

Analysis of HEYTEA's financing strategies and the determinants of its successful business

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Keywords: HEYTEA, Financing, New Tea Beverage Industry, Business Model, COVID-19

Abstract: HEYTEA is on the list of the top ten financing decisions in 2021. It is not difficult to see that, although it is still affected by the epidemic, the development during the year is still profitable for HEYTEA. This paper focuses on the analysis of HEYTEA's financing strategies, merger, and acquisition strategies, and discusses the determinants of HEYTEA's successful business from the aspect of the market advantages and disadvantages. This paper also considers the impacts of epidemic to predict the strategic direction of HEYTEA in the following years.

1. Introduction

Nowadays, a cup of milk tea on the streets of China has become a normal social phenomenon. Behind the stalk of "autumn's first cup of milk tea" is the booming "spring" of the milk tea business. As a modern branch of tea culture, tea-drinking products have gradually gained a place in the consumer goods market. There are more and more types of tea products and related stores in the market. Therefore, new tea products have become the main trend of mass consumption [1]. In recent years, many new domestic brands of new tea beverages have emerged, and it is noticeable that the consumers of new tea drinks are mainly young people. From HEYTEA, NAYUKI's tea, to Michelle Ice City, these well-known brands seem to tell us that as long as you open a milk tea shop, you can win. But is it as simple as it seems to be?

It is successful financing that could have a positive impact on the development of the new tea beverage industry, and in special cases such as COVID-19, financing plays a decisive role in ensuring the successful survival of the company. As an iconic symbol of the tea beverage retail industry, HEYTEA is loved by many consumers for its distinctive features [2]. HEYTEA has been successful in its financing from 2012 till today. From the perspective of capital injection, beverages, and other aspects, these values and brand establishment on the Internet are more prominent in the company's new consumption strategy, which is favored by consumers. Big investors also have a strong interest in collective "drinking tea", resulting in HEYTEA's successful funding.

Due to the fierce competition in the milk tea market, brands are constantly emerging. Competition in the new tea beverage industry has intensified in recent years. For example, the leading brands of new tea drinks, HEYTEA and Nai Xue's tea, announced price cuts one after another [3]. What is more, under the negative influence of the epidemic in 2020, the situation of many milk tea shops is not optimistic because of many factors. Although some HEYTEA stores were forced to close, the single-store sales in 2021 will reach a new high.

HEYTEA completed a huge financing in 2021 and was rated as one of the top ten financing cases in 2021. Although financing is one of the most important factors in the success of HEYTEA, it is not the only factor. Behind HEYTEA's successful financing from 2012, there are lots of other determinants of its success, such as its business model, which help HEYTEA to gain a competitive advantage over its competitors and become the leading company in the new tea beverage industry.

2. Financing Analysis

In July 2021, HEYTEA took a stake in the specialty coffee brand Seesaw with a stake of 5%; in September, it invested in YePlant, a plant-based brand of wild plants, with a stake of 15%. Around the beverage track, HEYTEA also invested in Heji Taotao and Ye Cuishan, holding 5.1% and 60% of the shares, respectively. In addition, Xixiaocha, a sub-brand of HEYTEA, has also invested in the lemon tea brand "Wang Ning" with a 60% stake.

It is worth noting that most of the companies invested in by HEYTEA are related to their own business. It is mainly divided into two categories: one is the upstream and downstream enterprises of the store business, such as YePlant, which can realize resource sharing and mutual assistance; the other is the enterprises of the same product and different types as their own business, such as SeeSaw, Ye Cui Shan, Wang Ning. This type of investment is mainly about "borrowing the hands of others to realize one's dream" to diversify the layout.

On July 19, Guanchao New Consumer exclusively learned the news that "HEYTEA wants to acquire 'Lele Tea'". Nie Yunchen responded in the circle of friends late that night: After being introduced by an intermediary, there was indeed a period of contact, but after a deep understanding of the internal situation, business data, and situation, he had completely, completely, and resolutely given up. Although it has not been acquired, this event also marks the beginning of HEYTEA's entry into investment and promotes investment and mergers and acquisitions of new tea beverages. Specifically, Seesaw, HEYTEA's first investment project, seems to be coveting the hot coffee market, but it reveals HEYTEA's "careful thinking."

HEYTEA has launched coffee drinks before, but the response was unsatisfactory. The consumer's sentence: "Who would drink HEYTEA's coffee?" Wake up HEYTEA. In this way, the strategy of "join if you can't beat it" is adopted, turning the "enemy" of Seesaw into a "thing in the bag".

