

Research on Social Media Marketing Strategy of the Milk Tea Industry

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ABSTRACT

This paper analyses the current situation of social media marketing channels in the milk tea industry through a case study and points out that milk tea brands' social media marketing strategies are not systematic and reasonable. Besides, brands ignore the interaction with consumers when promoting on social media platforms. And most brands have a single marketing model. In addition, the content and forms of brand marketing in social media platforms are not diversified enough. Finally, the conversion rate of brands is low, which means it is challenging to turn exposure into actual sales. To solve these problems, this paper proposes that brands consider the characteristics of different social media platforms when developing marketing activities and formulate other marketing plans. They should improve marketing strategies for different platforms. Moreover, brands should pay more attention to the interaction with consumers and dig deep into the real needs of consumers. Brands should open up multiple marketing channels in marketing activities to realize multi-directional assistance in marketing. In terms of marketing content and attracting consumers' attention, brands should build their own brand culture. This paper can guide milk tea enterprises when making social media marketing strategies and provide ideas for transforming and upgrading the Chinese milk tea industry in a new direction.

Keywords: Milk tea industry, Social media, Marketing Strategy

1. INTRODUCTION

1.1 Background

In recent years, the Chinese milk tea industry has developed rapidly, and drinking milk tea has become an indispensable part of young people's lives. It is a kind of food, social medium, and attitude towards life for young people.

The development of the Chinese milk tea industry has gone through three stages:

The first stage: In about 2000, milk tea was mainly instant milk tea mixed with hot water. The popular items were HK Milk Tea and desktop bubble tea. At that time, the most popular brands were Lipton, XiangPiaoPiao, U.Loveit.

The second stage: With the continuous improvement of Chinese economic development, residents' consumption level has been upgraded. Around 2010, there was a kind of milk tea characterized by freshly

extracted tea. At this time, the primary type of milk tea was black tea mixed with milk, the category was relatively simple, and the quality of raw materials was ordinary. At this stage, the brand effect of milk tea was not noticeable, and there is little difference between brands. The more prominent brands were Gong tea, Royaltea and so on.

The third stage: From 2016 to now, the Chinese milk tea industry pattern has undergone tremendous changes, and the milk tea industry is moving towards the era of "new Chinese tea". From 2016 to 2020, the market scale growth rate has been stable at more than 20%, reaching 33.41% in 2016, with a compound growth rate of 21.9% in 2016-2020. At this stage, the milk tea industry mainly has the following characteristics. First, the category of the milk tea has increased. In order to meet the demand of consumers, the brand has made innovations in milk tea varieties, inventing fruit tea, coffee tea, Yakult tea and so on. Secondly, the brand effect is strong. Consumers' adhesion with brands is higher than before. For example, many customers spend hours in line to buy a cup of milk

tea from Hey Tea[1]. Thirdly, the raw materials used in the products are more high-end, and the brands generally position high-end routes[2]. Therefore, based on the above characteristics, the marketing strategy of the milk tea brand becomes very important, and how to improve the popularity and recognition is a problem that every brand needs to solve.

However, with the rapid development of the Internet, social media marketing has become a digital marketing giant. Major social platforms have become the central positions for promoting milk tea brands. They use bloggers' recommendations and WeChat official account content promotion to attract many fans' attention and attract consumers. Because of the vast amount of information on the Internet, users see countless content on social platforms every day. It is often difficult for users to remember the brand in dazzling detail. So, it is essential and arduous to do well the social media marketing strategy of the milk tea brand.

1.2 Literature review

Many scholars have studied the marketing of the milk tea industry. Compared with the analysis of relatively traditional fields such as product and pricing strategies, with the development of new media technologies such as the Internet, instant messaging tools, and social software, some scholars have also begun to study new media and network marketing.

Wang analyzed the Internet marketing of A Little milk tea in the case study. He first pointed out that in the Internet era, the consumption model of the milk tea industry has changed, and the consumer demand tended to be personalized and differentiated. Then, he concluded that A Little milk tea made full use of social media to make customized drinks as the core means of its Internet marketing and won the market [3].

Liu et al. took the brand Sexy Tea to analyze the enlightenment for the company's new media marketing. They pointed out that companies should use social media platforms' communication characteristics and extensive influence and pay more attention to the brand effect and positive interaction with consumers [4].

Bai et al. concluded that under the current situation of fierce competition and the endless emergence of new brands in the tea market, companies should carry out distinctive and personalized Internet marketing to leave a deep impression on consumers. Brands like HEYTEA should pay more attention to market demand, product structure adjustment, and Internet marketing strategy [5].

