

Market Analysis of New Tea Industry Based on Questionnaire Survey

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Abstract. With the continuous development of China in recent years and the improvement of people's living standards, more and more service industries and catering industries began to develop. In 2021, the scale of China's new tea market will reach 279.59 billion yuan. It is expected that the new tea market will recover rapidly after the epidemic, with a year-on-year increase of 51.9%. With the continuous rise of China's economy and the further improvement of urbanization rate, it is expected that the scale of new tea market will exceed 300 billion yuan in 2022. Among them, the rapid rise of the new tea industry also has some problems. On the basis of understanding the basic situation of new tea, this paper uses the questionnaire survey method to conduct a market survey on the new tea industry, deeply analyzes the current development situation of the new tea industry, and finds a new portrait of consumer groups in the new consumption environment: the rise of a new generation that pursues health quality and aesthetic personality, and has a new consideration on the new tea market. In the stage of intense competition in the industry, this paper takes two special related enterprises as case representatives, analyzes the two completely opposite marketing methods and innovation modes, and puts forward suggestions for the future development of tea enterprises that win in sales and brand.

Keywords: New tea competition market, consumer behavior, Choice preference"

1. INTRODUCTION

The new tea takes the original tea as the core to achieve better extraction of the original juice [1]. On the basis of traditional tea, it was upgraded to various types of milk tea, and then developed into a new type of tea represented by all kinds of fruit tea, milk cover and mixed tea [2]. different from the previous tea drinks, the new tea drinks pay more attention to the quality and the aesthetic fashion of the brand [3]. Based on the vigorous development of the milk tea industry and the new types of work under the background of the new economy and new business forms, previous studies have gradually come into the public view, focusing on the analysis that the rise of the milk tea industry has provided more consumption space for the new generation of young people and promoted the emergence of a number of social labor posts [4]. A satisfactory explanation may need to include a regulatory mechanism which both prevents prices from drifting too far apart or from becoming too alike. Our analysis suggests that this mechanism, if it does indeed exist, has not changed over thousands of years and is essentially the same in widely separated cultures [5].

This paper finds that the new tea promotes the consumption upgrading in three ways: in terms of product raw materials, the use of high-quality and natural ingredients, so that the consumption frequency of consumers increases [6]. In terms of beverage appearance, the appearance and packaging of high-value drinks make it a pleasant thing for consumers to buy new tea drinks; the offline stores of new tea drinks are located near the business circle with large passenger flow; in terms of online space, in addition to entering the foreign platform, they can also develop their own ordering program and provide delivery and ordering services [7].

New tea drink is born out of the broad and profound tea culture, combines the tea bottom with new ingredients and new flavors, and constantly widens the edge of tea culture. Through the innovative integration of traditional tea bottom with fruits, milk and cheese, it continues to export tea culture to young consumers and analyze the consumption market of new tea market [8] At present, more than 70% of domestic consumers buy new tea every week [9] Observe whether it has high visual completion, touch the selection of materials used, whether the information transmission can

distinguish the product type and category through packaging, and whether the information transmission is clear [10] Cross border cooperation to detonate new products. In recent years, people have paid more and more attention to the integration of art into life. New tea drinks increase cultural output through cross-border joint names of various IPS, strengthen the connection between culture, tea drinks and consumers, and convey brand culture [11] It is common among producers of consumer packaged goods to reduce the volume of product per package such that the new size replaces the old one. This tactic is commonly referred to as package downsizing [12]. In contrast to packaged drinks, we believe that the barrier of existing drinks in stores does not lie in the preemptive channel of new products or the perception of preemptive delivery in the air, but in the purchase convenience, stable and standardized product quality output and innovative and sustainable consumer experience brought by the location of stores.

2. METHOD

2.1 Study population.

A total of 300 sample objects, including new tea lovers and non-new tea lovers. 100 college students were divided into a group as a reference. The other 200 samples are all social groups who have begun to work. They are divided into 20-25 years old, 25-30 years old, 30-35 years old and over 35 years old according to their age. Because women have a higher voice and participation in the new tea market, the questionnaire set up in this paper specially increases the number of women, so that the proportion of men and women is 40%: 60%. Increase the proportion of people aged 25-35 in the second sample group to 75%.