Second, investment is mainly to expand the business. Invested in Seesaw at the end of July, and HEYTEA launched a raw coconut latte in August. On the one hand, it meets the quality requirements of young consumers through specialty coffee, and on the other hand, it uses its brand influence to launch new coffee products, which is a two-wheel drive in the coffee industry.

Following Seesaw, HEYTEA has invested in the plant-based brand "Wild Plant YePlant", which focuses on oat milk. This operation is not difficult to understand. Under the general trend of plant-based diets, oat milk has become the "new favorite" of various beverages. Just like the investment in Seesaw, HEYTEA, which has tasted the sweetness, has covered new beverage fields through investment, and now it has also launched a new oatmeal beverage with YePlant.

What is more noteworthy is that HEYTEA then made a cross-border investment in the pre-mixed wine brand "WAT". HEYTEA is not the first tea brand to dabble in alcohol. In 2016, Starbucks sold alcoholic beverages in some stores in the United States, and introduced the wine shop Bar Mixato in China; Nai Xue's Tea also opened three bars in Beijing and Shenzhen - Nai Xue's tea Wine House Bla Bla Bar.

HEYTEA, which has been focusing on young people, will naturally not miss the "micro-drunk economy" with a high degree of group overlap, and the investment in WAT has become the "third step" of HEYTEA's expansion layout. HEYTEA's investment in Heji Taotao, Ye Cui Shan, and Wang Ning is an extension of its tea line. Among them, Ye Cuishan is known as the "Hermes" of the juice industry because of a glass of olive juice costing 1,000 yuan. HEYTEA holds 60% of the shares in Ye Cui Shan, making it the largest shareholder of Ye Cui Shan.

At present, the top brand pattern in the domestic tea industry has formed, but it is not without opportunities. The entire tea drinking track is more subdivided, and differentiation has become the key to breaking through. The investment shareholding ratio is from 5% to 60%, which can also give a glimpse of the ambition of HEYTEA's layout.

3. Business Model Analysis

3.1 SWOT Analysis

What are the internal benefits and drawbacks of HEYTEA as an online star in today's world, as well

as the exterior opportunities and challenges it faces? The SWOT model will next be used to assess HEYTEA from four perspectives.

Strengths

1) The target population is accurate. One of HEYTEA's advantages is that many young people like HEYTEA. Its product categories are gradually expanding as well, and HEYTEA introduces related new products on a timely basis. Customers' freshness is therefore maintained on HEYTEA. There are a collection of products including pure tea series, seasonal limit, and so on.

2) Strong professionalism. Analyzing HEYTEA's tea source, HEYTEA has its own tea garden to achieve its upstream supply chain tea tailor-made to make sure that its taste is perfect and ideal. HEYTEA also guarantees the quality and professionalism of its tea production by always being a direct business model with no downstream distributors.

3) The overall appearance is appealing. Apart from emphasizing the flavor, another benefit is the outstanding aesthetic quality of the tea beverage itself. The color of the raw materials and other elements is modified to match the main color of the raw materials and other elements, making the images more photogenic and matching the needs of today's young people who enjoy shooting photos and sharing them with their friends. Choosing a location for the address is a smart idea. Because they have great purchasing power and follow trends, HEYTEA outlets are positioned in high-end consumption zones with a large number of young people and white-collar employment.

4) Continuous innovation. HEYTEA has established a professional laboratory in Shenzhen to continue on the path of autonomous product research and development.

5) Many ways of financing, and understand the importance of financing. HEYTEA completed a huge financing in 2021 and was rated as one of the top ten financing cases in 2021.

Weaknesses

1) HEYTEA's location, as well as the concept of "high-end consumption" it intends to cultivate, have both benefits and drawbacks. The majority of its stores are located in the business centers of big cities, with high rents and operating costs.

2) Hunger marketing generates buzz for HEYTEA while also having bad consequences. As a result of the longer line, customers' purchasing costs climb. Customers will have to pay for a fixed period of time in addition to the actual amount of milk tea, which may result in a poor experience for certain customers. Customers who do not want to wait or do not have enough time will move to other milk tea establishments, perhaps losing business.

3) No common standard for customer service is set. Some employees' excitement for consumers needs to be addressed, or else it will have a negative impact on HEYTEA's reputation.

4) Lack of cultural heritage, the brand characteristics are not obvious, to a certain extent, lost the potential tea veteran lovers market.