1.3 Research gap

Firstly, most of the literature took one specific brand as the research subject, with the analysis of its product, pricing, and other aspects of the marketing strategies as

the main body, and rarely summarized and analyzed the situation of the whole milk tea industry. Secondly, in the very few studies of the new media marketing strategies of the milk tea industry, only a few scholars focused on social media, the most essential and popular marketing tool of enterprise new media, to conduct detailed research.

In contrast, this paper will focus on the whole milk tea industry, analyze the current social media marketing situation, and conduct more in-depth research in this field.

1.4 Research framework

Firstly, this paper introduces the influence of social media marketing on brand promotion. Secondly, combined with the successful case analysis of domestic brands in social media communication and promotion, it summarizes the current milk tea industry's leading social media marketing strategies. Finally, it points out the existing problems of the contemporary milk tea brand in social media marketing strategy and puts forward some suggestions.

2. METHODS

2.1 Literature analysis

The literature research method refers to obtaining information through literature investigation according to a particular research purpose or topic to comprehensively and correctly understand the problem to be studied. This paper will integrate and refine the information regarding social media marketing of the Chinese milk tea industry in different kinds of literature. Through systematically analyzing the industry's current state of social media marketing, this study tries to find out the common problems of different brands and seek a way out for social media marketing in the complex industry ecology.

2.2 Case study

A case study is a research method that identifies a specific research object or group and clarifies its characteristics and formation process to understand it. This paper will specifically analyze several milk-tea brands that have gained some success in social media marketing. Marketing concepts will be applied to interpret the reasons for their success from the perspectives of consumer interaction, marketing method, channel and content, as well as contribution to customer buying. This paper will also summarize their common points, and compare their differences to put forward targeted optimization suggestions according to different situations.

3. RESULT

3.1 Current situation of the marketing environment

Before analyzing the social media marketing approaches used in the milk tea industry, briefly analyzing the current marketing environment is necessary. The following two points are most relevant and worthy of attention.

The first is the changing social media environment. Today's era is the era of the Internet and new media. Technologies such as Internet platforms, instant messaging tools, social software, and video platforms are constantly developing and gradually surpassing the traditional media in approaching consumers.

The second is the change in consumer attitudes. First of all, consumers no longer passively receive information from companies in this technological environment but have more initiative. Therefore, the interaction between consumers and businesses becomes more critical. In addition, with the rapid development of society and the upgrading of consumption, consumers pursue individual expression and social needs, which requires milk tea shops to have social attributes and attract customers with personalized brand experience [4].

In the marketing environment mentioned above, many milk tea brands, from large to small, have begun to change their traditional marketing approaches and integrate network and new media marketing into their marketing methods. Many brands use social media platforms for marketing campaigns, such as running Wechat public accounts to show customers information about products and events or partnering with food delivery apps. However, with the popularity of social media, such a marketing approach has become almost an essential requirement for keeping up with time. In order to make better use of social media for marketing and gain comparative advantages, there is still a lot to be improved in the social media of the milk tea industry.

3.2 Social media marketing methods

By April 2020, the number of Internet users in China has reached 1.011 billion, and the Internet penetration rate has reached 70%. Many customers provide a good foundation for tea companies to carry out new online media marketing. Nowadays, most milk tea brands adopt social media communication marketing strategies. They open accounts on major social platforms, such as the official WeChat account, Sina Weibo, Xiaohongshu, Tik Tok, and so on. They use social accounts to publish advertisements and recent activity information. But most of the time, the content they post on each platform is almost the same, which leads users to see the same information when browsing different platforms

repeatedly, thus causing users to get bored. In addition, each forum has its characteristics. For example, the information dissemination in Weibo is rapid, and the scope of information dissemination is broad. The users of Xiaohongshu mainly share their lives, with high authenticity of information and incredible stickiness of users. Tik Tok is dominated by short video communication, with a large amount of single video viewing, but the conversion rate of fans is low. Brands don't make marketing plans according to the characteristics of different social platforms. They can't give full play to the advantages of each platform to attract platform users with maximum efficiency, which makes the marketing strategies unsystematic, unreasonable and inefficient.

3.3 Interaction with consumers

When a brand publicizes on a social platform, it is often only one-way output, which only pays attention to transmitting information and neglects to collect customer feedback. The interactive value of social media marketing cannot be fully realized. Brand lacks communication and interaction with consumers, so enterprises can not accurately understand the real needs of consumers, which is not conducive to the improvement and update of the brand's products. Secondly, there is a sense of distance between consumers and brands. Consumers have no channels to express their opinions and demands, making consumers poorly understand the user experience.

