

A Case Study on the Operation Mode of Hey Tea

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Abstract: This case study mainly expounds the advertising and marketing strategy of Hey Tea through co-branding and building high-end Internet celebrity stores and the idea of mainly building well-known Internet celebrity stores before the epidemic to form an online and offline closed loop with the control and sale of small programs during the epidemic, and compare the marketing strategies of digital new media.

Keywords: HEYTEA, marketing, internet celebrity marketing, epidemic, digital media

1. Introduction

With the improvement of productivity and social development, the pace of peoples' life is gradually accelerating, and the work pressure also follows. The traditional slow tea model is no longer suitable for today's young people. Due to this demand and development space, in the context of the downturn in the traditional tea market, new tea drinks that cater to young people are emerging. With the rapid development of the tea industry, the new tea has gradually been recognized by consumers and favored by the market. From single tea consumption to compound consumption, it has been completely integrated into people's lives. The competition in the tea market is fierce, and the number of brands continues to increase.

Only a few brands occupy a certain market share. Hey Tea was born in 2012, formerly known as Royal Tea. After that, it comprehensively upgraded and transformed the brand. In just seven years, it gradually developed from a small store of less than 20 square meters to became a high reputation and well-known brand, taking the leading position of the new tea drink brand, and the model has also gained more industry followers [1]. It emphasizes the importance of brand marketing strategy. Its basic concept is that consumers buy not only tangible products, but also intangible products brought by brands. Hey Tea has a deep insight into the needs of consumers, and conveys the brand culture and values of Hey Tea to consumers from the aspects of product quality, brand image design and brand strategy, etc., so as to resonate with consumers. It has successfully won the favor of consumers and investors in this industry with low threshold and fierce competition. The research focuses on the impact of the advertising and marketing and changes in marketing practices before and after the pandemic, not include human resource management. At the same time, the epidemic has mainly affected the marketing strategy of Hey Tea. Generally speaking, it is offline switching to online. During the closed period, the network use of the audience group has become more frequent, and it is essential to form a closed loop offline.

2. The Internet Celebrity Marketing Model of HEYTEA

The success of HEYTEA today is closely related to the Internet celebrity marketing method. The Internet has nourished a variety of new commercial products and operating modes. They quickly spread to various industries, changed their business forms, opened up barriers to various industries, and bred new social and economic vitality and business opportunities. As a new marketing model, Internet celebrity marketing is a way to spread its brand content to consumer groups on the basis of Internet communication. By observing the trend of online consumption and combining with the change of group consumption habits, we can deeply understand its context and finally integrate it into Internet celebrity marketing strategies in various fields [2]. It is not difficult to find that the realization ability of industrialization cannot be underestimated, and the value of Internet celebrities is constantly industrialized and commercialized. According to statistics, HEYTEA has co-branded with no less than 50 brands [3]. In HEYTEA's WeChat official account, the announcement of co-branded products is unveiled at a fast pace, almost every week. HEYTEA's partners are not limited to food companies such as M&M, but also brands in other industries, such as music festival brand Strawberry Music Festival, Oasis APP, British Museum, sports brand Nike, retailer Fresh Hema and emoji. Co-branded products are not only limited to tea and candy, but also extend to fashion products such as sports shoes, mobile phone cases and mugs. What all these cross-border co-branding activities have in common is that these brands have a similar fan base centered on lifestyle and sharing crazy young consumers. HEYTEA works with many brands in the fashion, cosmetics, music and food industries, including QQ Music and Fenty Beauty. Due to many product design cooperation with top brands, milk tea brands are very popular among young people in China. Hey Tea is good at cross-domain communication. It uses a full-touch marketing layout with many contacts and strong social contacts to open up the channels for consumers to obtain brand information, and forms a closed loop of full-scene marketing, which promotes the three-dimensional and scene-based marketing. On the one hand, it attracts users to return to offline for consumption upgrades through planting grass, live broadcasts, card coupons and gifts. On the other hand, it attracts consumers to the online traffic pool through the guidance of offline stores. This kind of consumer-centered penetration model, based on the social environment of the Internet of Everything, interactively conveys the brand tone of its "tea of inspiration" and promotes consumers to become a communication medium. On this basis, the cross-border marketing, the selected partner matches the audience in terms of tonality, triggers discussion on social media, meets various internal motivations of consumers, and triggers decentralized fission transmission. In addition, it displayed in front of consumers at high frequency, and is also widely used in product packaging, marketing activities, and peripheral expansion, so that it has a continuous life cycle, strengthens consumers' memory of the brand, build a differentiated market positioning, and help improve product core competition.