Opportunities

1) The catering business in China has demonstrated a favorable trend in transformation and continuous exploration, and the country is implementing alterations and reforms to match. The country has updated important catering legislation and regulations in recent years, making the business more uniform. A political environment like this will be better for HEYTEA's future development.

2) Dietary preferences are diversifying in today's world. Diversification no longer refers to the ability to fulfill the stomach, but rather to the flavor, color, sanitation, and nutrition of the food. Under these circumstances, HEYTEA may take advantage of the current state of the environment by targeting young people and individuals with high purchasing power in order to produce fresh tea with a good export feel and a high appearance level.

3) In terms of technology, the Internet era has opened up new chances for development for numerous businesses. WeChat, Weibo, QQ, Facebook, Twitter, and other social media platforms are examples of marketing tools based on the Internet that have expanded PR channels. Celebrities on the internet could effectively sell themselves by utilizing online tools. Convert web traffic into in-store sales. On the one hand, HEYTEA's initial popularity stemmed from customers' posting "moments" on Wechat. Because of the social character of "moments," more consumers became aware of HEYTEA, resulting in word-of-mouth spreading. Furthermore, capable businesses can employ big data analytic

technology to understand their customers' tastes and consumption patterns better, as well as to conduct focused product and food research, development, and advertising.

Threats

1) Despite the benefits of being a popular web celebrity shop, HEYTEA may need to put in more effort to update its development plan in order to maintain its competitive advantage. It is because manufacturing technology is complicated, fast, and has a large profit margin, which therefore has attracted many new entrants to the industry. Along with new investors, a swarm of well-known milk tea shops are vying for a piece of the action.

2) Potential problems with reputation, copycat issues may arise if HEYTEA gets well-known. If this issue is not managed appropriately, it will harm HEYTEA's reputation and, as a result, harm the business income of HEYTEA. Second, consumers have a large number of milk tea cafes to pick from on major takeaway platforms, and they are more inclined to choose stores with inexpensive costs. Therefore, as the bargaining power of customers improves, and HEYTEA must wait a long time, some online clients will inevitably be lost.

3) Young people are less devoted to brands, more interested in fashion, and more eager to try new things. The development of HEYTEA has become a difficult task because of how to cater to customers' changing consumer tastes.

3.2 Porter's Five Forces Analysis

1) Industry Rivalry

HEYTEA has faced threats from existing competitors in the new tea beverage industry. Competitive pressure is mainly reflected in the following two aspects.

First, tea products have low technical barriers and serious homogenization. HEYTEA's ready-to-drink tea products are a blend of fruits, dairy products, and tea, which are simple to make, and the technical content of the product itself is low. Thus, the barriers to competition are low. In recent years, no matter the taste or packaging, the degree of homogeneity of ready-made tea products has been relatively high. For example, in terms of product taste, both HEYTEA and Nai Xue's tea launched fruit teas with pomegranate as the main ingredient at almost the same time. At the same time, HEYTEA's popular products are easily imitated by competitors, which eventually leads to homogeneous competition in the industry.

Second, the innovation of tea products is difficult, and the popularity of popular products is low. In recent years, many ready-made tea companies have been actively innovating in the taste, packaging, and concept of their products, trying to attract the attention of young people. Most of the ready-made tea brands have attracted the attention of young consumers by creating popular new products. However, the popularity of popular models does not last long. Once new popular models are produced, the popularity of previous popular models will decrease accordingly. This requires HEYTEA to have continuous product innovation and marketing capabilities and maintain brand popularity by continuously launching new popular styles.

2) Threats of New Entrants

There are many threats from new entrants for HEYTEA because the market prospect for the tea beverage industry is good, the required cost and technical threshold are low, the capital demand is small, and the technology is simple. For example, the fast development of social media and the Internet has increased the speed with which new entrants may communicate their brand, which has greatly lowered the entry threshold for new entrants. Therefore, HEYTEA faces many threats from these potential competitors. Young people, who are generally eager to try new goods but easily tired with old ones, are the primary consumers in the high-end ready-made tea market. The success of a popular product is important for new entrants, which may make it rapidly rise to become an online red tea brand in a very short period of time, gaining popularity among young people.

