

Study on Consumption Behavior of Milk Tea Based on the Customer Value Theory -- Taking "A Little Tea" in Shenzhen as an Example

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Abstract. By using the method of interview survey, this paper makes a quantitative analysis on the consumption behavior of milk tea among residents in different genders and age groups in China, at the same time, it takes two aspects, which are customer value and customer value evaluation of consumption as the basis. Moreover, taking the "A Little Tea" as an example, this paper analyzes how the brand can obtain the success of sales through the advantages of paying attention to customer value and customer value evaluation strategies. The main conclusions of this paper are shown as follows: in terms of the customer value, "A Little Tea" pays more attention to product elements, the individuation of taste of milk tea is strong and it has the unique packaging design. In addition, it focus on image elements, the brand has specialties in ingredients, sweetness and the control of cold and heat; paying attention to the price element, when compared with the CoCo Can Tea, "A Little Tea" attracts new customers at a low price, raising price with adding more ingredients, so as to obtain the consumer surplus, what's more, it also beats other competitors in the aspect of same price with different cup type. In terms of the own influence of customer value evaluation, there is no emphasis on gender consumption, the younger "A Little Tea" consumers provide the customer background of "A Little Tea"; the phenomenon of crowd queuing attracts more consumers and provides the purchase motivation; finally, the "feet on the ground" sharing pictures in circle of friends and a better consumption experience provide buying experience.

Keywords: Customer value theory, milk tea shop, consumption behavior.

1. Introduction

Since Taiwan milk tea entered the mainland market, the fashionable drink milk tea has gradually gained attention from the public. Different from the milk tea made by brewing the milk tea powder in early times, which was lack of taste and characteristics, at present, with the development of economy, consumers increasingly pay attention to the requirements of quality and characteristics of milk tea. Among them, with the popularity of milk tea, many online famous milk tea brands attract many consumers, which occupy a place in people's daily life.

The online famous milk tea brands make the purchase and consumption of milk tea become a kind of daily activity by means of the spread of the We Chat public account through the network. At the front of the online famous milk tea shop in the street, there are always milk tea consumers who are lining up just like a long dragon; what's more, people can often see the share of milk tea "special mix" in circle of friends of We Chat. In many brands, the "a little tea" milk tea shop that emerged in 2017 attracts people's view.

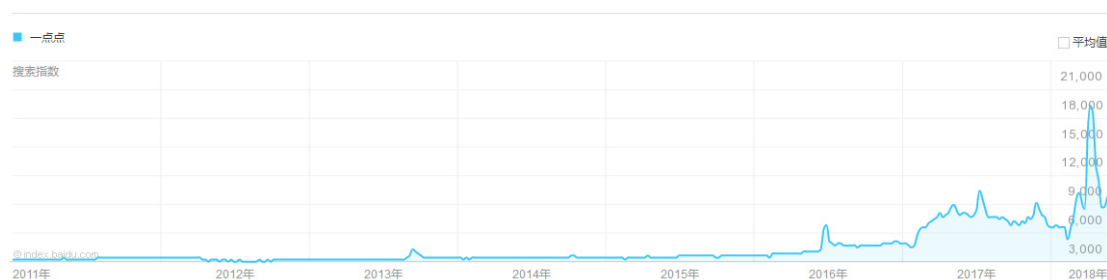


Figure 1. The Overall Upward Trend of the Baidu Index of "A Little Tea" Milk Tea

According to the results of data: before 2016, the number of searching times for milk tea as the key word was very low as a whole, indicating that "A Little Tea" had not attracted consumers' attention; between 2016-2017, the number of searching times about the key word of "A Little Tea" milk tea showed a stable trend on the whole, which can be understood as a kind of normal concern of consumers to milk tea; at the beginning of 2017-2018, the attention of milk tea was maintained at a relatively high level; during early 2018 and April 2018, the attention attached to the "A Little Tea" milk tea soared significantly, however, from April to May 2018, the attention of "A Little Tea" fell back to a relatively high level when compared with 2017. Thus it can be seen that the "A Little Tea" milk tea has began to become the online famous milk tea in the milk tea industry since 2017.

