 15-20 RMB, while the prices of HeyTea and Nayuki are 10 to 20 RMB more expensive than Sexy Tea. The lower price gives the brand a higher level of competitiveness. The use of high-quality raw materials to make milk tea, with characteristics of Chinese culture packaging, would also be strong factors that help Sexy tea gain a foothold in the market. Sexy Tea is the first milk tea brand to focus on the Chinese style, from the milk tea itself to the packaging, full of Chinese elements. The brand uses Chinese tea and fresh milk to create a refreshing tea base and adds whipped cream and dried nuts to create a unique three-layer structure. For the packaging (Shown in Figure 1), the brand uses ancient paintings and poems as the centrepiece of the design and blends them with some modern and witty stems.

In Research's study of young people's packaging preferences for milk tea, Chinoiserie ranked in the top three compared to some other packaging styles, demonstrating that young people are attracted to the look of Chinese culture[25], which Sexy Tea's choice of...

**Figure 1** The application of famous Chinese paintings on the packaging design of Sexy Tea[23].
branding style is in line with, making Chinoiserie one of their strengths (Shown in Figure 2).

Figure 2 Packaging preference of new-style tea consumers in 2021[25].

For the Place dimension, Sexy Tea has opened a large number of shops in the city of Changsha, and the shops can be found everywhere, making it easy for customers to buy and memorable due to the density of its openings. In terms of the percentage of scenes where milk tea is consumed (Figure 3), data shows that consumers have the highest desire to consume milk tea when shopping and going out for fun [25].

Figure 3 Percentage of consumption scenarios of new-style tea consumers in 2021[25].

Shopping malls, restaurants, and other entertainment venues are mostly located in the city centre, where Sexy Tea is located. This model is in line with the consumer behaviour of the target customers, allowing them to visit the shop in the shortest possible time to satisfy their needs for the product. From the perspective of Promotion, Sexy Tea gives customers the feeling of being at home. When it is raining, shop assistants hand out umbrellas to customers; when customers are not feeling well, the shop is equipped with a small medicine box; when customers are waiting in line, shop assistants hand out new products for customers to try. Good service has resulted in the brand receiving extremely positive feedback on the internet. At the same time, the brand's promotional activities are intensive. The second cup of milk tea is half price for customers on rainy days; customers can have a free cup on their birthday, and there are milk special tea offers on different holidays.

3.3.2 Weakness

Branded products have a high price/performance ratio, but the result is a higher cost. A cup of milk tea for $16 uses animal cream, whereas, in most tea shops in first and second-tier cities, the same product at the same price might use margarine. Founder Lu Liang mentioned in an interview that the brand had optimized its supply chain and management to achieve reasonable benefits at a reasonable cost [26]. However, the company's gross margin is still in the lower middle of the range due to high costs. The excessive production time required for the brand's products can be seen from the long queue waiting times. When consumers are queuing, shop assistants will also place advertising boards expressing that the products will take longer when maintaining high quality. This would not be a problem during the low season, but during the high tourist season, it can become huge pressure on the shop staff. In terms of opening locations, while the numbers are close to swelling in the city of Changsha, there are only a few scattered shops in other cities. If Sexy Tea does not open a shop in Wuhan by the end of 2020, the brand will still be exclusive to Changsha. This strategy of not branching out across the country makes it extremely difficult to buy Sexy Tea's products. Consumers have only heard of the name on the internet but have never tried it. If the buzz around Sexy Tea on the internet disappears today, then the enthusiasm for the brand will wane when visitors travel to Changsha.

3.3.3 Opportunity

Firstly, as the standard of living in our society improves, healthy and green products have become a new trend that many consumers are looking for. Sexy Tea advocates the concept of green and healthy drinks to meet the needs of consumers and meet the modern lifestyle of the masses. The second point is that although Sexy Tea only has shops in the city of Changsha before the end of 2020, this is actually an opportunity for the brand from a hunger marketing perspective. Thanks to the spread of buzz on the internet, tourists who visit Changsha will know that there is such a milk tea called Sexy Tea. Whether it is a search engine or social software, when tourists search for Changsha, apart from some traditional snacks and attractions, the rest are all about Sexy
Tea. It is even true that when searching for travel tips, some bloggers will teach tourists how to drink Sexy Tea.