3) Threats of Substitutes

HEYTEA is also threatened by its substitutes. First of all, water, beverages, tea, milk, etc. can be seen as substitutes for HEYTEA's products. These alternatives are priced lower than HEYTEA's tea products, and thus more attractive because of their price. Secondly, high-end tea companies such as

HEYTEA will also be threatened by substitutes for mid-end tea companies. Although HEYTEA occupies an absolute market position in the high-end ready-made tea industry, it still has to face strong resistance from mid-end brands. The tastes are very similar between many mid-range and high-end brewed teas. As a result of this, consumers would switch back and forth between high-end and mid-range products. Once these mid-end ready-made tea companies open the market, they are very likely to share the market share of high-end brands such as HEYTEA.

4) Bargaining Power of Buyers

The bargaining power of HEYTEA buyers is relatively high. It is mainly reflected in the following two aspects.

First, consumers are not very loyal to the brand because they have numerous choices apart from HEYTEA. Most consumers of tea products are young people, who still regard product taste, popularity, and the major criterion for selecting ready-made tea goods is product inventiveness. Therefore, most consumers would switch between numerous brands rather than stick to one of the above criteria that are met. Second, the price sensitivity of consumers is not low. As a high-end ready-made tea brand, HEYTEA's pricing has a certain upper limit, generally between 20 and 30 yuan. Once it exceeds the acceptable range for consumers, it will lead to a sharp drop in sales. Consumers are more willing to buy products at lower prices. Higher raw material costs and limited pricing space lead to the result that higher-end finished tea brands generally have lower profit margins than mid-end brands.

5) Bargaining Power of Suppliers

HEYTEA suppliers have low bargaining power. The raw materials used by HEYTEA mainly include tea leaves, fresh fruits, dairy products, etc. HEYTEA has chosen to cooperate with fixed suppliers for a long time, and at the same time, develop customized raw materials by itself, and have its own tea garden. In more detail, HEYTEA has adopted direct sourcing from the origin or unified procurement according to the specific situation, because direct sourcing from the origin can ensure the freshness of raw materials, reduce circulation links and reduce costs. Unified procurement can also take advantage of scale to reduce procurement costs. As a leading enterprise in the high-end finished tea industry, HEYTEA purchases a large amount, and the purchase frequency is relatively stable. In the long run, without considering the fluctuation of raw material prices, on the basis of further sales growth, HEYTEA has the ability to significantly cut procurement expenses.

3.3 CPM Analysis

1) Competitive factors in the industry

HEYTEA is constantly expanding its market in the tea industry, which means that it needs to face competition from other tea brands with different positionings. First of all, HEYTEA's market positioning is high-end tea. The price of a cup of HEYTEA's most famous "succulent grapes" is 29 yuan, which is much higher than the traditional tea drink coco, or a little bit. But it does not prevent the three from being the main forces in the milk tea market. In other words, HEYTEA's product line is very wide, ranging from cheap lemon tea to high-end fruit smoothies, with prices ranging from 20 to 30 yuan. A large number of high-end product lines also means that HEYTEA needs to face the impact of the high-end market. Then the price of 30 yuan bears the brunt of Starbucks. As the world's most famous beverage brand, Starbucks has an unshakable position in the industry and a unique customer base. Starbucks has become a necessity for business people in many cities. Many business negotiations will also be happy to choose to be conducted in Starbucks stores. As for the high-end tea series of HEYTEA, it can just take part of the market from Starbucks. From the perspective of pricing, Starbucks is generally distributed at \$35-40. As Starbucks' lower-priced product, iced tea happens to belong to the same category of fruit tea as HEYTEA. It is not difficult to see that the two are indeed in direct competition.

2) Determine the matrix factor

Therefore, the CPM matrix can be used to analyze the competitive advantages and disadvantages of the three in similar markets. On factor, Product Range, Product Quality, Brand Reputation, Customer Loyalty, Location, Marketing, and Customer Service were the factors considered. In milk tea shops, more customers are keen on choosing specific 2-3 milk tea shops, so it is not difficult to see

that customer loyalty has a very important influence. Addresses can bring better revenue and specific customer groups. For example, Starbucks under the office building often has better sales than the one at the front of the ordinary supermarket. In the same way, if the milk tea shop is selected in a large shopping mall, its customer base will be much larger than that of the roadside shop. Therefore, after assigning many factors, the weights of these factors were evaluated, and the matrix is therefore completed.

