

Analysis and Suggestions of Luckin Coffee's Promotion Strategy from the Perspective of Communication

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Abstract. Luckin Coffee adheres to the concept of "pursuit of quality and convenience", conforms to the fast-paced life concept of contemporary society, and is committed to creating a quality coffee belonging to China. It will add impetus to the establishment of Luckin Coffee's brand image and the improvement of its popularity. However, in the process of publicity, Luckin Coffee also exposed various problems in the establishment of its public relations image. On the one hand, Luckin Coffee ignores the effectiveness of information processing in the communication process, which damages the public relations image to a certain extent, and on the other hand, the brand added value of Luckin Coffee is low, which is also a key factor that makes Luckin Coffee a low-grade brand. In this regard, Luckin Coffee should pay attention to the effectiveness of information processing in market image promotion and increase the added value of products by tapping the cultural process of its industrial development, so that Luckin Coffee can improve its brand position and get more long-term development. This paper mainly adopts literature analysis, and through the analysis of Luckin Coffee's product publicity strategy, it can be concluded that Luckin Coffee has skillfully used the characteristics of communication in brand promotion. However, the lack of handling of public relations image and the grasp of information effectiveness is a problem to be solved in Luckin Coffee's sustainable development agenda in the future.

Keywords: Brand communication; brand image; customer.

1. Introduction

Founded in 2017, Luckin Coffee opened its first store in Beijing, and in 2022, the number of Luckin Coffee stores nationwide exceeded 7,000, and it was selected into Hurun Report's "2022 Mid-Year Global Unicorn List". According to the data from the company's official website in the public financial report in 2022, 77% of the business revenue comes from product sales, and the remaining 23% comes from franchise business. At the same time, most of the product revenue distribution comes from ready-made beverages, accounting for 89% of the total product revenue, and non-ready-made beverages account for only 6%. Credit Suisse Coffee's upstream production stage is to produce in Yunnan and Brazil, and in the midstream stage, it has set up its roasting base for trading and processing, and pushes the products to offline stores downstream for coffee retail [1].

In terms of product innovation, Luckin Coffee launched its main creation "Raw Coconut Latte" on April 12, 2021, and created a new product called "Sauce Flavor Latte" on September 4, 2023, which aroused popularity and love of all media, and soon launched the mascarpone cheese latte on October 9 of the same year. At the same time, in terms of the derivation of the industrial chain, Luckin Coffee has also launched cheesecakes, soft European buns, Rena ice and some other light desserts in its stores. In terms of product processing, the production process is also automated, and for the store franchise, Luckin Coffee also focuses on the concept of "0 franchise fee", adopts a step-by-step profit-sharing franchise model, and obtains income from raw materials and equipment. In this regard, Luckin Coffee has won a place in the Chinese market and has become a well-known brand among young and middle-aged people. This paper mainly adopts the literature analysis method, analyzes the advantages of Luckin Coffee's brand promotion strategy in publicity, and then analyzes the problems existing in the process of brand image with some actual cases, so as to put forward relevant suggestions for the publicity problems of the brand [2].

2. Advantages of Luckin's Branding Strategy

The reason why Luckin Coffee has been able to gain a large number of consumers is inseparable from its effective brand culture design, advertising endorsement, and marketing strategy.

2.1. Use Unique "Symbols" to Achieve Social Connection

In communication science, "symbol" is a symbol used to refer to or represent other things, it is the external form of information meaning and the carrier of materialization, and it is an indispensable basic element in the expression and dissemination of things [3]. Luckin Coffee's logo design and slogan promotion are effective use of the characteristics of "symbol" communication, so that the brand of Luckin Coffee occupies its own brand image and market space in the Chinese market.

In the design of the brand symbol, the shape design of Luckin's logo is an elk. In traditional Chinese culture, the elk symbolizes auspiciousness and good luck and also represents longevity. At the same time, "Rui" represents auspiciousness in traditional Chinese culture, and "Luckin" represents luck, which echoes the vision of a beautiful and happy life that Chinese yearn for joy and joy, and the English name "Luckin" is pronounced the same as the English "luck". The setting of such a brand symbol enables the brand to skillfully integrate traditional Chinese culture into it so that it can stand out in the Chinese market the appeal of the brand slogan, Luckin Coffee has made the slogans, such as "making coffee without caffeine", "making coffee belonging to Chinese" and "making good coffee that everyone drinks and drinks", whether it is an echo of the current healthy life or obedience to the current Chinese people's feelings of home and country and consumption concepts, Luckin Coffee has won a place for itself in the Chinese market that distinguishes it from other coffees. Although "drinking coffee" is a way of life that has been passed down from the West, Luckin uses the "logo" with Chinese cultural elements and a "slogan" that conforms to the needs of the social market so that the brand has its own market "symbol", and then communicates emotionally with the corresponding social groups through the "symbol", and then produces social emotional resonance. At the same time, Luckin Coffee establishes the values of social groups in the Chinese market, informs the Chinese people's belief in the inheritance and development of long-standing and profound traditional culture and customs, and strives to express their own identity, obtain identity and achieve social connection in the Chinese market.

