

Analysis Based on ISMAS Theory on New-style Tea Beverages in China: A Case Study of HEYTEA

Yi Xiao*

School of International Studies, Jiangxi Normal University, Nanchang, Jiangxi, 330022, China

*Corresponding author: ClarinaMaybe@outlook.com

Abstract. This study examines HEYTEA, a leading new-style tea beverage brand, using the ISMAS model (Interest-Search-Mouth-Action-Share) and PEST analysis (Policy-Economy-Society-Technology) to evaluate its marketing status quo and optimization strategy. Rooted in the backdrop of China's consumption upgrade, the booming new-style tea market and a stage of stock competition in the new-style tea industry, this research highlights HEYTEA's success in five dimensions: Interest, Search, Mouth, Action, and Share, leveraging limited editions, mini-programs, KOL collaborations, omnichannel marketing, and Instagrammable designs to engage digitally savvy consumers. However, it also identifies critical challenges such as product homogenization, unmet health-conscious demands, and limited penetration in lower-tier markets. This study proposes multiple approaches including innovating products, validating precise marketing, expanding healthy drink offerings, expanding into lower-tier markets and multi-channel distribution, and optimizing business strategies. To sum up, this study analyzes HEYTEA's marketing via ISMAS/PEST, noting success in engagement but challenges like homogenization, health trends, and lower-tier market gaps, suggesting innovation and expansion strategies.

Keywords: HEYTEA; New-style Tea Beverage; PEST; ISMAS.

1. Introduction

1.1. Research Background

Over the past decade, China's booming market economy has boosted incomes and significantly improved living standards. This growth has sparked an internet-driven shift in consumer habits, leading to a surge in the popularity of trendy tea drinks. Young people, especially, now prioritize quality and personalized experiences, making premium tea beverages a staple in their daily lives. Brands like HEYTEA, NAIXUE, and Cha Panda have quickly won over this generation by focusing on innovative products and clever marketing. In just a few years, they have turned into major players and set a new consumption trend. This boom highlights young consumers' strong demand for high-quality, unique drinks, a key case study for the industry. According to iiMedia Research's 2024-2025 China New-style Tea Beverage Industry Analysis Report, Chinese trendy tea market is expected to hit 354.7 billion CNY in 2024, growing by 6.4% compared to last year. Having moved beyond the initial expansion phase, the industry has now entered a stage of stock competition where refined operations and single-store profitability have become the core focus [1].

1.2. Research Significance

1.2.1. Theoretical significance

Using the ISMAS model and PEST analysis, this study examines HEYTEA's current marketing strategies and identifies areas for improvement. The goal is to create a fresh, innovative marketing framework specifically designed for the trendy tea drink industry while also enriching marketing theory with real-world applications. Beyond theory, this research offers practical, industry-specific insights to help brands like HEYTEA stay competitive. By combining data-driven strategies with market trends, the findings aim to support sustainable growth in the sector through smarter, more effective marketing.

1.2.2. Practical significance

This study delivers actionable insights to strengthen HEYTEA's market agility and competitive edge, while creating a fresh marketing blueprint for premium tea brands. Beyond HEYTEA, the findings offer strategic lessons that luxury brands across sectors can adapt. By analyzing this standout case, this study is raising the bar for marketing excellence-ultimately pushing the entire tea beverage industry toward smarter, more sustainable growth.

1.3. Research Theory

(1) ISMAS model, namely Interest-Search-Mouth-Action-Share, describes consumer behavior and marketing trends in the digital era [2]. This model reveals two core transitions in modern marketing, the first being shifting from media-central to consumer-central [3].

(2) PEST analysis breaks down a company's external challenges and opportunities into four key areas: Political, Economic, Social, and Technological factors. To use it effectively, solid market data and strong business intuition are required, and this combination helps spot big-picture trends and hidden advantages in the marketplace.

2. Literature References

2.1. ISMAS Model

In the past centuries, most classic marketing theories include the AIDMA model proposed by Elmo Lewis (1898) which is "Attention, Interest, Desire Memory and Action." At that time, marketers were doing one-way communication. In the year 2005, Dentsu Group, a leading international 4A advertising agency based in Japan, proposed the AISAS model which can be described as "Attention, Interest, Search, Action and Share", highlighting the interaction between brands and clients. Based on the AISAS model and the AIDA model, Liu Dehuan (2011) proposed the ISMAS model, dividing consumer behavior into five stages: Interest, search, mouth, action, and share, emphasizing that reputation takes a more and more important place in the de-mediated environment [3]. According to scholar Li Yuanyuan (2019), the ISMAS model breaks through the limitations of traditional brands' one-way information dissemination by integrating online and offline channels with consumer word-of-mouth as the core driver, shifting focus to consumers' genuine needs and acceptance levels [4].