2.2 Questionnaire design.

The problem setting mainly starts from the driving factors of new tea consumption, analyzes the consumer behavior, and takes into account the factors affecting consumption choices such as social development, the increase of residents' income and the upgrading of consumption structure. The survey questions for college students mainly focus on: the choice of new tea brand, the monthly living expenses spent on diet, the frequency of buying new tea, the main factors of choosing tea products, etc. Compare the differences of tea preference corresponding to different dietary expenses every month, and find out the opinions of college students in the new era on price, quality and trend

3. Market development analysis of new milk tea

In the new tea industry chain, the upstream raw materials of new tea are complex, and the downstream is mainly dominated by Direct stores. The upstream of new tea is mainly the supply of raw materials, providing tea drinks and making necessary agricultural and sideline products, including fruits, tea and dairy products. The midstream link is the design, production and packaging process of tea; The downstream link is the circulation link, which is divided into two channels: offline stores and online delivery. In view of the characteristics of new tea drinks focusing on quality and service quality, all brands operate in a direct way.

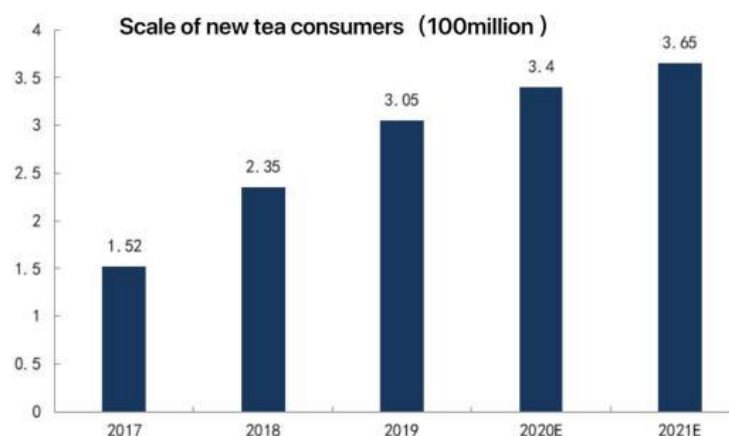


Figure 1 Scale of new tea consumers (100million)

Upstream analysis of new tea: the largest tea producing country, but the consumption is not high. However, in the field of world tea consumption, China's tea consumption has not been high, but in recent years, thanks to the popularity of new tea shops for downstream end consumption, China's tea consumption has shown a steady and positive trend. In 2021, China's domestic sales of tea exceeded 2.3 million tons, with a total domestic sales of 300 billion yuan.

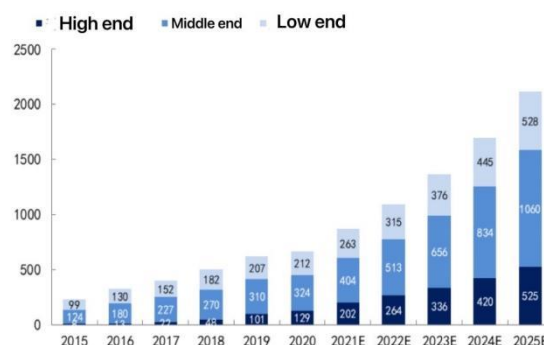


Figure 2 Scale of milk tea of different price

Downstream analysis of new tea: in 2021, the scale of takeout reached about 934 billion yuan, with continuous high growth. The development of takeout brings opportunities for the opening of new tea stores: the high concentration of takeout platform traffic brings great convenience to the users of new tea, and the number of takeout orders and GMV of new tea continue to increase. "2021 New Tea Research Report" shows that the number of takeout orders of new tea drinks increases by 50% every year. The GMV of new tea drinks on the takeout platform will be about 16 billion yuan in 2019, 24 billion yuan in 2020 and 32 billion yuan in 2021. Some brand first tier cities account for 70% of orders on takeout platforms; The competition on the takeout platform has gradually intensified, and the information available to tea brands on the platform is limited. More and more tea brands pay for traffic on the takeout platform and participate in marketing activities such as full reduction and package transportation fee.

According to the data of AI media consulting, the scale of China's new tea market in 2020 was 184.03 billion yuan. Due to the impact of the COVID-19, it was reduced compared with the previous year. However, from the current domestic life recovery situation, consumers' enthusiasm for new tea increased instead of decreased. It is estimated that the scale of China's new tea market will reach 279.59 billion yuan in 2021 and will exceed 300 billion yuan in 2022. In terms of sales and growth scale, according to the data, the compound growth rate of retail sales in China's milk tea market exceeded 20.0% from 2014 to 2018, and achieved sales of more than 50 billion yuan in 2018. Among

them, the compound growth rate of the sales of existing tea is close to 30.0%, realizing sales of more than 40 billion yuan, accounting for more than 80% of the sales of the overall milk tea market.

