Social Media's Modernization Shift for Coffee Brand Marketing

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Abstract: This comprehensive article delves into the dynamic evolution of the Chinese coffee market, emphasizing the transformative role of social media in shaping robust marketing strategies. Against the backdrop of the digital age, the market has experienced exponential growth, propelled by the pervasive influence of social media platforms. These platforms, serving as vital channels for customer engagement, have become instrumental in defining brand dynamics within the coffee industry. Brands strategically leverage social media's power to foster enduring brand loyalty through impactful advertising initiatives and regular updates. This deliberate engagement not only influences consumer perceptions but also significantly molds their purchase intentions. The symbiotic relationship between rapidly evolving market dynamics and the strategic deployment of digital tools is explored, providing profound insights into the ever-changing landscape of the coffee industry in China. This article illuminates the nuanced interplay between social media dynamics and the perception of coffee brands, underscoring how this interconnection is reshaping the industry and propelling it into a new era. Digital engagement is portrayed as a linchpin in navigating the intricacies of consumer behavior and market forces. The strategic importance of effectively utilizing social media in this transformative landscape is evident, as brands seek to stay agile and responsive to the evolving preferences of the Chinese coffee market.

1. Introduction

In China, life has become more efficient, and this has made coffee shops a popular place for people to socialize and relax. This cultural shift has led to a remarkable growth in the number of coffee stores and contributed to a competitive and active marketplace.

In the digital age, the dominance of social media over traditional media has reshaped the competitive landscape for brands. Coffee shops need to have good online marketing. Social media platforms are channels for deep consumer engagement, and brands can cultivate consumer loyalty through regular updates on promotional discounts and relevant content. However, due to the double impact of social media on the marketing of coffee brands, there is a need for a strategic approach to reduce the potential risks associated with negative publicity.

This literature review describes the context of the study and articulates the motivation, objectives,

and inquiry questions. It highlights the main research findings and describes their significance for the field.

2. Background of the Coffee Market

2.1. Overview of China's Coffee Market

The Chinese market with coffee has experienced a significant transformation in the past few years from its traditional tea culture to an increasing coffee culture, especially for its younger population.

This shift has greatly increased coffee's audience and brought a boom in the coffee market. Shanghai shows a change by passing major cities like Tokyo and London concerning the amount of coffee houses, from 6,913 in 2021, as reported by the GMA e-commerce agency [7]. The above data reflect the possibilities for market development, highlighting increasing domestic interest in coffee, as shown in Fig 1.
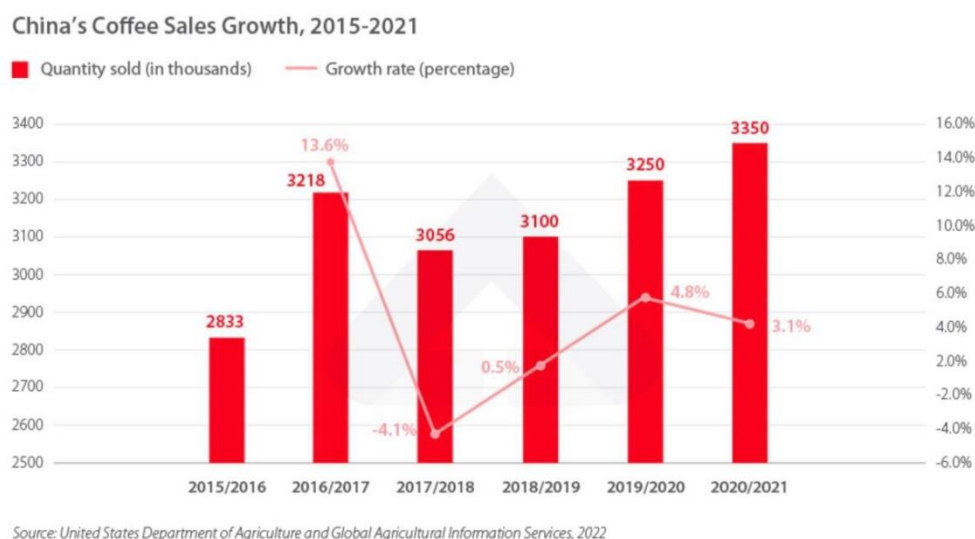

Figure 1: China's Coffee Sales Growth, 2015-2021

The coffee boom is here to stay. The market of coffee in China continues to grow significantly. In 2021 alone, it reached 31%. Statistics have shown that from 2022 to 2025, this industry will build at a CAGR (compound annual growth rate) of 9.63%. It seems likely that the market could generate $15.34 billion in sales until 2022, with a per capita consumption of 0.07 kg [7].