Table.1 Competitive Profile Matrix (CPM)

Competitive Profile Matrix (CPM)							
		HeyTea		Naixue Tea		Starbucks	
Critical Success Factor	Weight	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
Marketing	1	8	8.00	7.5	7.50	8.5	8.5
Brand Reputation	1.5	7.5	11.25	8	12.00	9	13.5
Location	1.5	8	12.00	7	10.50	8.5	12.75
Product Quality	2	8.5	17.00	8.5	17.00	8	16
Customer Service	2	8.5	17.00	8	16.00	8	16
Customer Loyalty	0.5	7	3.50	7.5	3.75	8.5	4.25
Product Range	1	7	7.00	7.5	7.50	7	7
TOTAL Score	9.5		75.75		74.25		78

3) Analysis matrix

First of all, it can be seen that HEYTEA only has a brand reputation, customer loyalty, and product scores lower than Nai Xue's tea. However, in fact, brand reputation and customer loyalty are closely linked [4]. First of all, brand reputation will determine, to a certain extent, the first impression of a brand that a customer who does not know the brand has. It is well known that HEYTEA once appeared in condoms in drinks that were exposed in 2020. This is a serious blow to the reputation of an influential brand that has been recognized in a short period of time. Even more, customers are reluctant to choose to try. And as a loyal customer of the brand, it is bound to have some thinking about whether to continue to choose this brand. Due to the launch of Nai Xue's tea's new bread, it has been necessary to queue up offline for half a month to buy it. This will not only allow people to understand the brand more clearly, but also the brand's reputation will be widely spread. This is why HEYTEA is weaker than Nai Xue's tea in three aspects.

But in the face of Starbucks, a world-renowned company, it can be found that HEYTEA's weakness is still obvious. Whether it is product popularity or product, it is inferior to Starbucks. But it's understandable when you think about it. First of all, the HEYTEA brand appeared in everyone's field of vision for a very short time. Starbucks is a well-known coffee brand in the world. It has to be said that in the same marketing method, HEYTEA is slightly inferior to Starbucks [5]. Both sides are doing hunger marketing, but Starbucks has successfully created a market demand for high-end business people. Although HEYTEA seems to be crushed in all directions, don't worry. As mentioned before, HEYTEA and Starbucks are not in direct competition. It's just that HEYTEA's high-end branch aims to occupy Starbucks' market as much as possible. Therefore, it can be seen that HEYTEA is the well-deserved sales king of tea drinks in China in a short period of time. If you want to continue, you may also need to have its market positioning and unique market demand like Starbucks.

4. Comparison-- with NAYUKI

There has always been a topic dispute about similar products between HEYTEA and NAYUKI, so you can always see the comparison between them. But the difference is that, as two brands with explosive social end word of mouth, the analysis of various data reveals their hidden and professional brand insights.

4.1 Social reputation

As important feedback of public opinion, brand word-of-mouth represents the problems and bright spots of the brand in the current users' minds. Brands need to use the performance of word-of-mouth to improve their strengths and improve their weaknesses. By analyzing the keywords of the two brands that social users participate in their discussion, it is easy to find the gap between the word of mouth of the two brands. As an online celebrity in the tea industry, NAYUKI is a popular scenic spot for young consumers to clock in and take photos. The first impression of the brand is the popularity of the business and the quality of its appearance and style. When referring to HEYTEA, "Internet celebrity drink", "innovation" and "cross-border cooperation" are the first impressions in people's minds.

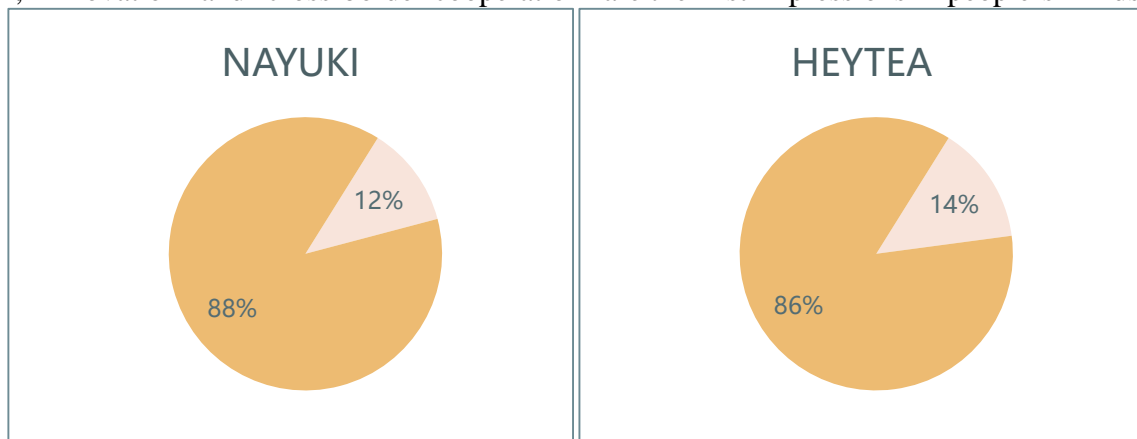


Figure.1 Comparison of Social Reputation between HEYTEA and NAYUKI

The data is shown in figure.1. The red part is positive evaluations, and the blue one is negative evaluations.