2.2. HEYTEA Branding

Based on the PEST-SWOT analysis framework, Zhu Guanchong (2022) aimed at HEYTEA's marketing strategy and brought out the STP-4Ps integration optimization solution [5]. This study constructed a marketing decision-making model for the novel tea beverage industry, though the practical efficacy of this framework requires further Aempirical validation. Chen Silin (2023) used the SOR theoretical model to study how experiences influence royalty using HEYTEA as a case, and the research confirmed the key role of sensory/emotional/behavioral experiences, as well as the chain mediation effect of perceived value and brand preference [6]. However, the sample distribution did not account for urban-rural differences on the theory of perceived value [6]. Li Jiaying (2024) took HEYTEA as an example to explore the influence mechanism of new tea beverage brand co-branding, constructed a five-dimensional co-branded advertising effect model, and verified the differential impact of each dimension of perceived value, and innovatively revealed the negative effects of co-branded burnout. In sum , scholars' research on the HEYTEA brand mainly involves the optimization of marketing strategies, the influence mechanism of brand experience on loyalty, and the effect of brand co-branding, and adopts theoretical model construction and empirical analysis [7].

3. The Status Quo of HEYTEA's marketing

3.1. Macro Analysis Based on PEST

3.1.1 Policy

China's trendy tea industry has grown explosively in recent years while maturing into a more regulated market. As authorities ramp up food safety oversight, beverage brands now face stricter quality requirements. Industry groups have stepped in to standardize operations. The China Cuisine Association rolled out detailed production guidelines, while the CCFA New Tea Drink Committee (2022) introduced the first official categorization system covering all major drink types from milk teas to cold brews. While these regulations mean higher compliance costs, regulations are also pushing brands to innovate smarter and build stronger consumer trust.

3.1.2 Economy

According to iiMedia Research, 43.8% of consumers are concentrated in first-tier and new first-tier cities, while 32.0% are located in second-tier cities. The 22-40 age group accounts for a significant 87.2% of consumers [1]. In terms of income, the number of middle-to-high earners with monthly incomes between 5,0001-10,000 RMB is about 36.4%, and the counterpart of earners with monthly incomes between 10,001-15,000 RMB is about 35.1% . Collectively , they represent over 70% of the consumer base [1]. These demographics, with their strong purchasing power, align closely with HEYTEA's market distribution and brand positioning [1]. From 2020 to 2022, the number of stores and sales are declining in first- and new-first-tier cities. The market share of bubble tea shops in first-tier cities decreased from 9.6% to 9.3%, with order volume dropping from 12.8% to 10.9%. In new first-tier cities, the shop share declined from 19.5% to 18.7%, while order volume fell from 25% to 24.8%. Shifting from big cities to lower markets has become the new trend [8].

3.1.3 Society

Tea, this leaf that carries the essence of Chinese civilization, is more than just a healthy drink but it is a cultural symbol with thousands of years of history. Against the backdrop of rising consumer expectations, traditional tea culture is being revitalized in fresh new ways. The rise of "viral tea drinks" represents a fascinating blend of tradition and modernity. Brands like HEYTEA are reinventing Chinese aesthetics for contemporary tastes, using Instagram-worthy designs and immersive spaces to meet young consumers' dual desires for cultural identity and social expression. As seen in trends like "the first cup of milk tea in autumn," tea beverages have transcended thirst-quenching function to become social currency, a way to express emotions and signal identity [9]. This phenomenon of symbolic consumption echoes Baudrillard's insight that in a consumer society, a product's value increasingly lies in its cultural meaning rather than mere utility [10]. It keeps the essence of Chinese tea culture, like cold-brew techniques, while giving it a modern expression through design and marketing. Further, HEYTEA builds a brand identity that is "rooted but not rigid, trendy but not tacky." and has established it as a premium benchmark in China's tea drink market, with its limited editions often selling out and commanding higher brand value than competitors.

3.1.4 Technology

In product development, HEYTEA keeps an astonishing pace of innovation, searching constantly for raw materials and techniques. For instance, they developed cheese tea technology and refined NFC fresh fruit processing, both of which have defined the flavor standards of tea beverages. In the meantime, HEYTEA's "HEYTEA Go" mini-program is considered to be an industry benchmark because it not only provides essential functions like smart ordering and membership management but also accumulates consuming data of 80 million members, offering robust support for precise marketing.

