

HEYTEA X KUNGFU PANDA

PR CAMPAIGN PROPOSAL

Co-branding strategy in Australia

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I. Introduction

Background Introduction

HEYTEA is a FMCG company in China, founded in 2012, with its main products being new-style tea drinks. It is renowned for its commitment to showcasing exquisite tea flavours from across the globe. This endeavour breathes new life into the time-honoured tradition of tea drinking (HEYTEA-Brand Introduction, 2018). Since its inception in China, HEYTEA has garnered immense consumer interest, boasting a user base of 21.5 million for its online platform alone by 2019. The brand's upward trajectory continued as it secured its fourth round of investment in 2020, which culminated in a valuation of 16 billion yuan (Zhou et al., 2018).

In a strategic move to bolster its global footprint, HEYTEA inaugurated its first Australian outlet in Melbourne in 2023. Nevertheless, the brand has encountered a challenging market landscape in Melbourne, characterized by intense competition primarily from established local coffee havens and other prominent beverage franchises such as Gong Cha, MIXUE, and TopTea. This competitive milieu necessitates a strategic pivot for HEYTEA, compelling the brand to meticulously craft and introduce innovative products that resonate with local preferences, thereby securing a competitive edge in Melbourne's bustling beverage sector.

Strategy Recommendation

Representing HEYTEA's public relations team, we endorse a strategic co-branding partnership to boost consumer engagement and expand brand awareness. A co-branding strategy combines the strengths of multiple companies, enhancing market influence, brand visibility, and prestige, leading to a synergistic effect and additional value for consumers, thereby increasing brand credibility and prominence (Kenton, 2020). However, potential risks such as brand misalignment or perceived exploitation of consumer sentiment can result in disengagement. To prevent these issues, a comprehensive vetting process for potential partnerships is crucial, utilizing insights from past collaborations and thorough screening to ensure brand compatibility and maximize the partnership's positive impacts.

II. Case Study

In order to gain a deeper insight into the potential impacts and results of brand partnerships, our PR team has selected two significant case studies for analysis. The first examines HEYTEA's previous joint branding campaign with Fendi in China, providing valuable context and learnings. Simultaneously, we have opted to examine the strategic co-branding collaboration between Toptea— a formidable rival of HEYTEA— and Cherryhill Orchards, serving as our secondary case study. Through these studies, we aim to distil critical insights to inform and guide the strategic development of our upcoming PR campaign.

HEYTEA X Fendi

According to Red Star Capital Bureau, in 2022, HEYTEA led the tea beverage sector with a 20% market share (Yu et al., 2022). However, NAIXUE, a close competitor, also held 17%. Moreover, FoodTalks' 2022 report identified over 200 tea beverage brands in the Chinese market. This intense competition in China drove HEYTEA to pursue a co-branding partnership with Fendi in May 2023 to enhance its brand appeal.

HEYTEA's strategy focuses on innovative packaging and flavours. The "Joy Yellow" packaging, inspired by Fendi's colours, enhanced brand cohesion. HEYTEA introduced three beverages influenced by Yi fruits, aligning with Fendi's Yi embroidery collection. In addition, a pop-up tea room at Fendi's Art of Craftsmanship exhibition

offered both HEYTEA drinks and traditional Yi embroidery crafts. Communication-wise, HEYTEA leveraged social media for event updates and engaged KOLs, inviting them to the tea room to share the co-branding campaign with their followers, generating organic word-of-mouth publicity.

In terms of communications, HEYTEA predominantly utilized official social media platforms for real-time event updates. Concurrently, the brand placed a significant emphasis on leveraging Key Opinion Leaders (KOLs), extending invitations to them to visit the collaborative tearoom. This strategy was implemented not only to provide them with a firsthand experience of the new beverages but also to encourage them to share insights about the co-branding campaign with their followers, ultimately generating organic word-of-mouth publicity.



Finger 1 HEYTEA x Fendi co-branding products

In this co-branding effort with Fendi, HEYTEA prioritizes focusing on its primary customers—females below 25. This demographic is drawn to HEYTEA not just for its unique beverages but also for its product design and store aesthetics (Yang, 2023). The partnership enhances the customer experience by offering unique products and a chance to enjoy premium drinks while appreciating Chinese craftsmanship. In addition,

HEYTEA's employees also play a crucial role in this initiative. Their skills in crafting tea beverages contribute to a calm and artistic atmosphere, setting HEYTEA apart from other bubble tea shops. Lastly, key stakeholders such as the media and influencers are essential in spreading the campaign's message and strengthening HEYTEA's brand recognition, associating it closely with Fendi's luxury image. They achieve this by creating engaging content for their audience.

