

# From User Segmentation to Brand Loyalty: HEYTEA's Path to Building Close Ties with Consumers

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**Abstract.** Amid intensifying competition in the new tea beverage industry and the evolving health- and culture-related demands of consumers, establishing differentiated market positioning and sustaining customer loyalty constitutes a core challenge for major players in the sector. Using HEYTEA as a case study, this research focuses on user segmentation strategies and pathways to brand loyalty development, examining how the brand leverages health-oriented concepts, Eastern aesthetics, IP collaborations, and digital operations to address the functional and emotional needs of diverse user segments, thereby fostering a stronger sense of brand belonging and loyalty. Using HEYTEA as a case study, this research focuses on user segmentation strategies and pathways to brand loyalty development, examining how the brand leverages health-oriented concepts, Eastern aesthetics, IP collaborations, and digital operations to address the functional and emotional needs of diverse user segments, thereby fostering a stronger sense of brand belonging and loyalty. The conclusion of this paper can provide reference suggestions for brand positioning, user operation and long-term strategy of new tea industry.

**Keywords:** User segmentation, brand loyalty, new tea beverages, IP collaboration, brand co-creation.

## 1. Introduction

In recent years, China's new tea beverage market has experienced rapid growth driven by changing consumer preferences, aesthetic consumption trends, and digital innovation. HEYTEA has stood out in this transformation, successfully attracting young consumers in the saturated new tea beverage market with its healthy ingredients and recipes, visually appealing product design, and comprehensive online and offline services. The popularity of new-style tea beverages not only satisfies taste and functional needs but also reflects consumers' new aspirations in terms of identity, purchasing pleasure, and social interaction [1].

Existing research has pointed out that market segmentation is the core of effective marketing strategies. Relevant scholars believe that by segmenting the market, companies can provide targeted marketing strategies to different groups, thereby enhancing customer satisfaction and loyalty [2]. Furthermore, scholars emphasize that brand loyalty is not merely reflected in repeat purchase frequency but stems from consumers' deep recognition of brand culture [3]. Therefore, in the digital environment, brand co-creation and personalized experiences have become important mechanisms for enhancing user engagement and loyalty. This is particularly evident among the Z-generation consumer group, where brand co-creation and big data-driven personalized recommendations can foster a sense of belonging, participation, and motivation to share, thereby increasing consumers' willingness to repurchase and strengthening the connection between the brand and consumers.

This study uses the SWOT analysis model, combined with reference materials and data analysis, to examine HEYTEA's user segmentation strategy, brand loyalty establishment mechanism, and consumers' sense of identification with its co-creation brand. Through these analyses, this paper aims to provide some recommendations on future trends for the brand to help promote the development of the new tea beverage industry.

## **2. HEYTEA's User Segmentation Strategy**

### **2.1. User Segmentation Based on Consumption Characteristics**

In its user segmentation, HEYTEA focuses on combining demographic characteristics with consumption behavior characteristics, with a particular focus on age groups, consumption capacity, and diversity of usage scenarios. From the perspective of consumption characteristics, HEYTEA mainly focuses on the following typical groups of people:

First are young white-collar workers in cities, who usually purchase beverages in office settings and value product efficiency and quality. For example, HEYTEA GO stores are located near office buildings and offer quick ordering and delivery services to meet the convenience needs of customers during lunch and afternoon tea times.

Second are Generation Z students, who are more concerned with trends and social sharing and prefer to participate in brand collaborations and topic marketing. For example, HEYTEA has collaborated with FENDI and Chiikawa to attract a large number of young users to check in and post photos on Rednote and Instagram, creating a social media craze. Generation Z not only buys drinks, but also regards HEYTEA as an essential fashion item in their lives.

In addition, there is a group of high-end tea lovers who are more concerned about the quality of the tea itself, the uniqueness of the ingredients, and the cultural heritage of the brand. HEYTEA's high-priced teas, such as "Senmu Matcha" and "Golden Phoenix Tea King," are aimed at this group of people, reflecting the high quality of the ingredients and the brand's inherent sense of luxury.

Through this multi-dimensional user segmentation based on consumption characteristics, HEYTEA has achieved a strategic transformation from "single product positioning" to "diversified scenarios and audience coverage," bringing the brand stronger user stickiness and market competitiveness.

