

Study on the Cross-cultural Marketing Strategies of China's Tea Enterprises

Lichao Tian^{1,a,*}, Yinong He^{2,b}

¹School of Economics and Business, Taishan University, Taian, China

²Taian Hi-tech Industrial Development Zone, Taian, China

^atlc_amy@126.com, ^bwelkblatt@163.com

*Corresponding author

Abstract: As the country of origin of tea, China is also the major trader of tea. However, due to the lack of international marketing awareness and experience, Chinese tea enterprises have gradually been at a disadvantage in the international tea market and have been surpassed by enterprises from non-traditional tea-producing countries in market share and profits. How to reverse the international competitiveness of tea enterprises has become an important problem to be solved urgently. This paper analyses the differences between Chinese and foreign tea cultures, and finally puts forward relevant strategies for cross-cultural marketing of Chinese tea companies.

Keywords: Tea, International Marketing, Cross-cultural Marketing, Cultural Differences

1. Introduction

As the traditional economic crop and the main export product, tea has been well-known at home and abroad since Tang and Song Dynasties, and has become China's cultural label. However, nowadays, in the world tea market, China has gradually lost its competitiveness to countries such as the United Kingdom, India, Sri Lanka and Japan, and has fallen into difficulties in terms of trade volume, export earnings and brand building. For Chinese tea enterprises, due to the increasingly fierce competition in the domestic market, it is necessary to fully participate in international competition. Cultural barriers in tea consumption are one of the main problems faced by Chinese tea companies. As a result, cross-cultural marketing is important to Chinese tea enterprises.

Cross-cultural marketing is unavoidable in the process of enterprises participating in international marketing. For example, consumers in different regions usually have different reactions to the same product or marketing strategies. Therefore, in the process of international marketing, the collision and friction of various cultures are inevitable. On the one hand, cultural differences will bring obstacles to corporate marketing, and on the other hand, they can become a key for companies to open the market [1]. Facing the fierce competition in the international tea market, Chinese tea companies should make full use of cross-cultural marketing strategies to overcome cultural barriers, which will help Chinese tea companies to increase the added value of their products, earn greater market share and form a core competition that hardly can be replaced by others.

2. Cross-cultural Marketing

Cross-cultural marketing refers to the marketing of enterprises in two or more different cultural environments, whose essence is the management of cultural background differences between the two parties of the transaction [2]. This management model can participate in every aspect of international marketing: from cross-cultural market research, cross-cultural product development and brand management, to cross-cultural channel and promotion.

According to the degree of difference between the original cultural environment of the enterprise and the target market country, the entry mode of cross-cultural marketing is generally divided into similar culture entry mode and different culture entry mode. The similar culture entry mode refers to starting from a target market country with a high degree of cultural similarity, and then entering a country with a low degree of cultural similarity, thereby reducing the risk of cultural conflict and pursuing stable development. The different culture entry model is the opposite of the former, which

strives to offset the adverse factors brought about by cultural conflict by obtaining more profits in the lucrative target market, and achieve rapid growth. When choosing an entry mode, the enterprise should fully consider market conditions and its own strength.

The cross-cultural marketing mix strategy mainly includes: 1. Cultural difference strategy, 2. Cultural adaptation strategy, 3. Cultural intersection strategy, and the organic combination of the three [3]. The implementation of cross-cultural marketing strategy is very necessary for enterprises to carry out international marketing. Although the pace of globalization is accelerating, and cultural exchanges and integration between regions are gradually strengthening, cultural differences and collisions still exist, and the deep control of traditional culture on consumers' consumption tendency cannot be underestimated. Many multinational catering companies have used cross-cultural marketing strategies in their international marketing, and have received good results. Starbucks, an American coffee company, attaches great importance to "coffee education" for consumers in regions lack of coffee culture. For example, it has opened "coffee classrooms" in China, who committed to helping consumers eliminate their resistance to coffee, and stabilize and gradually expand their market share [4]. British tea brand - Lipton, through the combination with the office and leisure culture of contemporary white-collar workers in various countries, makes the advertising slogan A cup of yellow label? Become a buzzword among white-collar workers to express "take a break", so that the yellow label Lipton tea bag has become one of the symbols of this group. The implementation of a formal cross-cultural marketing strategy helped Starbucks and Lipton to overcome cultural differences, outperform their competitors, and win the world market [5].

3. Cultural Differences Between Chinese and Foreign Tea Markets

Although China is the country of origin and consumption of tea, drinking tea is not a unique living habit of the Chinese. With the development of the Silk Road, the Ancient Tea-Horse Road and navigation technology, tea has already spread all over the world. According to the statistics of Euro monitor, the research agency, the country with the highest annual per capita tea consumption in the world is Turkey, whose annual per capita consumption is 3,157 grams; the second to fifth places are Ireland (2,191 grams), The United Kingdom (1942 grams), Russia (1384 grams), and Japan (968 grams); while China ranks 19th in the world with per capita tea consumption of 566 grams. Due to the differences in customs, dietary structure and historical evolution in different regions, the demand for tea around the world has been branded with their own culture, forming a unique tea culture. The differences between Chinese and foreign tea cultures are mainly in cultural heritage, drinking habits, tea drinking etiquette and influence.