3. The Online and Offline Programs of HEYTEA

The program of Hey Tea can complement each other in the closed-loop situation of online and offline. Hey Tea uses a combination of online and offline. Hey Tea sells products online through the applet and also provides in-store pick-up service, so that consumers can complete the order without entering the store, and combine the mobile phone takeaway client to sell other online channels, and launch an exclusive membership system, seize the hearts of netizens with a novel membership system, and use flexible network channels to improve the utilization rate and user activity of consumers. It has deepened and improved the dependence and selection rate of consumers on their convenient channels. On the offline side, the location of its direct-sale stores is located in areas with dense traffic, and large department stores are located in shopping malls, which have the characteristics of high traffic and are closest to the target customer groups. Hey Tea also has certain requirements for the choice of business

circles. It is to lock in large new business circles in advance and know the sales areas that can be radiated by different business circles in advance. Not only that, the offline stores of Hey Tea have different theme styles. According to different business circles or cities, they use different theme decorations to decorate the stores as a whole, so that the consumption environment is given a sense of design and newness, and enhances the customer's consumption experience. In addition, Hey Tea has also set up small stores at major transportation hubs in major cities, such as airports and stations, and has its direct stores in various areas that are easily accessible to consumers. Through networked offline coverage, Hey Tea's expansion of its offline direct sales channels has been strengthened and the ease of consumers to contact Hey Tea.

2019 can be said to be the core explosive year of private ecological development. Whether it is the transformation of Internet enterprises or traditional enterprises, the means of user operation also focus on the development of private domain ecology. The same is true for Hey Tea. Starting from the private domain ecology of WeChat, WeChat groups, official accounts, Moments, video accounts, applets and other traffic contacts are differentiated, forming a circular reach of users. Secondly, TikTok, Weibo, Xiaohongshu and other public domain traffic matrices are also the second echelon of Hey Tea. The private domain ecology of the first echelon does transformation and trading services, and the public domain of the second echelon does word-of-mouth communication construction. The two-pronged approach of public domain and private domain constitutes a three-dimensional user operation, thus increasing store traffic and channel sales [4].

The QR code, user order receipt, online order payment details page, the custom menu of the official account, the main interface service of the applet and the main menu of the video number can be seen everywhere in the offline store, all focusing on transferring to the enterprise WeChat account. After adding an enterprise WeChat account, customers can be added to the Hey Tea community for training. Our actual observation shows that the rhythm of Hey Tea's community operation is relatively friendly and clear, and there is not much official content. In addition to the gifts of newcomers after joining the group, they are pushed an average of 2-3 times a day from a week. Monday and Tuesday focus on product planting grass, Wednesday is the peak activity of points, Thursday is charging mobile, Friday is the way to play the community lucky turntable (mainly full discount coupons, takeaway coupons and free drink coupons), and weekends is to plant products. This ensures the orderly delivery of marketing rhythm without excessively disturbing users.

4. Advanced Layout and Long-Term Thinking of HEYTEA

Hey Tea has always had an advanced layout and long-term thinking in operation and marketing, which makes Hey Tea highly valued and is also the reason for Hey Tea's rapid resumption of work during the epidemic. This is first reflected in the layout of the tea cabinet in the second half of 2019. The tea cabinet is convenient for customers to pick up goods without contact, which is the key prerequisite for offline stores to resume work. After the outbreak of the epidemic, Hey Tea entered the state of preparing for business in January, and gradually realized the resumption of store work through contactless distribution and other means. In February, Hey Tea's social media also returned to normal business, spreading new products and carrying out a series of marketing activities, even earlier than many brands that do not rely on offline channels. As a batch of offline enterprises that resumed work earlier during the epidemic, Hey Tea achieved rapid response and adopted "contactless distribution" and "contactless orders" because the company set up a crisis management team, and managers of various departments held online meetings from time to time to communicate and implement detailed epidemic prevention measures. At the same time, it officially established the General Command Center for Epidemic Prevention according to the epidemic prevention and control situation in various places, we should always communicate and propose the health care of employees, work arrangements, the supply and distribution of materials needed, and contributions to society. At

the same time, the company issued specific protection methods and standard cleaning and sterilization procedures applicable to store partners, which must be implemented to protect themselves and consumers.

According to the Tea Drinking Epidemic Survival Report, more than 90% of the tea drinking enterprises participating in the survey. Some of them faced closure during the epidemic. Among them, 65.56% of the stores were all closed, and another 25.38% left only a few stores insisted. Only 9.06% of all of them are in business. In the case of no business, compared with the same period last year, 65.86% of stores have almost zero revenue, and 19.34% of stores have decreased by 50% to 80%, accounting for the total proportion 85.2%. (Note: this epidemic period specifically refers to January 25 to February 9, 2020) [5].