When it comes to the positive comments about NAYUKI, most of them focus on the characteristics of good taste, fresh raw materials, health, and fragrance, and the dim sum products are also delicious, delicious, rich in flavor, and exquisite in appearance. When it comes to the positive comments about HEYTEA, most of them praise the taste of its drinks and snacks and are also satisfied with its packaging. The distinction is that NAYUKI's biggest advantage is that fresh and nutritious are the buzzwords in users' word of mouth. In the word of mouth of HEYTEA, although it is praised as clean and innovative, there is no keyword for "fresh and healthy", which may be a potential problem for food brands. After all, it is a general trend for consumers to pay attention to the relationship between food and health. At the same time, users may gain more satisfaction with HEYTEA's packaging, which is also one of NAYUKI's areas for improvement. Among the voices, it was found that taste and hygiene issues were the most complained about.

Through the comparative analysis and summary of public opinion on the two brands, the following insights are found: Food hygiene and safety are the most critical moats for catering brands. Once there is a crisis, it will bring indelible negative word of mouth for the brand, which will have a long-term impact on consumers' perceptions of the brand. The two milk tea brands' prices are generally higher than other milk tea brands' prices, but the user's word of mouth does not have too many price complaints, and even has positive affordable related words, which further proves that today's consumers are willing to pay for the added value of the brand. It would be the taste of innovation, whether it be a western-style design and store, or the psychological satisfaction of standing in line just to punch in a few moments. Consumers' concerns are no longer about cost performance, they are more concerned about who the brand is and what consuming this brand means to them.

4.2 Communication

From the communication activities, it is not hard to see that NAYUKI always regards the social platform as an important publicity channel for the opening of new stores, while HEYTEA pays more attention to the building of the social image of the whole brand in communication, and continues to increase the popularity and topic of the brand through various interesting and topical cooperations

across national borders. HEYTEA collaborated with current-issue brands more frequently than NAYUKI, but NAYUKI collaborated with classic, well-known brands more frequently.

In terms of the frequency of media reports, the marketing strategy of HEYTEA is a brand with a deep impression and much discussion. Today, when consumers' attention is scarce and content is fragmented, its frequent brand crossover plays, to a large extent, help the brand always keep the hot topic fresh. However, it is also necessary to remind brands that the same brand behaving too often or too single to tease users with cross-border play, will easily make users desensitized to this brand's behavior, including hunger marketing. For NAYUKI, it is also expected to be bolder and more innovative.

4.3 Social Fans

(1) Gender

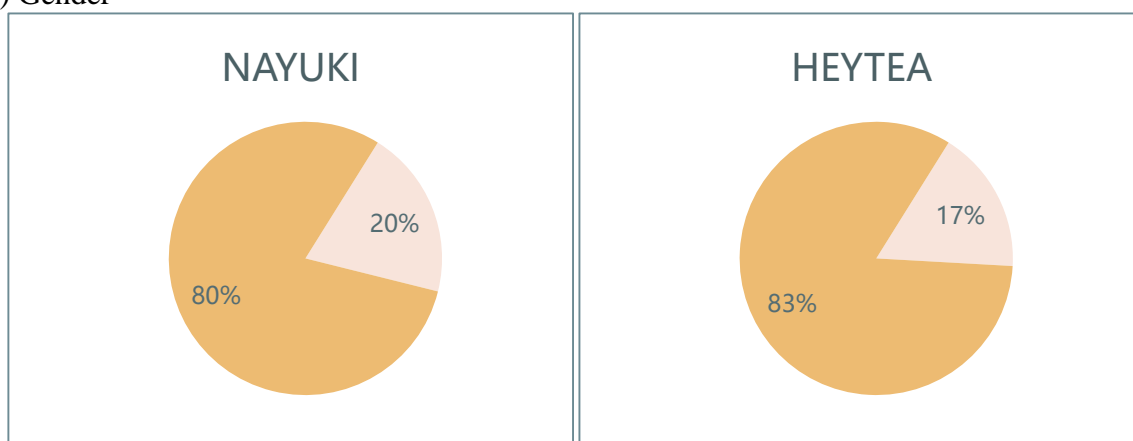


Figure. 2 Comparison of Fans' Gender between HEYTEA and NAYUKI

The data is shown in figure.2. The red part is for females, and the blue one is for males.