However, at present, the academic community has not paid enough attention to the online famous commodity, especially the researches on discussing consumption behavior of online famous commodity from the two angles of the customer and the merchant at the same time are even less. Therefore, the contribution of this paper is mainly to study the consumption behavior of milk tea based on the theory of customer value.

The purpose of this paper is to construct a theoretical model of target customer determination on the basis of customer value, and to carry out the case analysis of "A Little Tea" milk tea from the perspective of consumers. When customers buy the products they do not rely entirely on the satisfaction of "A Little Tea" milk tea products, but through continuous comparison to measure their value and then choose the product or service that can maximize their own value.

This paper has the following two research significance:

(1) From the theory aspect, combined with the different mechanisms of "A Little Tea" milk tea product's influence on customer value, this paper analyzes the consumption of this milk tea brand from two aspects of customer value and customer value evaluation, so as to enrich the theory of customer value.

(2) From the practical aspect, because the resources of "A Little Tea" milk tea shop are limited, it is impossible to satisfy all of the customers' requirements in the market, it is even less likely to get a high degree of satisfaction from all the customers in the market. In order to achieve its advantage in the competitive market and ensure the benefit, the "A Little Tea" milk tea shop must concentrate limited resources to provide products or services for a part of customers. The value of the enterprise comes from the value realization, and the customer is exactly the leader of the value realization. Different customers will also give different value to the "A Little Tea" milk tea product, therefore, the determination of the target customer directly determines the value of the enterprise. The determination of target customer confirms the most suitable customer for carrying out the marketing activities of "A Little Tea", in addition, it helps the "A Little Tea" milk tea to concentrate its limited resources more effectively, thus gaining a certain competitive advantage in the market.

2. Customer Value Theory

The idea of sustainable competitive advantage originated from the idea of competitive advantage proposed by Professor Michael Eugene Porter of Harvard University. While scholars have discussed about how to establish the competitive advantage in the way of improving internal organization, the consumer-oriented advantage from the perspective of market has been left a gap to be filled. The determinant of market orientation is the customer, so trying to satisfy the customer's demand and take the customer as the orientation to explore its value can bring the external sustainable competitive advantage for the enterprise's marketing. Zaithaml, Monroe, Gronroos, Woodruff and others formally put forward the concept of "customer value" or similar concepts in the late 1980s. These scholars pointed out that when customers bought the products, they do not entirely rely on their satisfaction with the enterprise, but through continuous comparison to measure their value and then choose the product or service that can maximize their own value. In 1994, Gale summarized the process of thought transformation about the propose of customer value theory.

3. Case Analysis Based on the Customer Value Theory

3.1 Customer Value

In this study, the customer value of consumers in "A Little Tea" milk tea is divided into three dimensions, which are product, image and cost, then, the preliminary index of customer value is obtained, the detailed analysis is shown as follows:

3.1.1 Product Elements

Texture. The products of "A Little Tea" are various, there are a lot of choices just for the tea dregs. At the same time, through the personalized customization (such as adding ingredient, changing temperature and sweetness), it can mix and get different flavors of milk tea, so that each consumer can mix the most satisfactory milk tea with the favorite texture and flavor. At the same time, this kind of "private order" model meets the needs of emphasizing characteristics among different consumers.

Packing design. "A Little Tea" focuses on the uniqueness and innovation of packaging design of milk tea, which can arouse the interest of consumers. In terms of packaging, the "four seasons" theme packaging that is recently changed by "a little bit" has generated the topic of "A Little Tea changes new packaging" on the Internet. The innovation of packaging and beauty have become part of the reason for consumers to buy milk tea. At the same time, the star stick used to drink the milk cap in "A Little Tea" is something that can not see in other milk tea shops. The exquisite design and uniqueness of star stick make the consumers who don't know its role become interested in it, thus asking about the questions on various platforms, so as to play a role of advertising.