3.2. Analyse of HEYTEA Based on ISMAS Model

3.2.1 Interest

HEYTEA keeps customers hooked with a constant stream of exciting new products, using seasonal limited editions and clever brand collaborations that introduce unexpected flavors like their signature cheese foam tea. But it is not just about taste; HEYTEA masters the art of visual storytelling. Taking their "Mingxiang" cold brew tea as instance, the packaging turns unboxing into a zen moment, with minimalist line art, deliberately imperfect lettering, and delicate ink-wash petals UV-printed on the box. This thoughtful design does not just look beautiful but it brings their "tea break" philosophy to life, resonating deeply with young consumers who crave both refreshment and a moment of calm [11]. HEYTEA also opens its kitchen to the public and promises to use NFC juice in its products which conveys their strong confidence in quality.

3.2.2 Search

As for searching marketing, they use digital channels to interact with consumers actively and positively. As proof, the "HEYTEA Go" mini-program completes the full-cycle of omnichannel service experience and its database of 80 million registered members will make targeted marketing initiatives more precise and effective. Strategic campaigns on social media, particularly co-branding activities, continuously create viral topics for HEYTEA.

3.2.3 Mouth

HEYTEA's Instagram-worthy product designs and immersive in-store experiences naturally inspire customers to share on platforms like WeChat and Redbook. By spotlighting fresh ingredients, real fruit and high-quality tea leaves, the brand positions itself as a healthier choice especially with its low-sugar options, making it a favorite among health-conscious influencers. Take its packaging for example, the transparent cups and rotatable lids are not just functional for they embody HEYTEA's zen-inspired philosophy, turning every drink into a shareable moment. To fuel this buzz, HEYTEA actively encourages User-generated Content (UGC), collaborating with influencers to transform ordinary sips into viral "social currency." This strategy does not just build trust; it turns customers into brand ambassadors, driving organic word-of-mouth at scale.

3.2.4 Action

HEYTEA provides customers with convenient purchasing channels by minimizing purchase friction. For example, they developed a multi-channel strategy containing mini-programs, food delivery platforms, and offline stores. To illustrate, HEYTEA drives impulse purchases through scarcity marketing such as "HEYTEA Dragon Bliss Red" for the Dragon Year special and collaboration with Joy of Life, a popular Chinese drama, attracting customers with themed drinks or merchandise [12]. Besides, customers can do pre-ordering for pickup themselves which will save abundant time without waiting in queues. As for promotional campaigns, clients will get time-limited discounts on short video platforms such as TikTok or Kwai, or, enjoy membership-only offers. This means consumers will get a cup of fruit tea for only 9 CNY, which will drive impulse purchases greatly. Last but not least, HEYTEA applies scarcity marketing very well. Limited-edition releases and co-branded products create urgency, prompting faster purchasing decisions.

3.2.5 Share

Every element of HEYTEA, from its photogenic drinks and Instagrammable stores to its limited-edition collaborations, is designed to stop thumbs and spark shares. The brand does not just create products; it crafts social media moments that customers can not wait to post on Xiaohongshu, WeChat, and Weibo. But HEYTEA takes it further by turning passive sharing into active participation. Through viral hashtag challenges, interactive giveaways, and community-driven campaigns, they transform casual buyers into engaged brand advocates. Their secret weapon? The HEYTEA Go membership program, which fuels repeat visits with a clever mix of points rewards, VIP perks, and exclusive experiences, turning loyal customers into walking billboards for the brand.

4. Suggestions for HEYTEA

4.1. Product Innovation and Precision

HEYTEA's success largely depends on its continuous product innovation but with the imitation of rivals and the homogenization of the novel tea market intensifying, HEYTEA needs to promote innovation through more precise market research. Specific suggestions include leveraging big data via the WeChat mini-program and social media to identify trendy favors and potential demands to provide data support for new product development. Moreover, HEYTEA can launch region-specific drinks such as introducing more fruit tea series in southern regions while developing richer milk tea variations in northern regions of China. After launching limited-edition products, HEYTEA should collect consumer feedback, and evaluate market acceptance before large-scale promotion, which will reduce the risk of new product effectively.

4.2. Expand Healthy Drink Offerings

As modern consumers focus on healthy lifestyles increasingly, HEYTEA can further expand its healthy drink choices. Offering more low-sugar or sugar-free options and highlighting labels like "natural ingredients" and "no additives" in advertisements could be a suitable solution for HEYTEA. Meanwhile, HEYTEA could also explore tea drinks with functional ingredients such as probiotics and collagen to meet consumer demands for beauty and digestive health.