3.4 Marketing channel

Almost all milk tea brands are only promoted through social media platforms. This marketing method is too single, and the promotion only by this method is not strong enough. Although the marketing cost of social media platforms is low and users' coverage is comprehensive, too many milk tea brands use this channel to publicize easily to cause crowding, and the same propaganda content leads to the decline of brand resolution. Besides, now most users who are often active on social media platforms are young people born after the 90s and 00s. People of other age groups are not keen on surfing the Internet. If the brand only use social media marketing strategies, some people may not be able to get information about the brand, and thus the brand may miss some customer groups.

3.5 Lack of diversity and personality in social media marketing content

Many milk tea brands release tweets and other content on social media platforms, which are mainly used as tools to display their products and activity information. However, in the milk tea industry with serious product homogeneity, such marketing content lacks diversity and

personality, and it is easy to make consumers tired. The research and development of new products are, of course, necessary. Still, the whole industry is struggling to make products more eye-catching, so product innovation is more complicated and rapidly upgrading. A brand only depending on its product diversification and differentiation efforts will be difficult to obtain a sustainable competitive advantage.

In the face of more and more kinds of milk tea flavors and ingredients and the standard promotional discounts and festival activities, milk tea brands need unique and personalized flash points to attract customers. With the change of consumers' attitude, the milk tea industry cannot succeed just by selling products as in the past. Brand experience and social functions are the key for a brand to stand out.

3.6 Low contribution to sales and customer buying

Some milk tea brands launched some social media campaigns and gained considerable attention at that time, but most of them failed to maintain and sustain the popularity they gained. Sometimes, the campaign gets a lot of popularity but doesn't contribute as much to the increase in sales as expected. The milk tea brands need to effectively influence consumers' purchasing behavior through social media marketing and vigorously improve the conversion rate from social media popularity to brand attention and product sales.

4. DISCUSSION

This paper puts forward the following suggestions because of the above problems.

4.1 Suit measures to local conditions

According to the characteristics of different platforms, design the corresponding publicity content. Make use of the platform's advantages to maximize the transformation of platform users into consumers. Brands can publish formal content on the WeChat official account, such as new product listing, large-scale activities, etc. In Weibo and Xiaohongshu, it's reasonable to print the daily operation of stores and forward the evaluation and sharing of consumers. On Tik Tok, promoting brand's products through creative short videos.

For example, in 2019, MIXUE released a theme song on Bilibili, which was adapted from the classic American folk song "Oh, Suzanna" [6]. The whole song has only two lyrics: "You love me, I love you". After the release of the theme song, it instantly became famous all over the network. Because of the simple lyrics, it was easy for people to remember after listening to it, and the familiar melody aroused the resonance of a large number of

netizens. Many users publicized the theme song MV on the Internet, and some users released videos adapted from the theme song of MIXUE. In Tik Tok, the theme song has played more than 1.3 billion, which instantly made many users know the brand through the theme song, and the brand awareness jumped. The theme song is also played in the physical store, attracting customers to come here, and turning the heat into actual sales by combining online and offline.

4.2 Pay attention to two-way emotional interaction

Enterprises should pay more attention to consumer feedback and evaluation in making social media marketing plans. Brands should give consumers enough opportunities to express their ideas and needs. They can guide consumers to share and spread brands actively.

For example, A Little from Taiwan Province opened a mini-program on WeChat to provide consumers with personalized, customized milk tea. In addition to the original menu, customers can mix whatever drinks they want through the mini program. In this way, besides its value, the product also is added the value created by customers. Besides, "A Little" regularly launches topics or activities such as "Unlocking the Hidden Menu" on social media platforms by taking advantage of the characteristics of personalized drinks, and it encourages consumers to share their unique milk tea with social platforms. In this way, customers are used to attracting more new customers. The brand broadens the contact channels between the enterprise and customers and realizes the benign interaction between both sides. According to statistics, the search term "A Little's hidden menu" has reached more than one million hits. It can be seen that the effect of this marketing method is remarkable.