For NAYUKI, the brand's fan users are mainly female, accounting for up to 80.21% of their total, but there are nearly 20% of male fans, letting more boys fall in love with milk tea. It seems that there is still a long way to go. Because of the neutral style design, HEYTEA had more customers who were male.

As expected, milk tea is still the favorite among girls. If you want to make a cool milk tea brand for men, it may be thankless. However, for the existing male fans, whether the two brands consider launching 1-2 more masculine milk tea products (packaging or taste) is a reference direction.

(2) Region

Beijing, Jiangsu, and Guangdong are the top three places for NAYUKI in terms of region. Southeast coastal cities receive a lot of attention, whilst central and western China, as well as northeast China, receive a little. There is a significant difference between HEYTEA and this. In terms of geography and the two Guangzhou-born milk tea brands, HEYTEA receives approximately 9% more attention from users in Guangzhou than NAYUKI, and HEYTEA also outperforms NAYUKI in the north and Shanghai, the two most crucial cities for attention. HEYTEA has a high penetration rate in first-tier cities such as Beijing, Shanghai, and Guangzhou. But judging from the statistics, NAYUKI is more popular with fans in Jiangsu.

From the point of view of the region, NAYUKI has a lot of room to grow in the north, and HEYTEA has a lot of room to grow as well in Hunan and Jiangsu. For milk tea, it seems that milk tea has not become the main consumer good in remote areas such as the northwest, where the economy is relatively backward. Even though these two brands have been popular in the southeast, their firepower has not spread across the country. The three northeastern provinces are very cold compared to the two milk teas. Maybe they prefer masturbation and beer. These are the areas where the future milk tea brands can expand the market space.

(3) Age

For NAYUKI, in terms of the age distribution of fans, 90 and 95 are the mainstays of the

brand, accounting for 32.81% and 36.02%, respectively. However, after 85, who have better economic ability, the attention is not as high as expected. Do they all start to keep healthy and do not drink milk tea, only 7.27%. The post-00s generation also lags behind those born in the 1990s, accounting for only 16.54 percent. There are some small differences in the age distribution of fans. Although the post-90s and post-95s pay more attention to brands, NAYUKI is more favored by fans between the ages of 90 and 95 (25-30 years old), while HEYTEA is more popular among the post-85s, which is nearly 8% higher than NAYUKI. These subtle differences show that among the fans of the two brands, HEYTEA is more popular with older people, while the NAYUKI duo wins the favor of some younger and middle-aged people.

From the age group, from the taste and health perspective, communication content attracts all age groups and is one of the two brands in the future [6].

4.4 Financing

Table.2 Comparison of financing between HEYTEA and NAYUKI

Comparison	Announced Date	Transaction Name	Money Raised	Lead Investors
HEYTEA	Aug 22, 2016	Series A	\$16M	IDG Capital
	Apr 14, 2017	Series A	100M (RMB)	Boquan He, IDG Capital
	Apr 26, 2018	Series B	400M (RMB)	Longzhu Capital
	May 13, 2019	Series C	-	Sequoia Capital China, Tencent
	Mar 3, 2020	Secondary Market	\$1.5M	-
	Mar 23, 2020	Series D	-	Coatue, Hillhouse Capital Group
NAYUKI	Dec 1, 2016	Series A	-	Tiantu Capital
	Mar 19, 2018	Series A	100M (RMB)	Tiantu Capital
	Jun 10, 2020	Series B	\$100M	Shenzhen Capital Group
	Dec 31, 2020	Series C	\$100M	PAG
	June 18, 2021	Financing Strategy	5858M(HK)	-
	June 30, 2021	IPO	5094M(HK)	IPO

The data is shown in table.1. Both companies place a high value on financing and preparing for the public offering. They are actively financing and preparing funds. To grow and become bigger and stronger, the firm will need to launch a lot of new businesses, perform product research and development, and expand into new industries. All of these plans will cost a lot of money. Raising money for companies that don't require funds is a simple issue of examining the resources available to their investors or team. Even a major corporation such as BAT or TMD, has a solid investment team behind it. Investors offer not only money to these businesses, but also a variety of tools and assistance. The effect is different when 10 million and 100 million promotions, like the stone size, hit the tranquil lake. Even major corporations with plenty of cash have put a lot of money into the early stages of launching a new "sharing economy" concept. They will perish if they do not receive funding. After a company's true growth and expansion, the only way for it to grow bigger and stronger is to list. After being listed, the company can raise more funds in a short time for more productive activities and promote enterprise development. It can be seen from the table that after NAYUKI was listed, the financing speed was accelerated through the IPO. Both in terms of financing speed and amount, NAYUKI was much faster than HEYTEA, and HEYTEA was also waiting for the opportunity to be listed. Thus, financing has a huge impact on the development of a company.

