

Research on the Marketing Strategies of New-Style Tea Brands: A Case Study of Heytea

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Abstract. With social development and consumption upgrading, the scale of China's new-type tea drink industry has kept expanding. In 2025, the market scale will occupy a dominant position in the existing tea market. As the head brand of the industry, Xicha has achieved stable development with the original product research and development and diversified marketing strategies, but at the same time, is also confronted with realistic dilemmas including low-price competition, product homogenization, the squeeze from low-quality products, and consumer aesthetic exhaustion caused by over-frequency co-branding. Most of the existing research focuses on communication mode and brand operation, and pays little attention to traffic marketing and UGC content flooding. This paper takes hi-tea as the research object, taking the new tea culture marketing strategy as the research breakthrough, combing the development status of tea industry in regional consumption, population structure and regional culture, summarizing typical marketing methods such as consumer psychology, hunger marketing and UGC co-creation, analyzing the advantages of hi-tea in marketing methods, and finding its difficulties in industry competition, store management and joint strategy. And puts forward targeted suggestions for marketing strategy optimization, including improving membership system, carrying out precise co-branding cooperation and enhancing new media operation capabilities. The main purpose of the study is to enhance the competitiveness of hi-tea brand, realize sustainable development, and pave the way for the whole new tea industry to explore high-quality development.

Keywords: Heytea, Digital marketing, Marketing optimization strategy, Brand publicity

1. Introduction

With the rapid development and transformation of society, the scale of China's new-style tea industry has continued to expand. By 2025, it is expected to dominate the ready-to-drink tea market, achieving a market size of 374.93 billion yuan and a year-on-year growth of 5.7%. In 2024, the market size was 354.72 billion yuan, accounting for 90% of the entire ready-to-drink tea market and over 65% of the overall market share, making it the absolute mainstream. The chain rate is as high as 58%, and it is widely distributed globally, dominating the market. In 2025, the retail sales of new-style tea are expected to grow by 9.5%, with new-style tea contributing 85% of the increase [1, 2]. As a leading brand in the new-style tea industry, Heytea has focused on original brand building and redefined the business model for tea brands.

In recent years, many tea brands have failed due to price wars and product control issues, but Heytea has maintained stable development and growth, mainly attributed to the successful operation of its marketing strategies [3]. However, most existing studies on new-style tea brands and new media marketing focus on aspects such as communication models and platform operations. There is less attention paid to the contradiction between the "traffic craze" and the manifestation of product quality, as well as the control of the economic law of "bad money driving out good money" [4]. In particular, there is a lack of attention and discussion on issues such as the excessive proliferation of UGC and homogenization. Therefore, this study is conducted [5]. This article mainly takes Heytea as the research object for the marketing strategies of new-style tea brands. By reviewing relevant domestic literature on new-style tea and enterprise marketing strategies, and combining with the sales data and historical development changes, the analysis is conducted [1, 6]. The main purpose of this article is to analyze the marketing strategies, marketing conditions, advantages, and existing problems of Heytea as a real case, to help the enterprise develop better, improve brand operation, expand the market, drive economic effects, and achieve long-term sustainable development. It can also serve as a reference for exploring the development path of new-style tea culture.

2. Current development status of new-style tea culture

2.1. Regional consumption level disparities

With the development of new-style tea brands, the differences in regional consumption levels directly determine brand positioning stratification, product pricing standards and consumption scenario design [1]. In recent years, the regional consumption levels have shown a pattern where the per capita consumption in the eastern regions have high per capita consumption level, while central and western regions have higher growth rate. The new-style tea culture precisely targets the consumption levels between cities, stratifying consumers. High-end products are invested in first-tier and new first-tier cities, with an average price ranging from 20 to 30 yuan, such as the high-luxury brands such as Heytea, Chayanyuese and Baowang Chaji . Most of these brands feature low sugar and limited editions [1, 6]. In second- and third-tier cities, products with a balance of cost-effectiveness and quality are invested in, such as the mid-range chain brands like Guming and Chabaodao, mainly catering to light milk tea and fresh fruit tea. In fourth-tier cities and county areas, the average price of brands like Meixue Bingcheng is around 10 yuan, and consumers in these areas are highly price-sensitive [2].