In terms of financing expansion scale, China's new tea industry has developed rapidly after rapid expansion in recent years. From January to August 2021, the number of investments has reached 87, with an investment amount of 17.92 billion. AI media consulting analysts believe that the rapid development of China's new tea industry and a large amount of capital investment have the opportunity to break through the bottleneck and reach a new height in taste, technology and coverage area.

Regional distribution of new tea market: focus on developing stores in first tier cities. According to the regional distribution of new tea brand stores in forward-looking statistics, at present, the offline stores of new tea brands in China are obviously concentrated in four first tier cities in North, Shanghai, Guangzhou and Shenzhen. Take Shenzhen as an example. As of August 2019, HEYTEA had 66 stores in Shenzhen. As the income and consumption of first tier cities have advantages over other cities, new tea brands will give priority to layout in first tier cities when developing stores.

4. Consumer group analysis

The market research conducted in this paper defines consumer portraits as youth groups represented by college students and social groups represented by all employees. The survey data shows that in the whole sample, women are the main consumers of new tea drinks, and women have a clearer understanding of the categories of tea drinks. Secondly, young groups under the age of 25 can have a more comprehensive and profound experience of the development and change of new tea drinks. Based on the survey data, analyze the consumer portrait and consumer behavior.

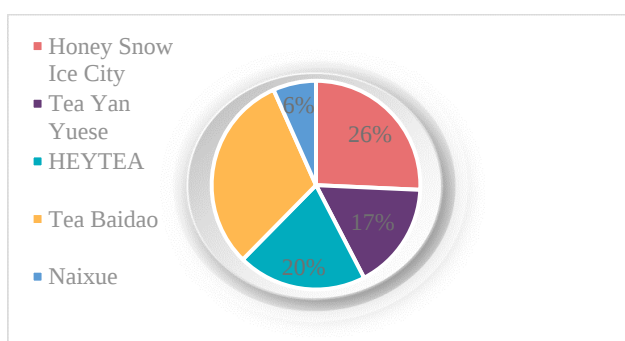


Figure 3 Brand selection (college)

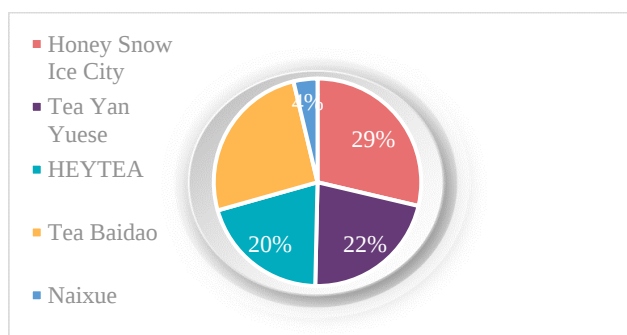


Figure 4 Brand selection (on the job)

Driving factors for the development of new tea: income growth, aesthetic pursuit, consumption change and health demand. The following is an analysis of the specific reasons.

Income growth promotes consumption upgrading. With the continuous development of China's social economy, people's living standards and quality of life have gradually improved. In the past five

years, China's residents' income and consumption have shown steady and rapid growth. Among them, those who spend more on food pursue a higher level of health of new tea drinks.

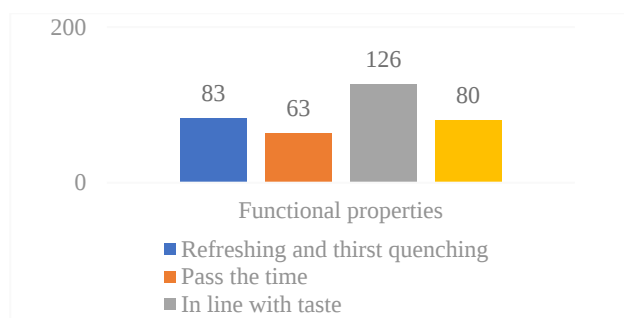


Figure 5 Function selection of new tea

The driving force of aesthetic trend is more prominent among college students. Among them, 68% of college students believe that the factor of increasing the consumption of new tea is to pursue the latest aesthetic style, and 15% are because new tea has a fresher and more attractive flavor. More detailed reasons: in the choice of new tea shops, 61% of college students prefer shops with various accessories, and 30% of college students prefer milk tea shops with regular activities. In choosing the brand of new tea, 75% of college students will choose a fixed brand. In the objective evaluation factors of the new tea, 55% of college students can not accept the poor service, and 36% of college students can not accept the long distance of the store.