5. COVID-19 Case

Affected by the epidemic, as a leading company in the new tea beverage industry, HEYTEA has inevitably suffered some impacts in terms of operations, product prices, and supply chains. But as for its financing, HEYTEA has been surprisingly successful. This company has not only received financing against the trend of the epidemic, but its valuation has also increased significantly.

Hillhouse Capital and Coatue Capital led a fresh round of Series D funding for HEYTEA in March 2020, with a post-investment valuation of over 16 billion yuan. It was also announced that in July 2019, the post-investment valuation of the Series C financing led by Tencent and Sequoia Capital was only 9 billion yuan. Therefore, within less than a year, the valuation of HEYTEA has soared by nearly 80%.

Nai Xue's tea was valued at only 6 billion yuan at the time of the A+ round of financing in 2018, far lower than HEYTEA's valuation of 16 billion yuan in March 2020. In 2021, the epidemic situation in China has been controlled and is getting better compared to 2020. In July 2021, HEYTEA raised another Series D round. Shockingly, the amount of this round of financing has reached 500 million US dollars, and the post-investment valuation has reached an unprecedented 60 billion yuan, setting a new financing record for China's new tea beverage industry.

The reason why HEYTEA can obtain such a high valuation is related to the influx of capital to China. Firstly, as a country that has resumed work and production the fastest under the influence of the epidemic, global capital is flocking to China, boosting some investment fields, such as the hot consumption track. Secondly, the new tea drink is generally welcomed by young customers, and it has become a consumer product with broad prospects. As a leading brand among them, HEYTEA is beyond reproach [7].

In addition, the successful financing of HEYTEA during the epidemic is also closely related to the company's expansion before the epidemic. HEYTEA's expansion rate matches its valuation growth. With the support of capital, the opening of the HEYTEA Store has accelerated. The location of the store has also spread from the first- and second-tier cities to second- and third-tier cities [8].

HEYTEA has opened 390 outlets in 43 cities as of December 31, 2019, and has added 63 Go stores and 157 main stores. Among them, Shenzhen, the city with the largest sales volume, has annual sales of more than 20 million cups, with sales of about 500 million yuan. On the other hand, its mini-program "HEYTEA Go" has had more than 6 million users since its launch in June 2018; more than 15 million were added in 2019, bringing the total number of users to 21.5 million.

Under the impact of COVID-19, HEYTEA's financing can have such a high post-investment valuation because investors are very optimistic about the future development potential of HEYTEA. Despite the epidemic situation, HEYTEA has still strictly followed its product, brand, and operation and has striven to overcome the impact of the epidemic through financing, aiming to achieve faster and better development, and gain a stronger competitive advantage.

The development of an enterprise is indeed a long-term process. If HEYTEA wants to develop sustainably and healthily, secure a solid share and expand space in the competitive tea beverage market, it must expand its target market, focus on product quality and innovation, and build brand cultural heritage. This enhances customer loyalty and brand awareness and reputation [9].

6. Conclusions

In the past few years, HEYTEA has been not only slowly expanding into the high-end tea market, but also expanding and improving its product line through a series of mergers, acquisitions, and other means. Perhaps compared with competitors, there are indeed shortcomings in terms of product reputation, but due to the number of stores and customers, HEYTEA still stands out in a series of competitions. But this does not mean that HEYTEA can develop smoothly in the beverage market. Especially when it comes to traditional beverage companies, HEYTEA's marketing strategies and strategic arrangements are slightly immature. During the epidemic, some stores were closed, which essentially did not affect the development of HEYTEA. On the contrary, some competitors have closed a large number of stores due to the epidemic, which has given HEYTEA an advantage. During the

epidemic, HEYTEA's financing amount reached the peak in the industry, with a market value of tens of billions. These have all been unattainable in the past few years. In the future, continuous attention will be paid to HEYTEA, and the analysis in terms of the necessary conditions and influencing factors for HEYTEA to be launched will also be considered according to the beverage market in 2022.

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