2.2. Use the "Star Effect" to Build a Unique Community

When comes to "star effect", it refers to the use of the star's greater social influence and popularity in marketing, through mass communication, to enhance the brand effect in the market, lead the social pop culture and consumption trends, and form the brand's unique social group through the star characteristics in the market [4]. At the same time, the "star effect" can bring a lot of potential benefits to the brand. Inviting celebrity endorsements can establish an invisible relationship with customers, thereby psychologically weakening customers' strangeness to a new product, and then making customers' consumption behavior change from passive consumption to active consumption. And the personality of the star can empower the brand and strengthen the image of the brand connotation.

In terms of brand endorsement, on the one hand, Luckin Coffee invited celebrities to endorse. Among them, there is a topic about "a celebrity endorsement of Luckin Coffee", which has been discussed by as many as 295,000 on Weibo, and on December 11, 2023, NetEase News also reported on the related topic of "Official Announcement of Yi Yang Qianxi and Baked Coconut Latte". According to Luckin's official data, the sales volume of Yi Yang Qianxi's endorsement of Luckin Coffee exceeded 10.04 million cups in the first week. Furthermore, some female customers sent relevant entries to indicate that Yi Yang Qianxi is her winter boyfriend. It can be seen from the pictures and entries on various media platforms that the audience has a high degree of recognition for the combination of Yi Yang Qianxi and toasted coconut latte. Both Liu Haoran and Yi Yang Qianxi belong to the top stars of the traffic type, and they both have the characteristics of modesty, motivation and plasticity. Luckin Coffee uses the traffic of top stream stars to match the existing advertising

strategy, so as to serve users of different circles. And through the star endorsement matrix guide the audience from the pursuit of spiritual quality to the recognition of Luckin Coffee's quality. Through this strategy, Luckin Coffee can form its "Fans circle culture" and "social group" [5]. On the other hand, Luckin Coffee also focuses on using media to create its phenomenal IP. On September 7, 2023, a netizen posted a video on the Douyin platform, which showed an elk running into the local Luckin store, causing exclamations from the clerk. The video went viral on the Internet, with 930,000 likes, and netizens in the comment area said: "The chairman of Luckin Coffee personally inspected the work" At the same time, "Lucky Coffee" has also become synonymous with Luckin Coffee, making Luckin use the media to make a free promotion for its IP image, and it has also become spiritual sustenance for the audience who wants to welcome good luck this year, forming a unique audience group of the brand

2.3. Use "Interpersonal Communication" to Achieve Social Fission

In communication, interpersonal communication refers to the exchange of information between individuals, and it is also a new information dissemination system composed of two individual systems connected. Word of mouth can maximize the spread of information at an astonishing rate [6].

Luckin acquires customers with low-cost social networking, mainly through WeChat Moments and Luckin Coffee APP to achieve "social fission" [7]. In order to more effectively stimulate customers to buy coffee, Luckin Coffee launched new users to enjoy the first cup for free, through this marketing strategy to enjoy the first wave of consumers. In order to achieve social fission more quickly and effectively, Luckin Coffee proposes a "plus subsidy" preferential and low-price strategy. then Luckin allows a wave of users to share with the next wave of users in the case of a good experience and invites friends to get a cup of coffee with "please have a cup of coffee" to maintain old customers with low-price preferential policies. At the same time, old customers can also bring new customers. From the mouth of customers who have used this software, the welfare and praise of Luckin Coffee spread from one hundred to one thousand, word of mouth, and quickly spread across the whole media screen, thus bringing a lot of traffic, realizing the social fission of the media platform, and thus enhancing the communication effectiveness of the brand.

2.4. Through "Cross-border Marketing" Enhance Effect of Public Communication

"Cross-border marketing" can be seen as a union between brands. In order to gain a firm foothold in the market and expand market share, some businesses will co-brand with some powerful brands to develop new products or specify specific marketing strategies to attract consumers' attention and purchase intentions [8]. Different brands can face market challenges together and present their brand philosophy and brand values to the public, thereby increasing the brand's exposure and popularity, and enhancing the communication effect of the public image [9].