2.2. Gender proportions of consumers

According to relevant literature, the core consumer group of the new-style tea culture is young women in large and medium-sized cities, gender consumption ratio of approximately 4:6.. The proportion of women purchasing new-style tea is about 63.3%, while that of men is 36.7% [1, 7]. However, in recent years, with the rapid development of the new-style tea culture, the proportion of male consumers has increased significantly, and the gender gap has gradually narrowed. More Female consumers tend to buy for social media check-in and social interaction and other purposes, while male consumers pay more attention to product taste and quality [7]. Additionally, women dominate the new-style tea consumption market in first-tier cities [1].

2.3. The impact of regional culture on tea drinks

The new-style tea culture itself is a typical manifestation of secondary innovation of traditional tea culture. The differences in regional cultures have further promoted the diversified development of new-style tea cultures. Many tea brands are break through the single product category of light milk tea and fresh fruit teabut innovate and develop based on the similarities and differences of regional cultures [8]. For instance, Chayanne, a local brand in Changsha, attracting a large number of tourists to check in specially, and this new-style tea brand has become a new consumption ecosystem. Another example is the original brand in Xi'an, Chahuanao, which uses Shaanxi Fu tea as its base and is a unique flavor of Xi'an [8]. Due to the differences in regional cultures, various new-style tea brands have their own distinctive flavors, which effectively stimulate consumers' purchase intention and significantly deepen city memory and brand effect, driving the development of the new-style tea industry [8].

3. Marketing strategies of new tea culture

3.1. Psychological effects of brand influence on consumers

Most consumers have obvious herd mentality in consumption, believing that high sales volume indicates outstanding quality of a brand. This psychological tendency of avoiding being out of date

has enabled new tea culture brands to identify a breakthrough in brand marketing [7]. Most tea brands independently develop various types of tea beverages to attract consumers, who follow the trend and purchase them, significantly increasing sales. The scarcity perception and comparative psychology of consumers are also factors contributing to the rapid development of new tea industry brands. Most tea merchants take advantage of this psychological trait by launching city-limited stores and other related marketing strategies, creating a sense of superiority for consumers and stimulating their purchasing desire [9].

3.2. The traffic code of hunger marketing

New tea brands use hunger marketing to attract a large number of consumers by offering limited-time and limited-quantity products [9]. Heytea, for instance, innovatively develops seasonal fruit tea beverages in strict accordance with the seasonal cycle, and takes the initiative to remove these products from the shelves after the season ends [10].

3.3. Brand benefits from UGC culture

New tea culture brands leverage UGC culture to make full use of UGC communication mode to capture public attention. UGC culture refers to consumers' consumers independently create and share of evaluations about products through social media, rather than official brand promotions [5]. UGC culture is more persuasive and trustworthy to consumers and can enhance brand awareness more effectively than official brand promotions [5]. Most consumers will consider public opinions before purchasing related beverages. Heytea utilized UGC culture to launch a DIY cup sticker scene for new tea beverages by the end of 2025, attracting many consumers. By setting a low threshold and encouraging independent innovation, it transformed a cup of milk tea into a creative platform, an emotional outlet, and a social medium for users, turning them from consumers into brand designers [5]. This has brought a significant improvement to the brand's social influence and cultural communication effect.

4. The effectiveness and existing problems of Heytea's marketing strategies

4.1. Economic effects of UGC culture

UGC boosts product sales and brand premiums through three core paths: trust construction, social influence transmission and emotional resonance forming a closed loop of "grass planting" [5]. By leveraging the equal status of consumers, UGC culture reduces information asymmetry and builds purchase intention. Through word-of-mouth and the formation of group evaluations, UGC culture creates a herd effect and promotes repurchase behavior. Due to the presence of UGC on various social media platforms, it easily triggers emotional resonance among consumers and creates product dependence. Heytea has utilized this feature to promote DIY cup stickers, stimulating consumers' desire to purchase beverages. According to data, each collaboration generates an average of 35,000 UGC posts, with a repurchase rate of 68% among UGC creators, which is 32% higher than that of ordinary users [5]. After the event, UGC creators contribute 15% of the daily traffic within a month, creating a significant long-tail communication effect. UGC creators not only drive high sales for the tea brand and increase the purchase intention of other consumers but also maintain Heytea's long-term brand reputation. The cup sticker activity introduced by Heytea has also created many job opportunities, such as online drawing services. Many college students have seized the opportunity, using the popularity to apply their talents and earn profits, thereby enhancing social welfare and living standards. This has given rise to a new industrial chain, providing crucial assistance to economic development [1].