4.3. Expand into Lower-tier Markets and Multi-channel Distribution

Though HEYTEA's current premium pricing strategy maintains its brand image, it restricts HEYTEA's market coverage. HEYTEA should reconsider its pricing strategy, retaining high-end products while introducing more affordable mid-range series to attract price-sensitive consumers. To be more specific, HEYTEA can maintain prices in first-tier cities while offering more discounts to second- or third-tier cities. Meanwhile, HEYTEA should set up small sales points in communities or convenience stores for pick-ups and expand rapidly in those cities through franchising while ensuring standardized management.

4.4. Brand Management and Service Optimization

To elevate customer experience, HEYTEA should implement comprehensive staff training programs with performance-based incentives, ensuring every team member masters product knowledge and service excellence. Pair this with rigorous store audits and transparent food safety protocols, publicizing these standards could turn hygiene compliance into a competitive advantage that builds consumer confidence. Beyond operations, HEYTEA can deepen engagement by cultivating brand communities where customers co-create value. Think dedicated feedback channels with gamified rewards for suggestions, transforming passive drinkers into active brand collaborators. Meanwhile, storytelling through short videos and blogs, highlighting everything from tea-sourcing ethics to drink customization, can turn functional purchases into emotional connections, making HEYTEA not just a beverage choice but a lifestyle signature.

4.5. Promotion Strategy Optimization

HEYTEA can encourage consumers to share photos or experiences about drinks on social media with rewards to amplify brand awareness and they can send customized offers via mini-programs based on the purchase history and preferences of customers. HEYTEA can also offer small regular discounts to price-sensitive groups while highlighting limited-edition products to novelty-seeking consumers. In collaboration with other brands of IPs, HEYTEA should strictly comply with laws and regulations, avoiding sensitive topics like religion to protect brand reputation.

4.6. Delivery Services Optimization

Online delivery is now a major way people order tea drinks, but HEYTEA needs to fix some quality issues that happen during shipping. Many customers complain their hot drinks arrive cold or their iced drinks get watery. To solve this, HEYTEA should upgrade its packaging, using special insulated bags to keep hot drinks warm and chilled containers to prevent cold drinks from melting. They also need better-trained delivery staff who understand how to properly handle different types of drinks during transport. Whether using their delivery team or working with partners, all drivers should get training on food safety and customer service. Technology can help by using smart routing to make deliveries faster while still keeping drinks at the right temperature. These improvements would work well with HEYTEA's existing app ordering system. Fixing these delivery problems is important because good quality takeout service is becoming a key way tea brands compete. When drinks arrive just as they should, customers stay happy and keep repurchasing. It is worth investing in better delivery because, in today's market, convenience alone is not enough and the drinks need to taste perfect when they reach the customer's door.

5. Conclusion

This study, based on the ISMAS model and PEST Analysis, analyzes the status quo of HEYTEA's marketing strategy, which reveals its successful experiences and problems in five dimensions including interest, search, mouth, action, and share.

5.1. Summaries

Via seasonal limited editions, co-branding, and aesthetic design, HEYTEA attracted customers' interest successfully. HEYTEA amplifies its brand presence through the HEYTEA Go mini-program and dynamic social media engagement. By partnering with key opinion leaders (KOLs) and actively promoting UGC, the brand has cultivated a strong reputation among young consumers. Its omnichannel approach combined with scarcity tactics like limited-edition release that drives urgency and conversions. Meanwhile, HEYTEA's highly shareable product designs and community-focused campaigns create a data-rich framework for analyzing consumer behavior. Yet challenges remain while HEYTEA dominates the premium tea market, it faces increasing product homogenization, untapped demand for healthier options, gaps in regional coverage, and inconsistencies in service and delivery including all critical areas for improvement to maintain its competitive edge.

5.2. Limitations of the Study

Though the authors make a thorough analysis of the marketing strategy of HEYTEA, this essay still has multiple limitations. Depending on industry reports and cross-sectional studies too much, this study does not trace consumer behavior dynamics. Additionally, most of the samples are collected from first- and second-tier cities while lower-tier markets are not discussed fully. Furthermore, though the ISMAS model could analyze consumer behavior paths effectively, it does not quantify specific weights. To illustrate, this essay has not examined whether the "Mouth" and the "Share" contribute to practical conversion, and the disparities between them. The conclusion might be limited to analyzing HEYTEA only, lacking comparative analysis.

5.3. Prospect

Taking conclusions and limitations into consideration, further exploration can be conducted in the following area, the first being using AI to predict consumer trends and improve localized product development, enhancing supply chain transparency with blockchain technology to boost consumer trust. Moreover, studies can track long-term marketing effects using longitudinal studies or panel data, and use experiments to measure how different strategies influence consumer decisions.

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