5. DISCUSSION

In summary, based on the SWOT analysis, it can be concluded that the next step for brands is to first optimize their products themselves. Regarding cost control, the brand can cooperate at a deeper level with the raw material factories and can use its own hotness to cooperate with the suppliers in exchange for a more favourable supply price. In terms of the production process, Sexy Tea could develop some special machines to help its staff make milk tea without damaging the original quality. The biggest problem that Sexy Tea faces now is the expansion into other cities. This article suggests that the brand could start by opening flash shops in the markets it wants to attack or doing some co-branding with local brands. While there is still hunger marketing, it is possible to gauge how the city feels about its products in terms of consumer feedback. If the audience is large, then the brand can attack that market. When carrying out the shop and product design, the culture unique to that city can be incorporated. Such a strategy can elicit empathy from consumers and expand the range of users. In response to the article's opening research question on convenience, this paper can conclude that the brand's inconvenience rationality is also an important strategy leading to its success after a swot analysis. The exclusivity of Changsha and the long queues both belong to the brand's hunger marketing, where the mystery of asymmetric information gives consumers the psychology that they will regret if they do not drink. And with this layer of hunger marketing in place, Sexy Tea's internal advantages also compensate for the added cost of inconvenient rationality. The advantages include low prices, attentive service, interesting packaging, and promotional activities. With the added layers, consumers are willing to consume the product despite the inconvenience. However, as mentioned earlier, inconvenience is a problem that needs to be solved for long-term growth. Researching expansion strategies is the next step for brands to focus on. For the analysis in this article, although the combination of swot and 4p theory clearly shows the existing problems and strengths of Sexy Tea that are performing well, it is clear from the analysis that a large part of Sexy Tea's problems is biased towards organizational processes. The strengths and weaknesses of the brand exist in relation to the company's strategy and management methods, such as the expansion of the brand and the improvement of production processes. However, the SWOT analysis focuses more on quality, cost, and other aspects of the product itself and does not help the brand to analyse the organizational processes in depth. The strategy and management of Sexy Tea is a direction that needs to be further studied in the future.
6. CONCLUSION

This research is based on the hunger marketing background of the milk Tea brand, Sexy Tea. The reasons behind its inconvenience and great reputation are discussed. It is assumed that the brand uses good service, successful customer engagement strategies, and the construction of the Internet platform to compensate for the inconvenience and stimulate customers' desire to buy. To draw conclusions to the research question and confirm if the hypothesis is correct, this essay uses SWOT analysis, based on this in conjunction with the 4P theory, as a way to analyze the strengths and weaknesses of Sexy Tea's marketing strategies. After reviewing the four dimensions of the SWOT analysis, the article concludes that the brand can actually use the inconvenience that exists today with Sexy Tea in hunger marketing. Using the feature of "unique to Changsha" and the long queuing time creates the psychology that customers will regret if they do not buy, thus successfully attracting customers. The negative effects of inconvenience are further minimized by the brand's internal advantages such as quality service, Chinese-style packaging, and special prices. Although inconvenience is still creating positive value for the brand today, it is still an issue that needs to be addressed in the long term. Sexy Tea needs to continue to expand into other cities and adapt to the local culture and market as it does so. Without the advantage of hunger marketing, the brand will also have to ensure that it can move up the ladder. Based on the SWOT analysis, this paper can conclude that Sexy Tea's inconvenience of Hunger Marketing strategy is also an important strategy leading to its success. The marketing strategy of Sexy Tea does make up for its shortcomings. However, such a strategy needs to be improved to cope with future expansions. As also recommended above, future research should focus on confirming the widespread use of inconvenience as a marketing strategy for other brands and the management of Sexy Tea to enhance and promote the comprehensiveness and credibility of the whole study of this topic. In addition, can it also be successful in creating a brand that is only in one city and using a marketing strategy like Sexy Tea?

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