4.2. Establishing differentiation barriers through original products

As a leading brand in the new tea culture, Heytea, as the first brand to introduce cheese milk cap fresh tea, has breaking the traditional pattern of powder milk tea dominating the market [10]. Initially, Heytea established its market position through its innovative capabilities. By upholding strict quality control standards, operating strict production lines, and employing efficient manufacturing processes, Heytea pioneered the combination of cheese tea and fresh fruit tea, establishing itself as an industry benchmark. Its first hit product, the "Plump Grape", has become a classic that is widely imitated [10]. Subsequently, many new tea brands have attempted to replicate Heytea's original products, but they have been unable to match the quality of Heytea's genuine ingredients. Heytea mainly adopts global direct supply of raw materials, refuses to use artificial flavors, preservatives, or additives, and uses high-quality original tea from regions such as Yunnan and Fujian. All stores follow implement standardized on-site production processes of fresh cutting, mashing, extraction, and blending. Such rigorous quality control has enabled Heytea to maintain its leading position in the new tea beverage industry. It is precisely because of Heytea's original products that the brand does not need to engage in low-price competition. Even with a higher-than-market pricing, a large number of consumers are willing to purchase due to the original design. The use of authentic ingredients and in-store production has attracted a large number of repeat purchases. The inherent nature of original products as hot topics in marketing has also reduced Heytea's marketing and communication costs. Most consumers make purchases driven by consumer psychology and brand preference.

4.3. The impact of the "bad money drives out good money" phenomenon

The economic law of "bad money drives out good money" has been particularly prominent throughout Heytea's development in recent years [4]. Low-price competition has directly compressed Heytea's profit space. To maintain basic operations, Heytea has had to reduce production investment and lower product quality. At the same time, low-price competition has led to a lack of funds for product innovation [11]. In the short term, low-priced products reduce consumers' shopping costs, but in the long term, the low-price competition leads to a decline in product quality and service guarantees. Without cost control, businesses use inferior raw materials, simplify production processes, and lower product quality. Consumers have to spend a lot of time screening products, reducing their trust in consumption, resulting in a short-term benefit but long-term decline [4]. It also leads to a homogenization dilemma. For example, Heytea's original "Cheese Plump Grape" was quickly imitated by other tea brands. In 2026, Luckin Coffee launched a similar product at a lower price, making the imitation cost extremely low. In the hot topic of "takeout war" that emerged in 2025, it was more evident that consumers demanded lower prices from new-style tea drink culture brands. In the continuous competition on takeout platforms, Heytea was forced to lower its prices, even to as low as 5-6 yuan, directly changing its brand's high-end positioning to mid-range positioning one. However, as the production costs did not decrease, the profit margin was severely squeezed [2]. Additionally, overly dense franchise store placement led to intensifying internal competition. In some tourist attractions and snack streets, two to three Heytea stores would appear within a few hundred meters, resulting in internal customer diversion and a decline in daily store turnover, creating a vicious cycle. At the same time, the rapid expansion of franchised stores significantly increased management difficulties for Heytea's headquarters and weakened the user experience, gradually eroding the brand's reputation. In response, Heytea announced in 2025 that it would temporary suspension of franchised store cooperation , and adjust its management approach. Whether it was the low-price competition, homogenization, or internal friction, all these factors forced Heytea to change its business model. Heytea focused on these external factors rather than concentrating on its brand marketing, leading to a decline in profits and a subsequent reduction in the cost of producing beverages, which seriously hindered market expansion, product innovation, and even led to a decline in brand reputation [6, 10].