4.3 Broaden marketing channels

When making product marketing strategies, brands should expand to multiple channels and use the cooperation of various channels to improve the publicity effect. Firstly, enterprises can carry out discount activities in physical stores and use online channels to attract customers to participate in offline stores. Face-to-face offline activities can make customers feel the brand's excellent service in all directions and learn more about the brand culture. Secondly, brands can increase their popularity by cross-border co-branding. Using the fame and reputation of other brands to let more potential customers know about themselves, thus occupying a larger market share. In addition, cross-border brands help enterprises incorporate new elements into their original products, forming differences with other peer brands, increasing the competitiveness of products, and meeting the needs of new consumers.

For example, HEYTEA has cross-border joint names with many industry brands, and there are cases of cooperation with HEYTEA from clothing, make-up to the tourist hotel industry[7]. HEYTEA is committed to shaping the brand image of calm, design, and youthfulness. HEYTEA pays attention to whether it fits its brand image when choosing a cooperative brand. At the same time, cross-border cooperation is used to interpret its brand in many ways, enrich and complete the brand image, and make consumers have a more vivid understanding and richer association with the brand image of HEYTEA.

4.4 Increase diversity and personality in social media marketing content

In order to deliver diversified and personalized social media marketing content, brands should break out of the bondage of traditional thinking and make efforts to deliver multiple brand values.

Firstly, brands should consider diversified brand characteristics and experience as marketing content. For example, in addition to the traditional milk tea flavors as marketing content, HEYTEA also develops a variety of peripheral products in different forms, committed to deepening its brand image in multiple dimensions [8].

Secondly, brands should encourage consumers' personalized expression to personalize marketing content. For example, A Little Milk Tea personalized its products as a core selling point of social media marketing and encouraged consumers to create their drinks[3]. Another example is MIXUE. The social media campaign of its theme MV strongly supported UGC content, such as the second creation of its MV[9], to encourage consumers to participate spontaneously.

Thirdly, the brand should grasp its positioning and build a unique brand culture that can arouse the resonance of the audience. For example, Sexy Tea uses traditional culture as its brand background and integrates classical Chinese elements into all aspects of its social media marketing.

4.5 Enhance brand value propositions and coordinate with other marketing methods

In order to improve the contribution of social media marketing to customer purchasing behavior, it is necessary to consider all factors comprehensively. This paper draws on social media marketing research in general and proposes the following points to pay attention to.

When developing social media marketing content, milk tea brands should skillfully integrate more brand value propositions and product information and avoid deviation from the brand context and blind pursuit for fun, which would otherwise put the cart before the horse.

Secondly, milk tea brands should coordinate social media marketing with brand advertising and other traditional marketing methods and functions to achieve sustainable and extendable marketing. Social media marketing will become a universal basic marketing tool as it becomes common. If used alone, the effect will become worse and worse. Only forming a systematic composition can produce the best results[10].

5. CONCLUSION

5.1 Key findings

This paper mainly studies the social media marketing of the Chinese milk tea industry and puts forward five problems. First, most brands' efforts in social media marketing are not enough. The existing social media strategies and approaches are not systematic and reasonable enough; Second, in the social media marketing of many brands, the interaction with consumers is not sufficient. Third, their social media marketing models are relatively single, lacking integration of various measures. Fourth, social media marketing content lacks personality and diversity; Fifth, the conversion rate from social media campaigns to consumers' purchasing behavior is low.

Because of these problems, this paper studies the successful marketing cases of some brands in the industry and puts forward the following optimization suggestions respectively. First, The characteristics of different social media platforms and communication methods should be considered when carrying out marketing activities to formulate marketing plans reasonably and effectively. Second, brands should encourage two-way emotional interaction with consumers through social media marketing and encourage consumers to share feedback and actively spread the brand. Third, social media marketing channels should be broadened and extended. Fourth, social media marketing content should closely follow the brand context and highly enhance the brand value.

5.2 Research significance

From the marketing concept and practical case study perspective, this paper summarizes the current situation, leading problems, and corresponding social media marketing solutions in the Chinese milk tea industry, which can be used as a guide for milk tea companies to formulate social media marketing strategies. In the pandemic, offline marketing activities have been hindered. Therefore, online social media marketing has become more important, and brands should take this opportunity to develop in a new proper way. In this context, this paper can provide ideas for China's milk tea industry to transform and upgrade in a new direction.

5.3 Limitations

The limitations of this paper lie mainly in the research method. This paper primarily analyzed the secondary data but lacked primary data collection and analysis. Future research will collect first-hand data through questionnaires, interviews, and other forms to make more authentic and comprehensive data sources. Statistical analysis and predictive analysis will be used to draw patterns and trends hidden in data to conduct more accurate and specific research and draw more insightful conclusions.

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