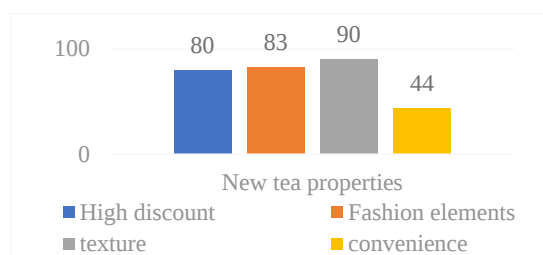


Figure 6 Characteristics and preference of new tea

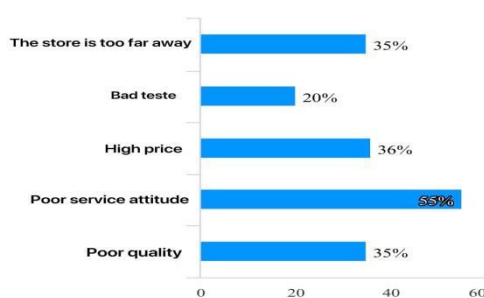


Figure 7 Restrictive factor

The consumption structure has changed and leisure consumption has increased. Compared with the consumption structure of Chinese residents from 2015 to the first half of 2019, the proportion of consumption of daily necessities such as food, tobacco, alcohol and clothing has decreased year by year, and the proportion of consumption of services such as transportation, communication and medical care has been rising, reflecting that the consumption structure of Chinese residents is changing, and leisure consumption has become an important part of people's life. As a leisure drink, new tea is deeply loved by consumers. College students pay attention to the types of new tea, accounting for 70%, and pay attention to the freshness of new tea, accounting for 60%. This group of

data shows that the new main force of the new tea market has taken the characteristics of dietary quality as the standard to weigh a dietary choice, and this trend will become more and more obvious among college students. The values of young groups began to consider the appeal of health indicators earlier. According to the market survey data, in the social group, 62% of people pursue the health quality of food and drinks, and 27% pursue drinks with compound value. As a leisure consumption drink with healthy quality of raw materials, the driving factor of the development of new tea drink is inseparable from the rise of disposable income of Chinese residents. The driving factor of its development is inseparable from the rise of disposable income of Chinese residents, the upgrading of residents' consumption, paying more attention to experiential consumption and people's increasing attention to physical health. As a new type of tea, which is upgrading in consumption, it pays more attention to experiential consumption and people pay more and more attention to health.

The positioning of the new tea is in line with the demands of health. According to the survey data of the National Health insight report, Chinese residents believe that the most important thing in life is physical health, followed by happy family and mental health. Among the most concerned health knowledge, diet and nutrition knowledge is also the most important among the

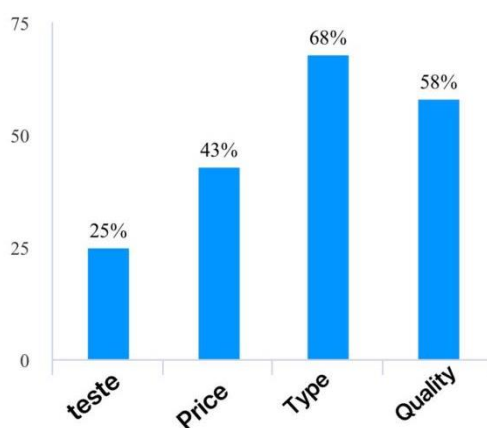


Figure 8 Important factors

Respondents. The new tea drinks focus on healthy ingredients and high quality, which is in line with the great demands of Chinese residents for health. According to the market survey data, in the social group, 62% of people pursue the health quality of food and drinks, and 27% pursue drinks with compound value. As a leisure consumption drink with healthy quality of raw materials, the driving factor of the development of new tea drink is inseparable from the rise of disposable income of Chinese residents. The driving factor of its development is inseparable from the rise of disposable income of Chinese residents, the upgrading of residents' consumption, paying more attention to experiential consumption and people's increasing attention to physical health. As a new type of tea, which is upgrading in consumption, it pays more attention to experiential consumption and people pay more and more attention to health

5. Competition in the new tea industry

This paper will take "HEYTEA" and "Honey Snow Ice City", two brand stores with different tracks but distinctive characteristics, to analyze the industry competition based on the results of the questionnaire data.