4.4. Excessive collaborations leading to aesthetic fatigue

Heytea's excessive collaborations would cause a significantly reduce consumers' purchase intention. Initially, when the first collaboration was launched, most consumers followed the trend to purchase to enhance their sense of satisfaction. However, in the subsequent second and third months, with continuous collaborations, consumers' novelty was exhausted, and the expected effect was not achieved. Eventually, with over a hundred collaborations in a year, it would instead lead to consumer aesthetic fatigue [12]. At the end of 2024, Heytea vigorously promoted "handwritten style" and "low-saturation Morandi colors". Although these designs were innovative based on the original ones, they did not truly attract consumers and even drew dissatisfaction from many consumers, who believed that Heytea's designs were too monotonous and standardized, losing the brand's original vitality. In 2025, Heytea adjusted its sales strategy, launching only two collaboration products in a year, focusing on high quality and high-quality and refined cooperation options. It first collaborated with Chiikawa, a brand inspired by cute and soothing elements, to create a good emotional value and precisely target the consumer group, catering to the emotional needs of young people seeking stress relief, thereby achieving emotional resonance through a cup of drink [10, 12].

Then, it collaborated globally with Stars People, highlighting the scarcity of the collaboration. The collaboration was implemented simultaneously on 32 floors worldwide, creating an immersive offline consumption experience. Through the launch of "Inspiration Buses" and theme stores, it provided consumers with an ultimate experience. The limited-edition products and merchandise sold out immediately upon release, perfectly reflecting the supply-demand relationship and maximizing consumers' purchase intent.

5. Optimization of Heytea's new media marketing strategy

5.1. Optimization of the membership system and precise collaboration placement

Heytea can integrate data from Go mini-program, takeout platforms, Xiaohongshu, Douyin to build a comprehensive 360-degree user labeling system. The tags can mainly be based on age, city, store preference, and consumption frequency to segment consumers into different groups and form hierarchical membership benefit system, so as to optimize the membership system [6, 12]. By relying on membership data to form a complete user profile, high-level members can enjoy benefits such as priority purchase to pre-sale products. Members can receive corresponding rewards for sharing collaboration products, secondary creations, and check-ins, creating a dissemination effect. Heytea can also customized co-branding activities to members from high to low tiers, further refining product positioning to maximize marketing and sales results [5].

5.2. Leveraging new media for long-term development

Heytea utilizes new media to provide important communication carrier for brand rejuvenation and experiential scenarios. Relying on the WeChat social platform, short video shooting, micro-film production and other methods, various co-branded products, cup sticker DIY, LAb exclusive stores are launched to maintain consumer demand, ensure revenue and promote sustainable development. It also weaken short-term gimmick marketing and focuses on creating high-quality products and continuous brand value output. Through interactive communication on new media platforms, Heytea can better understand consumer demands and market trends, while consumers cantimely understand product price changes and new product launches. In the middle of 2024, the black and white color combination launched by Heytea was opposed by most consumers. Heytea learned the fundamental reason through new media, which was the difference caused by traditional cultural concepts and provided corresponding solutions.

6. Conclusion

This article takes the development of the new-style tea beverage industry as the background and focuses on Heytea as the core research object. It systematically reviews the current development status of the new-style tea beverage industry in terms of regional consumption, consumer demographics, and the integration of regional cultures. It summarizes the mainstream marketing strategies such as the application of consumer psychology, hunger marketing, and UGC user co-creation. It also deeply analyzes the effectiveness and existing problems of Heytea's marketing strategies and proposes optimization suggestions and solutions. The research shows that the reason why Heytea can maintain a leading position in the highly competitive new-style tea beverage market lies in its two core marketing strategies. The first is to establish a differentiation barrier through original products and avoid price wars by selling its pioneering offerings. The second is to take

advantage of the UGC cultural dissemination trend to enhance its reputation, build a bridge between the brand and consumers, and form a strong brand competitiveness. However, at the same time, Heytea also faces many problems, such as the phenomenon of inferior products driving out superior ones caused by homogenization competition, which continuously squeezes its profit margins and further affects its brand reputation and operational efficiency. From the perspective of the brand itself, there are issues such as consumer fatigue due to excessive marketing in the early stage, and unregulated store expansion leading to internal competition, which significantly reduces brand quality control and erodes consumer confidence in the brand. In response to these problems, this article proposes strategies such as optimizing the membership system, precise co-branding placement, strengthening new media operations, and standardizing store expansion management to effectively help Heytea break through its marketing predicament and achieve long-term sustainable development. However, Heytea also faces many challenges, such as the "bad money drives out good money" phenomenon caused by homogeneous competition, which has continuously squeezed its profit margins and further impacted its brand reputation and operational efficiency.

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