HEYTEA's collaboration with Fendi has elicited a spectrum of responses from both consumers and critics alike. On a positive note, the campaign's introduction of revamped product packaging and innovative drink flavours, coupled with the establishment of thematic pop-up shops, adeptly caters to the brand's primary demographic's desire for novelty and immersive experiences. Furthermore, this partnership enables Fendi to tap into the burgeoning youth market in China, fostering connections with prospective customers. Concurrently, HEYTEA leverages the prestige of a luxury brand to generate buzz and pique consumer interest, potentially increasing the trial rates of new products. Utilizing unpaid media coverage and influencer collaborations ensures consistent messaging across all communications, which contributes to a unified campaign narrative, heightened brand visibility, and fortified consumer trust. However, the campaign has not been without its critiques. The main critique is about the disparate brand personas. Since HEYTEA's products average around 20 yuan (approximately AU\$5), predominantly appeal to a teenage demographic, which potentially misaligns with Fendi's target audience. In addition,

HEYTEA's promotional slogan, "Buy HEYTEA, Get Fendi Free," inadvertently conveys a sense of frugality, contradicting the intended premium positioning of the co-branding initiative. Critics have also highlighted the risk of HEYTEA's indiscriminate approach to co-branding, warning that such tactics may lead to consumer fatigue and adversely impact the brand's long-term prospects.

Toptea X Cherryhill Orchards

Founded in 2016 in Melbourne, Australia, Toptea has rapidly evolved into a leading tea beverage brand by embracing global cultural fusion as its core identity. With a strong presence in Melbourne, including key areas like the Central Business District, Glen Waverley, and Box Hill. As a potent competitor in the Melbourne market, Toptea offers a valuable perspective on Melbourne residents' views of new tea beverages and co-branding initiatives.

Toptea's collaboration with Cherryhill Orchards aims to integrate the brand with nature and coincide with Melbourne's Cherry Blossom Festival. Customers can enjoy seasonal beverages, evoking the festival's essence and providing a peaceful break from daily stress. Initially, Toptea launched specially packaged signature drinks, followed by a combo package including a festival ticket with any purchase of the new products. This allows customers to simultaneously experience the cherry blossoms and Toptea's unique flavours. Furthermore, in order to preserve exclusivity, purchases are limited to

one per customer, and these items were only available during the two-week festival.



Finger 2 Toptea x Cherry Oschards co-branding products

Toptea diligently utilized its proprietary media channels across various platforms to disseminate the narrative, intricacies, and unique value propositions of seasonal products. A uniform presentation of messaging and visuals across Toptea’s social media, official website, and in-store promotions guaranteed a coherent and compelling campaign narrative. Furthermore, Toptea strategically employed Key Opinion Consumers (KOCs) to stimulate consumer interest. These influencers not only portrayed the beverages in an appealing manner but also shared images of their delightful experiences at the Cherry Blossom Festival with Toptea, successfully inciting curiosity and eagerness among potential customers to engage with the new offerings and the campaign.

Consumers, notably international students from diverse regions, are central stakeholders in Toptea's campaign. This campaign not only introduces them to Toptea’s new product offerings but also fosters their connection with the Melbourne region through participation in the Cherry Blossom Festival. In addition, suppliers hold critical

importance in this event. As crucial links in the supply chain, they ensure the timely availability and delivery of all necessary raw materials and packaging, directly influencing the campaign's outcome, customer satisfaction, and Toptea's local market reputation. Finally, the influence of Key Opinion Consumers (KOCs) is undeniable. Serving dual roles as consumers and influencers, they have actively engaged with Toptea's campaigns on social media, enhancing the campaign's visibility and reach through their likes, shares, and comments.

The Toptea co-branding campaign received positive feedback from both consumers and public relations professionals. Toptea successfully linked its brand and products to the Cherry Blossom Festival, which highlighted the drinks' natural and refreshing qualities. The campaign facilitated consumer participation in local Melbourne events and leveraged Key Opinion Consumers (KOCs) to establish a positive emotional connection with the brand, fostering stronger and more favourable brand perceptions. This strong brand association and heightened consumer interest propelled engagement and sales of Toptea's seasonal products throughout the festival. However, some discrepancies arose as a few consumers felt that the actual quality of Toptea's drinks did not live up to the KOCs' glowing descriptions. Therefore, while individual taste preferences vary, it is still crucial to maintain realistic and honest messaging to prevent consumer distrust and potential backlash, safeguarding the campaign's overall success.