Among college students, 70% spend 1000-2000 yuan a month on diet. 42% chose HEYTEA and 58% chose Honey Snow Ice City. 60% of people buy new tea 1-3 times a week. 70% think the ideal price of new tea is 10-20 yuan, and 15% think the ideal price of new tea is higher than 20 yuan. Among the social groups that have worked, 50.5% have a monthly income of 5000-8000, 23% have a monthly income of 8000-10000, 39% choose HEYTEA and 61% choose Honey Snow Ice City. 58% of people

often drink new tea, and 30% drink new tea at least several times a month. 48% think the ideal price of new tea is 10-20 yuan, and 25% think the ideal price of new tea is higher than 20 yuan

5.1 Honey Snow Ice City

Honey Snow Ice City focuses on small profits and quick turnover. Its products include 3 yuan ice cream, 4 yuan lemonade and 7 yuan shaoxiancao. In this era when the per capita milk tea is close to 15 yuan, it can be said to be very independent, and therefore has many loyal customers. Because of the low price, the franchise stores of Honey Snow Ice City can penetrate into counties and towns. More than 10000 stores of Honey Snow Ice City cover 344 cities. These more than 300 cities are basically third and fourth tier cities. It is almost difficult to see the shadow of Honey Snow Ice City in the first and second tier cities. In downtown Shanghai, the number of stores in Honey Snow Ice City is zero, and only a few are scattered in the suburbs of Shanghai; In Nanning, Guangxi, a total of 25 stores are concentrated in the urban pedestrian street and commercial street. Next, there are county-level cities. There are 2860 county-level administrative regions in China, which means that there will basically be 2-3 honey snow ice cities in a county. In addition to the third and fourth tier cities, the university city is also the main position of Honey Snow Ice City. Because its price naturally conforms to the consumption ability of student groups.

The scale advantage of Honey Snow Ice City comes from low price, but its raw material cost is also very low, so it also has a certain profit margin. On the one hand, the raw material cost of ice cream and milk tea is not high. Honey Snow Ice City has in-depth cooperation with tea farmers and can use the stable purchase volume as the bargaining chip to get a low price. On the other hand, Honey Snow Ice City has its own factory and warehouse logistics. In addition to the general warehouse in Henan, it also has sub warehouses in northwest, southwest, northeast and South China, and there are no dealers and agents. Raw materials can be directly transported to franchise stores, which greatly reduces the cost of the supply chain.

Like Starbucks, Honey Snow Ice City adopts the strategy of opening stores intensively. The distance between stores is short, which can also reduce operating costs. Moreover, its products are not updated as frequently as HEYTEA. HEYTEA is updated almost every month, while Honey Snow Ice City lasts quarterly or half a year. The types and materials of SKU are relatively simple, and the ingredients of fresh fruit are less, mainly regular milk tea partners such as pearl and coconut, which can be handled by up to three clerks in each store.

5.2 HEYTEA

HEYTEA originated in an alley called riverside Lane in Jiangmen, Guangdong Province in 2012. It opened a new era of tea drinking with a cup of original cheese tea, which has been popular so far. Unlike Honey Snow Ice City, HEYTEA focuses on the high-end route, and the average price of drinks reaches 25 yuan. High pricing is its brand attribute and strategy. It uses price to screen the crowd and the most powerful young users of petty bourgeoisie, which is also the crowd most favored by the capital behind HEYTEA. HEYTEA manages young users by products and creativity.

HEYTEA has taken a completely different business line. HEYTEA focuses its stores near the core business districts or office buildings in the first and second tier cities, and the main customer groups are young people pursuing high-quality life; The unit price of the product is relatively high, generally about 30 yuan; The main cheese milk covered tea adopts fresh fruit and milk, and has its own tea garden; The storefront is generally large, with card seats and paying attention to social attributes; Store design emphasizes uniqueness, while maintaining Zen and minimalist style; It adopts the self operated mode and has not been opened to join in. So far, there are less than 800 stores. Different business strategies have different market advantages. HEYTEA divides its products into "marketing type" and "product type". The former meets the social needs of the public, and the latter is conducive to the promotion of tea culture. HEYTEA use of raw materials enhances the trust and favor of consumers. The artistic design of stores and the digital operation of online and offline have improved

HEYTEA sense of experience in products, vision, space, social networking and services, and its sense of brand identity has also been improved.