3.1.2 Image Elements

Personalized brand. A Little Tea focuses on reshaping the uniqueness of its brand: adding ingredient, sweetness and ice. In fact, on the menu of CoCo Can Tea milk tea shop, there is also the adjusting module of adding ingredient, sweetness and ice, but its options are less than that provided in A Little Tea. The particularity of A Little Tea lies in that it provides more options in adding ingredients and sweetness, matching with the basic tea dregs. If the consumers of CoCo Can Tea milk tea shop are taken as selecting the milk tea, then, the consumers of A Little Tea are selecting the adding ingredients. This means that everyone can customize their own drinks that are suitable for their own taste by customizing the sweetness, the temperature and the different ingredients in A Little Tea.

Because the menu of A Little Tea is mainly in a customized form, there are different kinds of tea soup can be selected as the dregs of milk tea, in addition, there are many ingredients for people to match at random, so as to create their own favorite drink formula. A simple tea soup has countless combinations. People share their exclusive matches of milk tea on the Internet, and they rush to go to the milk tea shop for trying to use the "hidden menu" for ordering. When ordering, the waiters in A Little Tea shops are also constantly asking the questions, such as "Large or medium size?", "how much ice?", "Does the sweetness need to be adjusted?", "Do you need to add some other ingredients?", so as to guide the consumers to select their own special milk tea by themselves.

Every customer has the ideal product and price in mind, the psychological price of the customer-
 $\text{the actual price of the product} = \text{the value provided by the enterprise to the customer}$. By giving customers the freedom to choose their own ingredients and giving them the impression of "private customization", the customized milk tea of A Little Tea has increased customers' satisfaction with the service, so that raising the psychological price of the customer. So as to improve the value provided by enterprises for customers, thus shaping the enterprise brand.

3.1.3 Price Elements

From Table 1, it can be seen that the price range of A Little Tea is similar to that of COCO Can Tea, but there are differences. Specific descriptive statistics (referring to table 1 below): the number of milk tea varieties of A Little Tea large cup is 51, with the average price of 14.51 yuan, the lowest price is 9 yuan and the highest price is 21 yuan, the mode is 15 yuan and the standard deviation is 3.3 yuan; the number of milk tea varieties of A Little Tea medium cup is 51, with the average price of

11.49 yuan, the lowest price is 7 yuan and the highest price is 22 yuan, the mode is 12 yuan and the standard deviation is 2.89 yuan; the number of milk tea varieties of Cocoa Can Tea large cup is 27, with the average price of 12.41 yuan, the lowest price is 10 yuan and the highest price is 15 yuan, the mode is 12 yuan and the standard deviation is 1.47 yuan; the number of milk tea varieties of A Little Tea medium cup is 34, with the average price of 10.93 yuan, the lowest price is 7 yuan and the highest price is 15 yuan, the mode is 10 yuan and the standard deviation is 1.47 yuan, the average price is 10.93 yuan, the lowest price is 7 yuan, the highest price is 15 yuan, the mode is 10 yuan and the standard deviation is 1.80 Yuan.

Table 1. Descriptive Statistics of Prices between A Little Tea and CoCo Can Tea

A Little Tea						
Types of Cup	Number of Varieties	Average Price	The Lowest Price	The Highest Price	Mode	Standard Deviation
Large Cup	51	14.51	9	21	15	3.30
Medium Cup	51	11.49	7	22	12	2.89
CoCo Can Tea						
Types of Cup	Number of Varieties	Average Price	The Lowest Price	The Highest Price	Mode	Standard Deviation
Large Cup	27	12.41	10	15	12	1.47
Medium Cup	34	10.93	7	15	10	1.80

From figure 2 and figure 3, after comparing the price data of A Little Tea with that of Cocoa Can Tea, we can find that A Little Tea has three strategic advantages in price.

First of all, low price attracts new customers and quickly occupying the market. The lowest price of large cup drink in A Little Tea is 9 yuan, while CoCo Can Tea offers a lowest price of 10 yuan, which in fact uses the "good numbers" method. People choose the commodity of 9.9 yuan instead of 10 yuan in shopping, because as for the consumers, 9.9 yuan still belongs to the category of "several Yuan" and 10 yuan belongs to "ten several yuan", there is a qualitative difference between these two parts. Therefore, in terms of the new consumers, the pricing of large cup of A Little Tea can bring affordable consumption experience.