III. PR Campaign Plan

Drawing on insights from the preceding case study and addressing the challenges HEYTEA encountered in Melbourne, we have crafted a public relations campaign aimed at strengthening the brand's local engagement, enhancing brand awareness, and fostering brand affinity.

Co-branding Options and the New Product

Kung Fu Panda, a global cinematic hit, fuses Chinese and Western aesthetics seamlessly. Released in 2008, it earned \$631.7 million, ranking as the top-grossing animated film. Its wide appeal spans age groups, captivating animation enthusiasts and families. Leveraging its popularity, Xi Cha reinforces its Chinese identity and friendly brand image for local and global expansion.

In this co-branded campaign with Kung Fu Panda, we introduce the Panda milk tea, crafted with Riverina Fresh milk and Elderberry syrup, promising a natural experience. The bamboo-like appearance visually blends both brands.

Coinciding with Kung Fu Panda's presence in theatres during February and March 2024, our strategy throughout this period will emphasize leveraging PR and communication to amplify brand visibility, cultivate meaningful stakeholder connections, and

ultimately, intensify local consumers' affection and allegiance to our brand, culminating in heightened anticipation for the new product's introduction.

Three SMART objectives

- About brand awareness and product visibility in Melbourne

Increase mentions and user-generated content related to HEYTEA and Panda Milk Tea on Instagram and Facebook by 25 per cent within the first month of the campaign launch.

- About product trials and in-store visits

Attract 50 social media influencers to try Panda Milk Tea and share their experience at a HEYTEA Melbourne shop within three weeks of the campaign launch.

- About brand image and perceptions among local Melbourne consumers

Within a month of the campaign launch, social media platforms TikTok and Facebook saw a 15% increase in positive sentiment and love for HEYTEA and its new product, Panda Milk Tea.

Stakeholder Analysis

In terms of the key demographic for this campaign, our primary focus rests on consumers, particularly targeting the Generation Z segment. This demographic is characterized by its quest for novelty and emphasis on experiential value when selecting

products. Thus, it becomes imperative that both the campaign's design and its associated media content are tailor-made to align with their preferences and ensure resonance and relatability. Achieving this alignment is pivotal, as it lays the foundation for cultivating strong relationships and fostering organic word-of-mouth endorsements.

Moreover, forging strong ties with local media is crucial for HEYTEA in its quest to penetrate new markets. Local media play a pivotal role in promoting campaigns, disseminating news, and sparking public interest. Hence, it is imperative to strategically collaborate with key local media outlets, ensuring that the community becomes well-acquainted with HEYTEA's brand narrative and product offerings.

As an FMCG brand, HEYTEA must strategically navigate the influencer landscape on social media. Given the intense competition in Melbourne's beverage industry, it is crucial for HEYTEA to adopt compelling storytelling and create distinct narratives to stand out and resonate with consumers. Social media influencers, as adept content creators, can produce unique and captivating content that authentically highlights HEYTEA's products, adding variety to the brand's content portfolio. By collaborating with influencers whose followers align with HEYTEA's target demographic, the brand guarantees that its messaging effectively reaches its intended audience.

Last but not least is Riverina Fresh, the esteemed supplier of HEYTEA's products. Serving as the provider of essential ingredients, Riverina Fresh plays an indispensable

role in upholding product quality and ensuring customer satisfaction. HEYTEA further underscores its dedication to supporting the local industry by selecting domestic suppliers, a move that resonates strongly with Australian consumers and contributes significantly to cultivating a positive brand image.

Three Key Messages

- Inform consumers about the new product

"HEYTEA is excited to introduce the Panda Milk Tea, a distinctive beverage meticulously crafted for Melbourne. Made with premium ingredients and authentic blends, Panda Milk Tea transcends ordinary drinks, offering a journey into a world of exquisite flavour and unparalleled quality, hallmark traits of HEYTEA."

- Establish empathy with local citizens and community

"At HEYTEA, we are more than a purveyor of fine teas; we are an integral part of the Melbourne community. We are dedicated to spreading joy and delivering quality across every neighbourhood, reaffirming our commitment to the local citizens."