On September 4, 2023, Luckin Coffee co-branded with China Moutai to create a unique taste of "Sauce Latte". This not only makes the alliance between Luckin and Moutai, but also breaks the boundary between wine and coffee, and realizes the collision of two different cultures. Although coffee and wine have a long history and deep cultural heritage, they have different positioning and audiences in the Chinese market. In the eyes of most people, coffee is considered a symbol of modernity and youthfulness, while liquor has a traditional and strong cultural identity, and through this collaboration, it has achieved a new consumption experience based on breaking the boundaries and barriers between the two. At that time, in the second half of 2023, Luckin will follow the craze of Warner Bros. in the United States to celebrate the 80th anniversary of the classic cartoon "Cat and Mouse", and co-branded with the company to launch the mascarpone cheese latte with the line "Who stole my cheese" as the advertising slogan. According to relevant data, on October 9, the topic of "Is Luckin Coffee and Cat and Mouse Co-branded" more than 800 million readers, and became the second hot topic on Weibo that day. From the co-branding of Luckin Coffee and Moutai in the first half of 2023 to the co-branding with the popular "Cat and Mouse" in the second half of 2024, Luckin Coffee has chosen co-branded objects with high popularity, strong topicality, wide influence and high

recognition. This co-branded object not only brought the traffic benefits of the all-media platform to Luckin Coffee, but also took the ride of the wide market recognition of these two brands, bringing positive emotions and recognition to consumers, and adding a catalyst to build a good image and public relations for themselves.

3. Problems in the Establishment of the Brand Image of Luckin Coffee

Although Luckin Coffee occupies a certain position in the Chinese market, in the market, the audience's recognition of Luckin Coffee still stays at the fact that coffee is a fast-moving consumer product, and there is still a certain gap with high-quality coffee drinks.

3.1. Ignoring the Timeliness of Crisis Public Relations Handling

It is undeniable that Luckin Coffee has put a lot of effort into the establishment of its brand image, but there are still some problems in the handling of crisis public relations, which has led to some resistance to the establishment of Luckin Coffee's brand image [10].

On April 2, 2020, Luckin Coffee blew up 2.2 billion financial fraud, and its stock price fell by more than 80%. The incident caused an uproar online, and two months ago, Muddy Waters, a well-known short-seller, released a report saying that Luckin Coffee had falsified financial and operational data. Regarding the fermentation of public opinion, Luckin Coffee denied it and did not make a positive response. But then Luckin Coffee said it felt remorseful for the financial fraud. This greatly damaged the image of Luckin Coffee in terms of credibility and sincerity, and the corporate public relations department did not deal with the crisis public relations in a timely manner, control the timeliness of the crisis public relations processing, and in the establishment of brand reputation, this behavior undoubtedly made the efforts made by Luckin Coffee to build the brand image before come to naught.

3.2. Lack of Interactivity of Communication Behavior

Interactive communication refers to the fact that enterprises make full use of consumers' opinions and suggestions and use them for product planning and design, and serve the market positioning and planning of enterprises. The essence of interactive communication is to fully consider the actual needs of consumers, and implement the needs of consumers to make the products more practical [11].

In terms of advertising, Luckin Coffee mainly uses brand spokesperson publicity, lacking personalization and emphasizing its characteristics. There is a lack of interaction between enterprises and consumers. most of the advertising communication of Luckin Coffee is in the form of WeChat platform and building video advertising, but in this way, the dissemination of information has only formed a one-way communication of the communicator, and for the receiver of the information, the communicator has no platform to provide feedback, which resulting in the lack of two-way information dissemination. Consumers lack participation, there is no effective communication with enterprises, and enterprises are not able to make effective improvements to the wishes of consumers.

3.3. Lack of Effective Cultural Communication of Enterprises

The so-called brand added value refers to the intangible value of the brand in the tangible value of the product through various ways, and the intangible value and tangible value exist simultaneously. In this process, a certain cultural dissemination of the product can play a good role in promoting the establishment of the product image [12].