### **2.2. Segmentation Logic Based on Demand Differences**

In addition to the division of external characteristics, HEYTEA pays more attention to the differences in users' internal needs in further segmentation, mainly including functional needs and emotional needs.

In terms of functional needs, consumers are becoming increasingly health conscious. HEYTEA has always focused on health in its product design, proposing and adhering to the industry's first and most stringent "Four Real, Seven Zero" health tea drink standard, which clearly states that healthy real tea drinks must use "real tea, real milk, real fruit, and real sugar" as ingredients, and that all drinks must meet seven food safety and zero additive requirements [4]. This standard not only guarantees the naturalness and safety of the raw materials from the source, but also responds to the current consumer demand for additive-free, low-burden, healthy diets. In addition, the health-conscious brand concept allows consumers to drink HEYTEA products with confidence, breaking the stereotype that "milk tea is bad for your health."

In terms of emotional needs, HEYTEA deeply understands the expanding needs of contemporary consumers. Drinking tea is no longer just a way to quench thirst, but also a symbol of self-expression and cultural identity. HEYTEA makes extensive use of Eastern aesthetics and new Chinese aesthetic styles in its visual design and brand language. For example, product names such as "Zizhi Taotao" and "Manbei Hongyou" use ink-wash style illustrations and seal script fonts to create a "new Chinese Eastern aesthetic" brand image in the minds of users. For example, HEYTEA collaborated with the historical and cultural IP "A Dream of Splendor" to create products such as "A Dream of Splendor Tea" and "Perilla Drink." The overall design integrates Song Dynasty tea-pouring techniques, Chinese calligraphy, blue and white porcelain colors, and interactive designs such as "unfolding scrolls" from the drama, giving consumers a sense of cultural ritual and an aesthetic experience during the purchase process [5]. Research shows that this marketing strategy, which emphasizes cultural aesthetics and spiritual resonance, helps to enhance users' sense of brand belonging and emotional loyalty [6].

Through its dual insight into and response to functional and emotional needs, HEYTEA has achieved a deepening of its brand from “selling tea” to “resonance,” further solidifying its core position in the new tea beverage market.

### **3. HEYTEA's Path to Building Customer Loyalty**

#### **3.1. Product Innovation**

From a health-oriented perspective, and in response to consumers' strong demand for health-conscious consumption, HEYTEA launched the “0 Calorie Sugar” and “Light Load” series in 2024 and implemented the “Four Truths and Seven Zeros” healthy tea beverage standards across its entire product portfolio. For instance, HEYTEA collaborated with international fitness influencer Pamela Reif to introduce 11 recommended light-load drinks, providing full disclosure of their calorie and nutritional content and offering personalized options with no added sugar and fewer ingredients—features that have proven especially popular among urban white-collar workers and female consumers [7]. Empirical studies indicate that transparency and adherence to health standards can effectively enhance brand trust, thereby reinforcing long-term consumer loyalty [8].

HEYTEA also engages in seasonal limited editions and IP collaborations. Each year, the brand introduces limited offerings such as “Zizhi Strawberry” and “Juicy Grape,” featuring seasonal ingredients like strawberries and peaches, and partners with luxury brands and cultural IPs—such as FENDI—to launch cross-industry beverages and limited-edition merchandise that reinforce its trendy and socially engaging brand attributes. In the summer of 2025, HEYTEA announced a collaboration with the popular Japanese kawaii character IP CHIIKAWA, launching themed beverages and a series of related merchandise on August 6. The collaborative packaging features CHIIKAWA characters, accompanied by co-branded items such as badges, ceramic cups, and standees, which are anticipated to trigger a new wave of social media sharing [9]. This cross-industry collaboration not only integrates “healing” character imagery into the summer tea-drinking experience but also imbues HEYTEA with a distinctive kawaii cultural identity, widely appealing to younger consumers. Academic research demonstrates that limited-time products and brand collaborations can stimulate consumers' sense of scarcity and novelty, amplifying brand communication through user-generated content on social media platforms and thereby fostering repeat purchases and brand dependency [10].