For most consumers, such pricing means enjoyment, and the decoration, product packaging, materials and tastes of HEYTEA stores are worthy of consumers' enjoyment. It is expected that the fashion, quality and consumer taste behind are matched with the price and cost paid by consumers.

5.3 Facing the challenge

HEYTEA and Honey Snow Ice City represent super brand and super volume respectively. The super brand continues to establish brand influence, and the super body team is running wildly in the sinking market. However, different models also leave a certain blank market. Different business strategies have their own limitations and deficiencies. Honey Snow Ice City attaches importance to product cost performance, and its brand tone and social attributes of consumers are low. No constructive achievements have been made on the road to first tier cities. In the sinking market, Honey Snow Ice City is also squeezed by many brands, and the competition for tea in the sinking market has become increasingly fierce. In addition, breaking through 10000 stores will test the management and control ability of enterprises and the maintenance ability of brand image. Mistakes in a link and negative news in a store may trigger the butterfly effect and bring a devastating blow to the whole brand. At the beginning of 2020, Nie Yunchen, founder of HEYTEA, said that the total number of stores in the year would exceed 800. However, according to the store information disclosed on HEYTEA official website, as of April 22, there were 785 HEYTEA stores at home and abroad, which did not meet the expectation. HEYTEA high-end route and self operated mode also put it on the "burden" of high cost. The slow growth in the number of stores and high operating costs have become an important obstacle to the development of HEYTEA.

In order to solve the problems, Honey Snow Ice City and HEYTEA also made some attempts. In 2018, HEYTEA launched "HEYTEAGO" stores and applets. HEYTEAGO stores are usually opened near the office area. The stores are not too large. They only support ordering with HEYTEAGO applet, which is to take and go. This greatly reduces the operation cost of the store and improves the digital operation ability; In 2020, HEYTEA company registered the brand of MINI HEYTEA. The price of MINI HEYTEA products is about 15 yuan, and the categories are cow milk tea, Xueding tea, fruit tea, etc. It is not difficult to see that HEYTEA has begun to test the sinking market. According to the official Wechat news of MINI HEYTEA, 20 stores have been opened. MINI HEYTEA still follows the business model of only self operation and no franchise.

In order to control product quality and maintain brand image, Honey Snow Ice City also has strict management on franchise stores. For example, the market manager is set up in sections to conduct random inspection of stores from time to time, strictly control the design of stores, conduct unified marketing and operation, and prohibit foreign materials.

In order to enhance the brand image, in 2009, Honey Snow Ice City opened a "high-end store" in Zhengzhou, but two years later, the "high-end store" closed; In 2017, Honey Snow Ice City also launched the coffee brand "lucky coffee", but the market response was flat; The high-end brand "m +" launched in 2018 did not stir up too much splashes in the market.

According to the new tea white paper, the market scale of new tea in 2019 has exceeded 400 billion yuan. Honey Snow Ice City and HEYTEA have achieved the first place in different tracks of new tea drinks respectively, but they also have their own limitations and market gaps. HEYTEA and Honey Snow Ice City are making their own attempts and efforts to make sustained efforts in the 400 billion tea market and maintain high reputation and high quality. It will take time to test who will dominate the market in the future. Chinese people pay attention to balance, HEYTEA can't sink, and Honey Snow Ice City can't go up. Even so, they abide by their duty, find the optimal solution between quality and price in their own field, and complete the balance between positioning and quality.

The future development trend of new tea is: the second and third tier cities have huge development space in the future, the competition of low-end brands is fierce, and the position of head players is firm. Specifically put forward the following strategies.

Conclusion

Based on the questionnaire market survey, this paper finds that in the new era, the increase of economic income promotes consumers to pursue more quality and more valuable raw materials. College students in the new era are more in pursuit of products with fashionable elements and choose influential brands that are more inclined to express their personality. Under such driving factors, the use and freshness of raw materials have higher requirements for store decoration and product packaging. This paper puts forward some strategic suggestions for brands with high price and high influence and brands with low price and high sales volume in the future: Control of raw materials and digital management of supply chain. Enhance the importance of stores and develop new possibilities intelligently. Product diversification, category integration and rich SKU.

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