

Research on Marketing and Innovation Strategies of HEYTEA in the Overseas Market

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Abstract:

Chinese tea culture has a long history, and on this basis, many Chinese merchants have made great achievements in product research and development and innovation. Nowadays, milk tea, a low-consumption drink, is popular all over the world. Among them, HEYTEA stands out, is well received by young groups in the Chinese market, and attracts a wide range of other consumer groups, HEYTEA has not only achieved great success in marketing, but its unique product positioning and innovative marketing strategy have also attracted many consumers. With the intensification of market competition and the trend of consumption upgrading in China, HEYTEA needs to explore new growth points. Therefore, the overseas market has become an important direction for HEYTEA's development. This study aims to analyze HEYTEA's marketing and innovation strategies to enter the overseas market and discusses HEYTEA's corporate strategy. In the process, it analyzes different marketing and innovation strategies of HEYTEA in the overseas market by using macro-environment analysis tools, market segmentation, and other methods. This study also draws on the store experience of Starbucks and Blue Bottle to predict and determine HEYTEA's development strategy and prospects in overseas markets, providing reference for other tea brands.

Keywords: Marketing, Innovation Strategy, Overseas Market, HEYTEA, Cultural Export, Macro-environmental Analysis (PEST), Market Segmentation

1. Introduction

Studies have proved that marketing is the core level of enterprise competitiveness. Any enterprise has only two basic responsibilities: innovation and marketing. The nature of marketing is how to attract and retain customers, [1] as in the overseas market, tea industry is still competitive, like tea need through differentiated products and innovative marketing strategy to cope with the competition, seize the opportunity.

1.1 The research objectives of this paper are as follows

This study uses PEST model to analyze four aspects of HEYTEA: political, economic, social and cultural environment, and four aspects that are different between the macro environment faced by HEYTEA in foreign markets and that faced by China's domestic market.

Study HEYTEA's innovation practices in overseas markets, such as product innovation, service innovation and marketing innovation.

Summarize the successful experience of HEYTEA in the external market, evaluate the success of HEYTEA, ana-

lyze the reasons for its success through sales performance and sales quantity in the external market, and provide ideas and suggestions for other Chinese tea brands to expand overseas.

Analyze social-cultural differences and changes in consumer psychology using the market segmentation techniques faced by HEAYTEA in foreign markets.

It summarizes the issues and challenges that Chinese tea brands need to pay attention to when developing overseas markets. In addition, it provides effective guidance for the international promotion process of Chinese tea culture, including the cases of Starbucks and blueberry.

1.2 The research implications of this paper are as follows

This study can provide domestic and foreign scholars and related industry practitioners with a case study of the Chinese tea brand HEYTEA entering the international market. At the same time, it enriches the theory of Chinese tea culture communication and international marketing strategy. This academic research in the field provides a new perspective and analysis ideas for other Chinese tea brands or catering brands in overseas market development, offering

practical reference and guiding significance. Based on HEYTEA overseas marketing strategy and innovation case, not only promote the spread of Chinese tea culture in the international market and recognition, also promote the development of Chinese tea industry and Chinese brand globalization help HEYTEA brand more accurate positioning of overseas markets, for different overseas customer service group develop personalized marketing strategy, further analysis of HEYTEA to the advantage of sustainable development in overseas markets

2. Literature Review and Theoretical Analysis

2.1 Research on Marketing and Innovation Strategies

Research has accurately proposed that accurate positioning is the premise of establishing a brand image, directly affecting the direction and development of brand management strategies. To accumulate a good reputation, enterprises must focus on consumer needs, providing high-quality and personalized services. Therefore, HEYTEA must integrate its actual characteristics and always adhere to the core of corporate culture and philosophy to find its brand connotation and build a unique brand image. [2]Strategic management is crucial for the long-term development of enterprises, as it represents the development goals and directions, playing an important role in enterprise competition. Therefore, to better promote enterprise development, enterprises should formulate strategic management policies that align with their actual situation and continuously optimize them for more precise strategic management.