Surprisingly, the COVID-19 epidemic seems to have had little impact on this market development; in 2020, Chengdu recorded the daily start of a new coffee shop. During this time, there were significant improvements in the drinking of coffee at home, and this pandemic-induced restriction seemed to be beneficial for instant coffee sales. The government is also very concerned about the development of coffee and has formulated a series of regulations to protect the rights and interests of consumers. As Giulia Interesse points out, the Chinese government has taken the lead in pushing for the development by making laws meant to raise the processing and quality demands on coffee beans.

2.2. Characteristics of the Chinese Coffee Market

The growth of coffee culture in China is supported by the development of coffee-related

infrastructure, including coffee farms and improved distribution networks for coffee products.

Coffee taste preferences also change from time to time. Before international coffee chains entered China, most coffee consumption in China was instant or ready-to-drink coffee. Now, Chinese consumers prefer the convenience of ready-to-drink coffee, and fresh coffee is gaining popularity in the market. Despite the market's early emphasis on instant coffee, the rise of local coffee houses and the emergence of worldwide coffee chains have contributed to the development of an exclusive and freshly brewed coffee culture. The habit of drinking coffee at home has increased with the epidemic, significantly increasing sales of instant coffee, as shown in Fig. 2.

A shift in the market toward fresh coffee is another sign that Chinese customers' tastes are maturing [7].
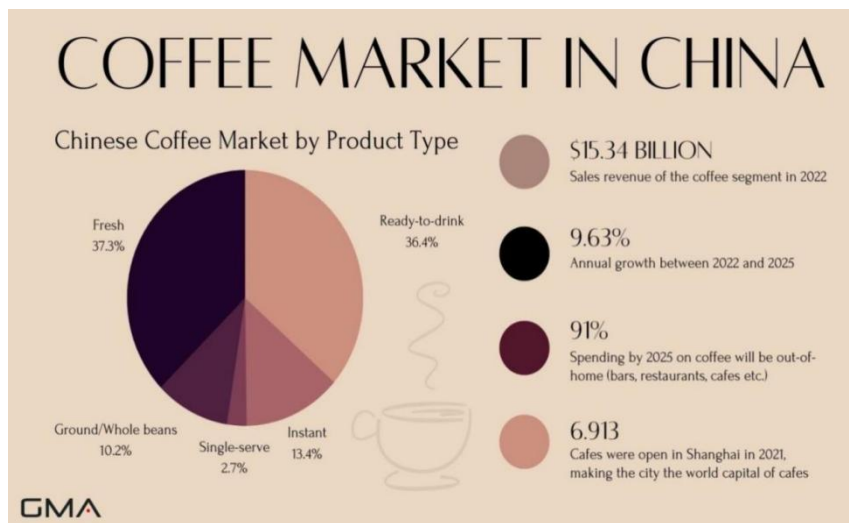

Figure 2: Coffee Market in China

3. Rise of Social Media Marketing

As traditional media's power reduces in the wake of the internet's spread, social media marketing's rise has been a defining trend in the evolution of advertising techniques. Social media platforms like Facebook and YouTube are being used increasingly often for both personal and business communications as an outcome of the expansion of the web's accessibility [10]. This shift has had a significant impact on how companies communicate with customers, creating an environment in which communication is quicker and easier to obtain. This communication environment opens up new possibilities for coffee marketing [9].

In the context of China's competitive coffee market, the relevance of adapting marketing strategies is particularly pronounced. Localizing products and marketing approaches to reflect Chinese consumers has proven to be an essential strategy [6]. The rapid growth of social media and online marketing on digital platforms has significantly influenced these strategies [8].

4. The Use of Social Media in Coffee Marketing

4.1 The Impact of Social Media on Coffee Brand Loyalty

Social media marketing offers brands more customer connection platforms than conventional strategies, allowing them to build brand loyalty while making smart use of time and money. (Jackson, 2011; Akhtar, 2011). The impact of social media on coffee brand loyalty is multifaceted and significant, as evidenced by research findings and market observations. According to İrem Eren

Erdoğmuş, "profitable social media ads are the most effective means of promoting brand loyalty in the coffee sector. These campaigns, when they offer tangible benefits and unique value propositions, can encourage consumers to develop a stronger attachment to the brand" [3].

For marketing strategies related to brand loyalty, consumers are more focused on these points: interactivity, whether the brand creates an emotional link with the customer. Content type and positioning, which means the characteristics of the brand presented on social media.

The impact of social media on customer behavior: In the case of Starbucks, it is clear that social media presents a unique opportunity for coffee brands to strengthen customer connection and build brand loyalty. Brands taking advantage of this opportunity to build brand loyalty through social media need to keep messages regularly updated and relevant [1].