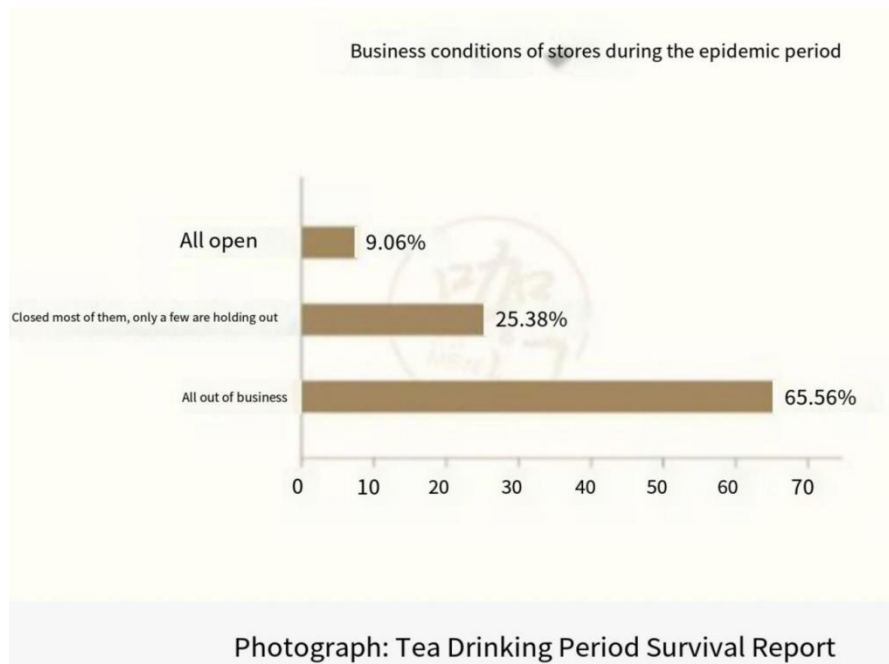


Figure 1: Tea drinking survival report period from 2019 to 2022 [6].

Hey Tea staff also said that during the epidemic, all stores of Hey Tea closed their POS machines and only accepted WeChat mini-programs or Meituan takeaway orders. For users who place an order in the applet and pick up tea in the store, they can remotely open the cabinet to pick up tea in some stores with intelligent tea cabinets, and there is no need to contact any personnel during the whole process. It is understood that there are currently 150 stores equipped with tea cabinets in Hey Tea. In terms of takeaway, Hey Tea also provides contactless delivery throughout the whole process. The domestic applet takeaway and Meituan takeaway all support contactless delivery. Users need to guide the rider to place the goods in the designated location through order notes and telephone notification. During the epidemic, the author of this research noticed that in the closed stage, many communities will choose the “group leader”, that is, the person responsible for helping the group purchase, to help uniformly obtain food and distribute it to the doorstep of each household, and the residents successfully achieve contact-free through mobile phone ordering, which has a positive impact.

Regarding the epidemic, in Hey Tea’s CEO Nie Yunchen’s view: “There is nothing absolutely safe in the world. If what you are not pursuing is absolute safety, then all the insecurity factors are not so terrible. If the original pursuit is a sense of security, or there is an illusion that your enterprise and life are very stable and very safe, you will be hit by reality - the world is like this. During the epidemic, Hey Tea began to carefully sort out the layout of retail, digital and new media. Most of

these measures were already tried in the past, but they came in handy in a special period. Maintaining “insecurity” can better ensure “safety” [7]. From the chart, the point of view of employees and founders, Hey Tea’s overall marketing strategy to deal with the epidemic is still relatively orderly and can quickly seize the opportunity. The chart shows that the decline of other milk tea stores that do not use digital media marketing methods is large, Hey Tea employees show online and offline cooperation closed loops on small programs. There is also the founder's awareness that nothing is absolutely safe, so he is committed to studying the driving force of digital retail and new media, which is beneficial to the study of changes in Hey Tea's marketing strategy.

5. Conclusion

In conclusion, during the epidemic, Hey Tea quickly reacted to the joint advertising and marketing methods and online and offline closed-loop marketing strategies to improve network awareness. Although the profit is not as high as the development trend before the epidemic, it can also achieve no loss, and many cities will not be closed in 2023, and the economy recovered. Some time ago, the cooperation between Hey Tea and the luxury brand Fendi has also raised the level of Hey Tea. As long as Hey Tea keeps a fresh feeling, it will become more and more popular all over the world.

References

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