2.2 Development Trends in Overseas Markets

HEYTEA is rapidly expanding in the domestic market and gradually moving towards the overseas market. The globalization trend has increased consumers' acceptance of different cultures, and tea, as part of traditional Chinese culture, has the potential for global layout. China's deep foundation and advantages in tea planting, processing, and supply chain provide a solid backing for new tea brands going overseas. Rapid local replication through franchise expansion can enhance the local momentum of the brand, facilitating further expansion into the overseas market.[3]

2.3 Literature review

The above literature is well established from the premise of brand image, From the accurate positioning of an enterprise, the enterprise marketing must be based on consumers, With the consumer theme, For the consumer consideration, Combined with the actual characteristics and actual situation of their own enterprises, Build a dis-

tinctive brand image, And from the perspective of management ability, the inhibitory effect of manager ability on strategic risk taking is more obvious, Take the examples of Blue Bottle and Starbucks to demonstrate the different feelings and sales group positioning that a store brings to customers, In the Yuxin Gong article is also a good analysis of the marketing strategy of xi tea also can be seen in the literature using SWOT model to analyze the use of the model in HEYTEA [4] but the disadvantage of these articles is not accurate to analyze from a macro perspective, For example, the policy, science and technology, Physical factor analysis, Yuxin Gong Nor does it analyze how HEYTEA does a different domestic marketing strategy in the overseas market, There are also different government policies in facing different social environment

3. Macro-environmental Analysis

3.1 Political

HEYTEA's tea drink style mainly involves fruit tea and fresh milk as the primary raw materials, making tea sourcing crucial. According to Li Lu's report, in many countries, tea is an important economic crop, and tea-producing areas are a major source of government revenue and taxes, driving income and local economic development. Thus, many tea drink companies invested heavily in building their tea gardens in 2020, promoting local employment and receiving government support.[5]

3.2 Economic

With the strong support of government policies, the economy and income also increase, and people's consumption power and consumer demand for new products gradually increase. HEYTEA has also become a daily consumer goods for foreign customers. According to the official data of HEYTEA After opening, the maximum daily sales volume of a single store reached 2,000 cups, the average daily sales of more than 1,300 cups, and the highest daily sales of more than 12,000 pounds (GBP) (more than 110,000 yuan). After the opening of the Swanston store in Melbourne, the highest sales volume in a single day is nearly 3,000 cups, and the highest sales volume exceeded 30,000 Australian dollars (AUD) (more than RMB 140,000) [6]

3.3 Social

Nowadays, the consumer group of new tea is gradually more inclined to be younger, and the consumer group of tea is no longer middle-aged and elderly, but more inclined to be younger, bringing higher quality tea products to users, which is obviously different from the traditional tea products common in overseas markets. At the same time, HEYTEA also brings the brand experience of "stim-

ulating joy” to overseas users. Similar to the new stores in China, HEYTEA also launched the surrounding marketing method in new overseas cities. These refrigerator stickers combine local classic human geography elements with the image of HEYTEA oxi. [6] has attracted more social consumer groups with its unexpected inspiration and creativity, and is deeply loved by local consumers and triggered the “punching craze” on social platforms

3.4 Technological

Most beverage stores today still rely heavily on human labor, requiring a lot of fresh-cut fruit, which takes a significant amount of time. Thus to the increased cost of corporate employment, In this process can be done with a high-tech fruit cutting machine, next, When customers order on the line, products are often placed on the counter waiting for customers to pick up, But if the customer needs to wait a while to collect it, In this process, the preservation of drinks and the optimal drinking temperature are not guaranteed, so the incubator can be added in this process to cope with the temperature and taste needs of different customers, In the process of overseas marketing, HEYTEA can use high-tech products to reduce transportation costs and attract customers, For example, drones to deliver passengers, It can also be used as a takeout form

3.5 Summary

Scientific and technological Innovation: HEYTEA makes use of intelligent order system, unmanned vending machine and other technological means to improve service efficiency, enhance consumer experience, and provide strong support for the expansion of overseas markets.