- Inspire consumers to engage with us:

"We invite you to participate in our social media challenge and indulge in the exclusive Panda Milk Tea, a creation born from our collaboration with Kung Fu Panda. Immerse yourself in the vibrant culture of Melbourne, enriched with the unique essence of

Chinese heritage."

Campaign Plan

- **Big Idea: Embark on a Panda Adventure with HEYTEA**

The central theme of this campaign encapsulates the adventurous, fun, and unique experience offered by trying the new Panda Milk Tea. This aims to immerse consumers in the story and journey, creates a lasting brand experience and strengthen the bond between HEYTEA and its Melbourne audience.

Step 1: Arouse Awareness

To initiate, HEYTEA will release a teaser featuring a silhouette of Po from Kung Fu Panda holding a Panda Milk Tea across major Melbourne social media platforms, including Instagram, Facebook, and TikTok, using hashtags like #PandaMilkTeaMelbourne, #HeyTeaXPanda, and #KungFuBrew to inform the cooperation.

Step 2: Trigger Interest

Subsequently, HEYTEA will host a tasting event in Melbourne, invite prominent local influencers and media professionals, and encourage them to share their experiences. HEYTEA will also offer exclusive co-branded gifts and capturing moments from the event. This approach not only generates buzz for influencers but also provides

HEYTEA with a unique platform to showcase the new product to other stakeholders.

Step 3: Induce Engagement

HEYTEA will then initiate the #whereisthepanda challenge on Twitter and Facebook, which encourages participants to discover panda elements around the Melbourne area and share their findings on social media. The top 10 posts with the most likes on each platform will win a free Panda Milk Tea or exclusive merchandise. On TikTok, HEYTEA will introduce a AR filter, which enables users to virtually enjoy Panda Milk Tea with Po's face, fostering positive consumer interactions, media coverage, and heightened anticipation for the new product.

Step 4: Resonate with the Audience

Once a significant level of awareness has been established, HEYTEA can leverage partnerships with prominent Melbourne media outlets to share exclusive stories about the collaboration. Through interviews and extensive coverage, this strategy enables consumers to delve deeper into the unique attributes of Panda Milk Tea and the compelling narratives behind it, which fosters an emotional connection.

Communications Channels

- Tier 1: TimeOut Melbourne

As a leading publication in food, lifestyle, and culture, TimeOut Melbourne excels in

showcasing the city's top dining and entertainment options. Therefore, HEYTEA's campaign and the new product will be highlighted in its Food & Drink section, thereby attracting a diverse and engaged audience.

- Tier 2: MELBOURNE TODAY

As Australia's largest Chinese community media platform, MELBOURNE TODAY offers HEYTEA a direct channel to connect with the local Chinese population, evoke a sense of nostalgia and encourage their participation in the campaign.

- Tier 3: Twitter and Facebook

Predominantly used in Melbourne, these social media giants are ideal for disseminating teasers, updating the community on campaign developments, and encouraging participation in social media challenges. Their widespread use ensures maximum visibility, aiding in the generation of buzz and consumer interest in HEYTEA's latest offerings and brand narrative.

- Tier 4: TikTok

This platform will serve as a interactive channel for our brand and foster two-way communication with ideal consumers. By utilizing AR filter, HEYTEA can not only attract attention for this campaign, but augment campaign visibility and effectively target our primary audience.

- Tier 5: Official Website

As the owner media, HEYTEA's website will play a role in providing official information, such as new product introduction, offline store location and so forth. Through official website, we can use unique frame to narrate story of this cooperation and then influence stakeholders perception.

Evaluation and Measurement

To evaluate the campaign's success, we will employ a blend of media monitoring, social media analytics, and stakeholder feedback.

In order to quantitatively measure the campaign's awareness, we will analyze the quality and quantity of earned media coverage, alongside monitoring influencer participation and the extent of their content's reach. This approach enables our clients to concretely visualize the achievement of their objectives, ensuring transparency and accountability in our campaign execution.

For product trial assessments, we will gauge the effectiveness by counting the social media influencers who engage with and share their opinions on the new product, contrasting these results against our predefined goals. A survey will be conducted to gauge their satisfaction and garner suggestions for future campaigns.

Brand image will be measured through a comprehensive social media analysis, utilizing sentiment analysis tools to gauge public perception of the social media challenge, the new product, and HEYTEA's overall brand on platforms such as Twitter, Facebook, and TikTok. This analysis will provide valuable insights into stakeholders' attitudes, aiding in the optimization of narrative frameworks for future campaigns.

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