Secondly, obtaining more consumer surplus through adding ingredients and raising price, thus breaking the dilemma of low-price positioning can not sell in high price. Through the "adding ingredients and raising price" model, A Little Tea can get the difference between the estimated price of milk tea prices and the actual price in more consumers' minds. For example, if the price of a cup of milk tea is set at 15 yuan, then for those who are willing to pay for 16 Yuan, there is a consumer surplus of 1 Yuan. In order to earn the consumer surplus of 1 yuan, the manufacturer of A Little Tea adopts the model of "adding ingredients and raising price", which makes some consumers willing to add the ingredients and to pay for 16 yuan. Therefore, A Little Tea earns the consumer surplus of 1 Yuan.

3.2 Own Influences on Customer Value Evaluation

This study divides the "A Little Tea" milk tea consumers' own influencing factors on customer value evaluation into three dimensions, which are customer background, purchase motivation and purchase experience. The specific analysis is shown as follows:

3.2.1 Customer Background

This paper uses the Baidu Trends database¹ to search for "A Little Tea" to obtain the market share on the three levels of region, gender and age in the customer background.

3.2.1.1 Region

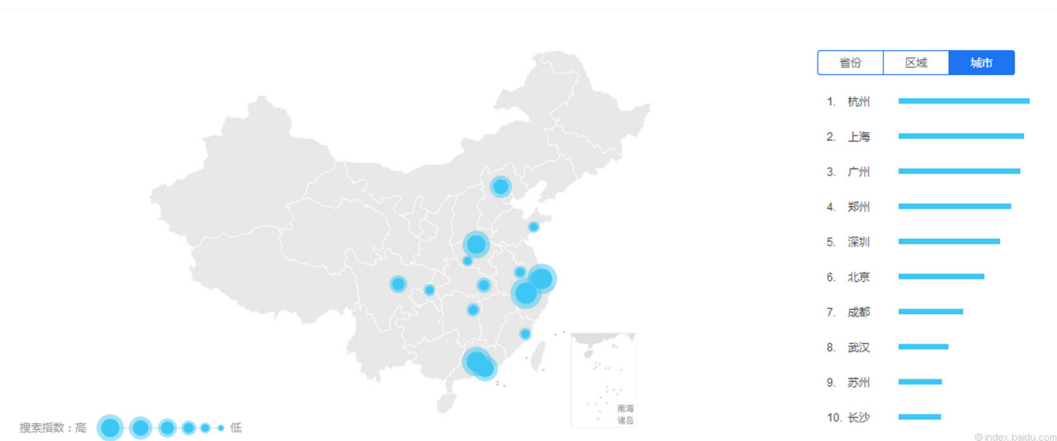


Figure 4. Regional Structure of "A Little Tea" Milk Tea Customers

According to the distribution of customers in "A Little Tea" milk tea, they are mainly concentrated in Hangzhou, Shanghai, Guangzhou, Zhengzhou, Shenzhen, Beijing, Chengdu, Wuhan, Suzhou and Changsha.

3.2.1.2 Gender

The chart shows that male or female consumers of A Little Tea milk tea takes half of the market share. Possible reasons: residents of Hangzhou, Shanghai, Guangzhou, Shenzhen and Suzhou prefer sweets, while Zhengzhou, Beijing, Chengdu, Wuhan and Changsha are relatively densely populated by immigrant population. As the migration of people, more consumers who prefer to eat sweets move to these five cities and brought in their original eating habits. As a result, the consumer proportion in gender of "A Little Tea" is the same.