The specific way to achieve this is for companies that aim to run effective social media campaigns to consider the benefits, value, and advantages they offer consumers in their campaigns, along with factors that make consumers more likely to become loyal to their brand. Consumer brand loyalty is also positively influenced by the various platforms and applications that brands provide on social media. This implies that the reasons consumers interact with brands on social media are creative, varied, and differentiated [3].

By consistently providing content that aligns with consumers' interests and lifestyles, coffee brands can ensure a good chance of being remembered by consumers, thereby keeping the brand at the forefront as one of the best consumer choices [4].

Coffee is often portrayed on social media as a luxury item linked with escapism, as described by Xu & Ng. Social media posts, including images and textual descriptions, craft an upscale image of coffee culture, utilizing poetic techniques and visual storytelling to resonate emotionally with readers and reinforce the perception of coffee as a luxury. The impact of relevance also cannot be overstated; companies are advised to stay abreast of their customers' current interests, activities, and perspectives [5]. By conducting qualitative research and observing lifestyles, brands can tailor their social media content to reflect and engage with the worldview of their customer base.

In conclusion, social media plays a major role in shaping customer loyalty to coffee brands by providing beneficial efforts, timely relevant material, and innovative applications that satisfy consumers' needs for social interaction, entertainment, and knowledge [14].

Furthermore, in the age of social media, the influence of word-of-mouth plays a crucial role in increasing loyalty. When a coffee product becomes popular among the friends of a customer, the coffee product also becomes a preferred choice for the customer. A customer, after all, develops a favorable impression of it because people are always willing to trust the taste of their friends. It makes use of the power of social recognition and the influence of peers to further increase brand loyalty [11].

Customers' brand loyalty can be improved by the content's popularity among friends. Word-of-mouth advertising has a significant impact, even in the context of the Internet. Consequently, businesses can offer incentives to social media users in exchange for their fellow users helping their friends realize their operation, efforts, and content on social media. Additionally, they can identify opinion leaders within their target markets and specifically select them to advance their campaigns and encourage social media engagement for their businesses [13].

4.2 The Effect of Social Media on Coffee Consumers' Purchase Intention

The rise of e-commerce in China has brought about the need for marketing strategies to adapt and evolve across different brands. In this changing situation, the use of social software for advertising has emerged as a highly effective method, with online marketing often playing a significant role in influencing consumer choices [2]. The evolution of the internet has transformed

the interaction between brands and consumers, with the increasing rise of social media and online marketing methods shaping consumer preferences to a great extent [10]. As a result, brands are now focusing on making these platforms engage with their target audience and establish a strong online presence, ultimately driving consumer interest and loyalty.

Social media has a positive impact on coffee consumers' purchase intentions. Social media provides a platform for coffee consumers to share and discover information, recommendations, and tips about coffee. The way digital consumers distinguish themselves socially by demonstrating an appreciation for coffee rather than simply consuming it for physiological benefits is an act of cosmopolitan taste. These findings reveal the cultural categorization behind this through engagement with China's digital millennial consumers [14].

Social networking may negatively influence coffee buyers' plans to purchase. Certain coffee brands or products may also come under doubt due to unfavourable remarks and conflicts on social media. Caffeine is the world's most popular drug, and a legal one at that, making coffee one of the most consumed drinks and internationally traded commodities in the world. But things haven't always worked that way [15]. The passing of laws and the rise in the popularity of coffee have been a complex process. Coffee's social standing has been influenced by its double perceptions as beneficial and harmful, in addition to its medicinal properties. This is a major threat to coffee consumption, and coffee marketing needs to minimize public awareness of this fact and avoid the consequences as much as possible [12].

5. Conclusions

In conclusion, this article extensively explores the rise of the Chinese coffee market, emphasizing the paramount role of social media in crafting marketing strategies. With the advent of the digital age, the market has witnessed rapid development, and the widespread influence of social media platforms has presented crucial opportunities for brand shaping. Brands, through adept utilization of impactful advertising and regular updates on social media, have cultivated robust brand loyalty, exerting profound influence on consumer purchase decisions. The article underscores the reciprocal impact between market dynamics and digital strategies, providing profound insights into the continual evolution of the coffee industry.

In essence, social media in the digital era has become a key factor in shaping brand image and steering market trends. The success of brands lies in their ability to harness this trend, continually adapting and closely attending to consumer demands. In the upcoming wave of digitization, brands that actively leverage social media are more likely to stand out in the competitive landscape of the Chinese coffee market.

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