Marketing innovation: Combined with the characteristics of local culture and festivals, HEYTEA launched customized marketing activities, which attracted a large number of local consumers and enhanced brand awareness. Social marketing: HEYTEA interacts with consumers through social media platforms (tiktok facebook x and other apps) to understand consumer needs, launch products and services in line with market demand, and achieve precision marketing

4. Market Segmentation

4.1 Geographic

HEYTEA’s overseas marketing strategy is analyzed from a geographical perspective, starting with overseas consumers, such as Americans. In their daily habits, Americans prefer sweeter drinks than Chinese consumers when visiting supermarkets or buying beverages. Japanese consumers, for example, tend to have more regular eating and living habits and prefer lighter tea. For fruit tea, such as HEYTEA, overly sweet flavors may not be very popular

in Japan. Therefore, products must be adjusted according to people’s tastes and habits in different geographical locations to adapt to local preferences, making them more popular.

4.2 Demographic

Different populations require different coping strategies. For example, people are more inclined to buy family meals or set meals when there are many family members present. For couples, a ‘couple tea’ marketing model can be launched, providing consumers with more consumption opportunities and reasons based on different population segments. Offering discounts and activities can be highly attractive. At the same time, for the elderly or families with children, small-sized cups and flavors suitable for these special groups can be introduced. This approach enhances innovation and makes the firm more attractive from a demographic perspective.

4.3 Psychology

Some articles talk about consumers’ purchase of brand goods is divided into expectation stage and purchase stage, Different stages can have different psychological effects, A consumer brand brings people different feelings when people are shopping, For example, some studies have pointed out that Starbucks and Blue Bottle, Two famous coffee brands have different store decoration styles in physical stores, From a spatial perspective, the first impression of [7], Therefore, people will also choose which brand to choose according to their own psychology, Advertising campaigns are based on stimulating consumers’ ‘motivation and stimulating consumers’ desire to buy, And advertising communication psychology refers to the psychological activities permeated into advertising activities [8] It is crucial to leave a deep psychological impression on customers, Just like the Haagen-Dazs brand, Classic advertising slogan “ Love her, Invite her to Haagen-Dazs. “ The slogan tied love to ice cream, There is a big implication in people

4.4 Industry

From the perspective of industry analysis, the main consumer groups of HEYTEA are different from those of Starbucks or Blue Bottle. HEYTEA’s consumers, such as office workers, focus not on coffee and office space but on fresh fruit tea. Therefore, their target customers are not office workers but rather cinema audiences or shoppers. Nowadays, as the milk tea market grows rapidly, many substitutes are gradually emerging. Appropriate pricing, unique characteristics, and accurately targeting the consumer audience are the most important factors to consider in the industry.

5. Conclusion

The successful experience of HEYTEA in overseas markets is worth learning from, especially in terms of brand positioning, product innovation and marketing strategy. In this process, HEYTEA captures the psychology of consumers, Through novel marketing methods to let consumers “punch in craze”, In the face of different products from the domestic market and the combination of local characteristics and cultural habits of different countries, Much of the effort to retain customers, Using the technology network platform has attracted many foreign customers, At the same time, when recommending other Chinese tea brands to expand in overseas markets, You can learn from HEYTEA, Focus on brand image building, Constantly innovating our products, At the same time, we should pay attention to the local management, To meet the tastes and needs of local consumers, On this basis, focus on local policy impact and enhance customer loyalty, Choose the right consumer group, Make appropriate product adjustments in the face of different consumer groups, At the best drinking time to keep fresh and retain the tea, Opening stores overseas focuses on heavy cost. By commenting on the marketing strategies and innovative practices of HEYTEA in overseas markets, it can provide useful reference and inspiration for other Chinese tea brands to expand in overseas markets

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