Luckin Coffee is mainly based on the slogan and slogan of cheap and affordable. Most people think of Luckin Coffee as a fast-selling brand. According to the data questionnaire, if the price of Luckin Coffee is increased by 30%, only 11% of people are still willing to buy this product, and 89% of people are reluctant to buy. It can be concluded that Luckin Coffee's popularity may come from its low price, and in business activities, office workers rarely choose Luckin physical stores for face-to-face negotiations when their leaders go to appointments, and in this case, they generally choose a

physical store similar to Starbucks for appointments. Therefore, the design of Luckin Coffee in the store is insufficient, and it is very different from the petty bourgeois sentiment that the brand wants to establish in terms of store design and service scene experience. At the same time, there is still a certain gap between coffee and big-name drinks in terms of taste, and the degree of difference from other coffees is small, and the social quality recognition is low.

4. Strategies for Building the Brand Image of Luckin Coffee

In order for the brand to develop more sustainably, it is essential to have a benign communication interaction, build a good public relations image, and promote the corporate culture.

4.1. Make Good Use of the Timeliness of Information Processing

The establishment of a good public image is a key factor for the sustainable development of a brand and an enterprise. In the face of a public relations crisis, the effective handling of information and the timeliness of avoiding missing information are also the key to whether a brand can gain a long-term foothold in the market [13].

For the handling of public relations, Luckin Coffee should effectively deal with bad information about itself. For the initial outbreak stage of the problem, Luckin Coffee should have relevant departments to respond in a timely manner, maintain good communication with consumers, provide good solutions, and prescribe the right medicine. In this process, it is necessary to ensure transparency with various media, and regularly update the progress and solutions of problems, so that consumers can see the corresponding sincerity. After that, it is necessary to reflect on each public relations crisis, form a mature public relations response system, strengthen internal management and external supervision, and pay attention to the effectiveness of information processing

4.2. Build an Interactive Platform between Products and Customers

Communication has the characteristics of two-way and interactive, and the use of the two-way characteristics of communication can make the information be effectively transmitted, in this regard, the effective improvement of products and the effective information feedback of customers have a non-negligible role [14].

In this regard, enterprises can set up customer feedback information columns and customer experience feedback boxes on major Luckin APP platforms and physical stores, and set up benefits with discounts for feedback on customer's experience, so as to improve the participation of buyers' feedback information. In this way, through the feedback of information, Luckin can improve its products according to market demand, and then realize the effective interaction of information dissemination, avoid one-way transmission of information, and do not get effective information feedback.

4.3. Excavate the Cultural Heritage of the Enterprise

In today's competitive business environment, in order for the brand to gain a place in the market, in addition to improving the quality of its products and services, the value and influence of the brand are also crucial.

Luckin Coffee should find its uniqueness, achieve its market positioning, and ensure that the brand image is consistent with the positioning. Luckin can start with promoting brand image and focusing on the design of physical stores. Additionally, Luckin Coffee should realize the jump from a fast-moving consumer goods brand and a low-cost image to a certain high-quality image. Furthermore, Luckin Coffee should continuously improve the quality of products and its services, expanding its influence, and letting the design of physical stores gradually move closer to the petty bourgeois and elegant brand image set by itself.

5. Conclusion

Luckin Coffee's control and publicity of the brand have enabled Luckin Coffee to gain a wave of market benefits, and also won an effective position for the brand in the market. It effectively uses its unique logo and slogan to create unique symbols for itself, caters to the feelings of home and country and market demand in the current Chinese market, and effectively communicates the characteristics of interpersonal communication to achieve social fission, thereby improving the popularity of Luckin Coffee. At the same time, Luckin Coffee also effectively uses the star effect and "cross-border marketing" strategy to achieve community aggregation and optimize the brand's public image. However, Luckin Coffee's crisis public relations and product positioning for the enterprise still need to be improved, whether it is for the effectiveness of information processing, the interactivity of communication behavior and the improvement of product added value, Luckin Coffee has not been effectively used, which has weakened the image of Luckin Coffee in the market to a certain extent. Therefore, Luckin should make effective use of benign communication and explore the uniqueness of Luckin products. Only by increasing the added value of the product can the product be sustainable in the market. Although Luckin Coffee occupies a part of the coffee market, it does not coincide with its positioning, and is still a low-grade product in the product stall, so Luckin should re-excavate its characteristics, explore its cultural heritage, enhance the benign interaction between the brand and customers, realize the two-way dissemination of information, and create greater brand benefits for it. The study has a certain degree of credibility and feasibility of putting it into the actual market operation of Luckin Coffee through relevant data questionnaires and research on the brand's official website to study the publicity and effect. However, due to the timing of the study, some of the deeper long-term development strategies and market communication problems of Luckin Coffee still need to be explored. In future research, more attention will be paid to exploring the long-term development strategy of Luckin Coffee, using deeper theories to explore deeper problems of Luckin Coffee, and combining it with the future development trend of the market.

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