Furthermore, HEYTEA has diversified its consumption scenarios through a variety of store formats. Standard stores emphasize immersive spatial design and offline social interaction; GO stores, located in office buildings and residential communities, highlight the convenience of a “pick up and go” model; and themed concept stores integrate regional culture or collaborative themes to reinforce the brand's image and experiential identity. On the digital front, HEYTEA has achieved comprehensive coverage of online ordering and delivery via the “HEYTEA GO” mini program, enabling consumers to engage with the brand in contexts demanding immediacy and convenience. Research indicates that the integration of online and offline channels, coupled with a multi-touchpoint layout, can strengthen consumer-brand relationships, thereby increasing purchase frequency and customer lifetime value [11].

Through these multi-dimensional innovations, HEYTEA has cultivated a self-reinforcing cycle of consumer trust, engagement, and repurchase, serving as a critical driver for building long-term competitive advantages and sustaining customer loyalty.

#### **3.2. Operational Strategy**

In addition to product innovation, HEYTEA also enhances user stickiness and emotional connection through a refined membership system and community operations. Academic research shows that loyalty programs and personalized communication can significantly improve user retention and repurchase rates by enhancing the emotional connection between customers and the brand and improving the consumption experience [12,13].

First, HEYTEA has built a tiered membership system based on consumption frequency and cumulative consumption amount, providing differentiated benefits for different levels of members, including points redemption, priority purchase of new products, birthday gift certificates, and exclusive event invitations. This tiered system not only gives high-value users a greater sense of exclusivity but also motivates lower-tier users to increase their consumption to upgrade their membership level, thereby increasing their purchase frequency. In addition, through data insights from the “HEYTEA GO” mini program, personalized content is pushed to different user profiles, such as customized birthday coupons and product recommendations based on historical preferences. Research shows that personalized communication can significantly improve user satisfaction and willingness to recommend, and strengthen the emotional bond between consumers and the brand.

Beyond its membership system, HEYTEA strengthens user interaction and brand emotional value through multifaceted community operations. Through channels such as the “HEYTEA GO” mini program, WeChat communities, Weibo, and Rednote, the brand maintains continuous communication with users and organizes online Q&A sessions, offline experiences, and new product tastings. Communities are not only channels for brand communication, but also key nodes for forming a sense of belonging and resonance among users. Research by relevant scholars has pointed out that users are willing to actively participate in and disseminate content in brand communities because of their needs for social interaction, entertainment experiences, and self-expression, which are fully in line with HEYTEA's brand concept of “inspiration, design, and quality” [14].

By strengthening emotional resonance, HEYTEA has established a strong connection with the lifestyles of young users, embedding its brand image in their lifestyles and promoting the formation of long-term brand loyalty.

### **3.3. Improving Brand Recognition**

Brand recognition is an important cornerstone for consumers to form emotional loyalty, as it makes consumers willing to regard the brand as part of their self-label [15]. HEYTEA strengthens user recognition and connection with the brand and evokes emotional resonance by increasing user participation in activities and community communication.

Academic research has pointed out that participating in new product creativity can enhance users' emotional investment and sense of ownership of the brand [16]. HEYTEA collects user opinions through the “HEYTEA GO” mini program and community channels, making the “hidden menu” official and allowing users to participate in feature voting and character naming. The user participation experience enhances their sense of belonging to the brand.

A brand's social responsibility behavior helps enhance consumer identification and trust. HEYTEA actively participates in the “New Tea Drink Public Welfare Fund” program, which was established in collaboration with brands such as Tea Baidao and Milk Tea City, focusing on helping farmers, supporting education, and disaster relief. By the end of 2024, the charity fund had disbursed over 20 million yuan in funding, launching multiple agricultural support projects, including supporting tea garden and orchard development, technical training, and income improvement for farmers in Fujian and Yunnan provinces [17]. This supply chain-integrated agricultural support initiative not only ensures the freshness and quality of raw materials but also reinforces the brand's social responsibility image and builds a value alignment bridge with the young demographic that prioritizes sustainable consumption.

Word-of-mouth communication can significantly increase brand awareness and loyalty [18]. HEYTEA relies on the “HEYTEA GO” points membership system to encourage users to share content and interact with the community when new products and themed activities are released. During specific themed activities (such as charity themes), the brand also sets up check-in interactions to increase participation and discussion. Through points redemption, member-exclusive coupons, birthday gift certificates, and other methods, it enhances user engagement and willingness to repurchase.