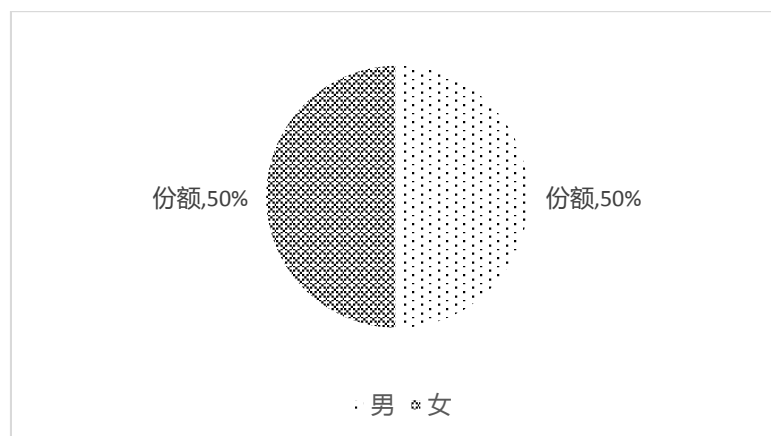


Figure 5. Gender Structure of "A Little Tea" Milk Tea Customers

3.2.1.3 Age

Figure 2 shows that the proportion of consumers aged 25-34 years old is 53%, consumers aged 19-24 years old account for 5%, consumers aged 18 years old and below as well as 25-49 years old are

at the same proportion of 5%, consumers aged 50 years old and above accounts for 2%. it can be seen that 19-34 year-old consumers (accounting for 88%), who occupy the majority of the market for A Little Tea, while the post-90s as the main force of modern consumer groups (accounting for more than 53%) are promoting the rapid development of the industry.

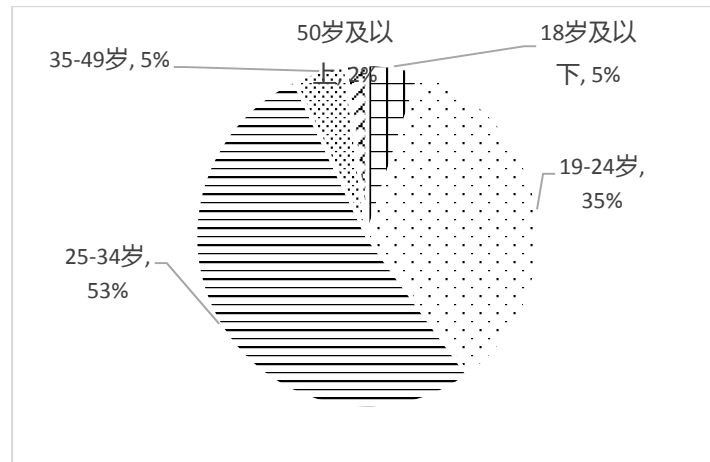


Figure 6. Age Structure of "A Little Tea" Milk Tea Customers

3.2.2 Purchasing Motivation

For consumers, before the final implementation of the decision in consumption, they must go through multiple comparisons and considerations. At that time, some outside factors can drive consumers to make decisions, such as the line in front of the store. The line in front of the store often brings to consumers the concept that “the commodities have the value of being queued”. The line gives consumers the confidence in making the final "consumption" decision. At the same time, the length of the line before the store of "A Little Tea" doesn't cause the negative effect of making consumers give up because of “waiting too long”.

3.2.3 Purchasing Experience

"A Little Tea" pays attention to take customers as part of the brand advertising spread, so as to let customers to advertise the milk tea itself spontaneously by communicating the purchasing experience. As the online famous milk tea, "A Little Tea" is more “affordable” in price when compared with Starbucks and Hestia and so on, which means more people can accept. It also means that more consumers will release their own formula of the milk tea and evaluation on social platforms such as the circle of friends, Web and other social platforms, to evaluate their tea formula. In this way, "A Little Tea" quickly occupies the vision of generations after 90s and 00s, at the same time, it makes the brand known by others through spontaneous sharing of the customers. In addition, the staffs of the "A Little Tea" physical store have been trained in professional service. Every time a customer comes to the store to buy milk tea, the employee would warmly query the his needs until the customer completes the purchase.

4. Suggestions

4.1 Molding Brand Characteristics and Adopting Effective Pricing Strategy

The merchants should develop products according to consumers' different preferences, so as to make the consumers have strong purchasing motivation on the products. Therefore, merchants must pay attention to the modeling of brand characteristics and emphasize on the brand uniqueness. At the same time, they should attach more attention to the strategy of product pricing and developing categories of product, for example, the products in different prices should be different in their categories, the step pricing mode can also be adopted.

4.2 Improving Service Quality and Promoting Mass Consumption of Consumers

The merchants should provide better service, so that consumers can gain positive purchasing experience and thus making consumers generate the psychology of following the trend, so as to rush out to buy the products together, which will lead to the "herd effect" and promote mass consumption.

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