## **4. SWOT Analysis - HEYTEA Brand Strategy Evaluation**

### **4.1. Strengths**

As a pioneer in the field, the brand enjoys high visibility. HEYTEA is one of the pioneers of China's new-style tea beverage industry, taking the lead in introducing concepts such as cheese tea and fresh fruit tea, and has strong brand awareness and characteristics. The brand focuses on health-oriented innovation and took the lead in releasing the “Four Real, Seven Zero” healthy tea beverage standards, setting an industry benchmark and effectively enhancing brand trust and loyalty.

HEYTEA's visual design has distinctive Eastern aesthetic characteristics, with the brand making extensive use of Eastern elements, new Chinese visual aesthetics, and cultural collaborations, such as “Dream of the Red Chamber” and “Only Green,” to build a unique aesthetic identity. At the same time, it also adopts an integrated online and offline operating system, which, through the HEYTEA GO mini program, realizes online ordering, offline pickup, and private domain interaction integration, improving consumer convenience and retention rates.

### **4.2. Weaknesses**

First, product homogenization has intensified, with core products such as milk cap tea and fruit tea being widely imitated by other brands, resulting in lower brand recognition than before. Second, HEYTEA's pricing is relatively high and difficult to penetrate the market. HEYTEA's long-term high price point (20-30 yuan) makes it difficult to find a large customer base in third- and fourth-tier cities and “sinking markets,” facing the risk of brand hollowing out [19]. HEYTEA's product line is complex and R&D pressure is high. Today's market demands brand collaborations and rapid innovation of new products, which increases the complexity of headquarters management and the difficulty of supply chain management and store execution.

### **4.3. Opportunities**

Generation Z's “self-indulgent consumption” and cultural identity trends are popular. Young people no longer drink tea just to quench their thirst, but to seek aesthetic, cultural belonging, and social needs, which is highly compatible with HEYTEA's brand tone and brings a comfortable drinking experience to young people. Furthermore, with Chinese tea culture going global, HEYTEA, with its Eastern aesthetic and healthy lifestyle orientation, has unlimited potential in markets such as Southeast Asia, Europe, and the United States. HEYTEA's personalized membership system and consumption data memory enable accurate targeting of customer groups, increasing user repurchase and lifetime value. In the future, new technological means can be used to increase product sales.

### **4.4. Threats**

The beverage industry is currently facing fierce competition. Naixue Tea, Tea Baidao, and Guming are constantly increasing their product, store, and price competition, giving consumers more alternatives and making brand loyalty vulnerable. Secondly, food safety and public opinion risks are issues that cannot be ignored. The food and beverage industry heavily relies on public trust. If incidents such as ingredient fraud or store violations occur, they can easily be amplified on social media platforms, leading to negative word-of-mouth effects.

Furthermore, young consumers place a high value on novelty and social sharing value. If a brand's content or product updates are lackluster, it may lead to a decline in brand loyalty [20].

## 5. Conclusion

This paper uses a combination of literature review and case analysis to comprehensively explain HEYTEA's user segmentation logic and brand loyalty building path in the competitive landscape of new tea drinks. The study analyzes HEYTEA's user segmentation strategy from the two dimensions of consumption characteristics and demand differences, which are specifically manifested in its functional and emotional product demands centered on "health," "aesthetics," and "social interaction," including the "Four Truths and Seven Zeros" health standards, IP co-branding cultural expression, and scenario-based store design. Furthermore, the article discusses how HEYTEA stimulates user participation and a sense of belonging through product innovation, membership systems, community operations, and brand co-creation mechanisms, thereby forming deep brand dependence and resonance with the brand's cultural concepts.

During the research process, this article also used SWOT analysis to deeply analyze the strengths, weaknesses, opportunities, and threats of HEYTEA's current environment, pointing out the challenges it needs to address, such as product homogenization, pricing structure, and declining user novelty. In the future, it is recommended that HEYTEA, while maintaining the pace of product innovation, further strengthen user brand experience research, optimize its membership system, and refine product recommendations. Overseas, it should expand the cultural communication of Eastern aesthetics to achieve the dual drivers of "brand value export" and "market scale growth."

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