3.1 Differentiated Cultural Heritage

"Tea ceremony" is the typical oriental culture. Chinese tea culture is rooted in traditional Chinese civilization, especially the spirit of "Confucianism" and "Taoism". Japanese tea culture is deeply influenced by Chinese tea culture. The spirit of the Japanese tea ceremony is to use tea to purify the mind, eliminate all distracting thoughts, and unite man and nature. Western tea culture pursues elegance and mainly reflects social functions. For example, "afternoon tea party" is the core of British black tea culture. For consumers in most countries, tea only exists as one of the three major beverages in the world, without deep cultural heritage as support.

3.2 Differentiated Drinking Habits

In terms of varieties, tea can be divided into green tea, black tea, scented tea, Pu'er tea, oolong tea, etc. Chinese consumers will combine seasonal and physical conditions when choosing tea, so as to achieve better healthcare functions. Western consumers generally prefer black tea, which is also the most in-demand type of tea in the world. In terms of brewing methods, most Han people prefer "clear drinking", that is, only tea leaves are brewed, while consumers in some areas prefer "mixed drinking", that is, adding ingredients such as wolfberry, jujube, rock sugar, etc. with harmonious taste to the tea. The British prefer to add milk and sugar to black tea to make milk tea with different flavors; Japan and some countries in Southeast Asia like to add the taste of fruit to the tea to form a fruity tea with a strong flavor. When it comes to the appearance of tea leaves, Chinese people attach great importance to "observation of the shape", and believe that broken tea leaves are of low quality and low value; foreign consumers like to make tea powder or tea bags for convenient storage and brewing.

3.3 Differentiated Tea Drinking Etiquette and Influence

Tea drinking is already a way of life for Chinese consumers, and it can be done at any time. The etiquette of tea drinking is mainly limited by the occasion of tea drinking. In European countries, drinking tea at different times has its own name and corresponding process, which reflects the noble identity and status of the drinker. In the United States, Africa and Southeast Asia, there is no special etiquette for drinking tea, which is more casual. In terms of influence, tea culture has the greatest influence in mainland China, followed by Japan and South Korea. European countries such as the United Kingdom also have a certain influence. The tea culture in America, Africa and Oceania has the least influence.

4. Problems of Cross-cultural Marketing of Chinese Tea Enterprises

As a big tea country, China has nearly 70,000 tea enterprises, but there are few leading enterprises, most of which are small in scale and have relatively low management level. In addition, due to the relatively large demand in the domestic tea market, most Chinese tea companies pay more attention to the domestic market, and tend to export trade with relatively low risks when entering the international market, and their willingness to market in the international market is not strong. Some of them engaged in international marketing lack investigation of the needs of target market, and only rely on domestic market experience to formulate marketing strategies.

4.1 Weak Cross-Cultural Marketing Awareness

Chinese tea enterprises generally lack the awareness of cross-cultural marketing. And it is difficult to carry out effective cross-cultural marketing since the scale of enterprises is small, and the management level is limited. Even leading companies such as "China Tea" and "Wu Yutai Tea" prefer to develop the domestic market and are cautious about the expansion of overseas markets. At present, most Chinese tea companies participating in international competition mainly rely on price wars to compete for the market, which has caused a lot of internal vicious competition, damaged the image of Chinese tea, and weakened its attractiveness to consumers in target market countries.

4.2 Ignoring the Construction of Brand Culture

First, there are few world well-known tea brands. Among the many tea brands, only a few brands such as "Wu Yutai Tea", "Tianfu Tea" and "Eight Horses" are known to consumers, and these brands have limited influence in the world tea market. Second, the influence of geographic brand is greater than product brand. Because Chinese consumers pay more attention to the origin of tea, there are many types of geographic tea brands in China, such as "West Lake Longjing", "Xinyang Maojian", "Wuyi Dahongpao", etc., but there are few product brands. Third, the means of building brand culture are difficult to resonate with consumers. The Chinese tea brand advocates the banner of "time-honored brand" and mainly promotes good tea quality to consumers. However, many foreign beverage brands focus on the "emotional brand", which conveys the experience beyond the product to consumers, thereby attracting consumers and forming loyalty.

4.3 Lack of Innovative Cross-cultural Marketing Methods

Different cultural backgrounds and different understandings of tea culture of consumers all over the world require that cross-cultural marketing methods must be diversified so as to adapt to consumers in different regions. At present, the cross-cultural marketing methods used by China's tea enterprises in international marketing are relatively simple, and is difficult to attract young generations.

5. Cross-cultural Marketing Strategies of Chinese Tea Companies

5.1 Actively Adapt to the Culture of the Target Market

The influence of national culture on consumer behavior is deeply rooted, and the process of cross-cultural marketing should firstly respect and adapt to the culture of the target market country. Faced with the differentiated tea culture, Chinese tea companies should fully understand and actively adapt to the culture of the target market. For example, Moroccans prefers mint tea, Japanese tea ceremony

pursues "Zen", and Russians like to make tea with a strong sweetness. When Chinese tea companies conduct international marketing, they must break the shackles of traditional Chinese tea culture, actively conduct market research, fully understand the needs of target markets and consumers, provide local consumers with products suitable for their culture, and enrich the connotation of tea culture.

5.2 Strengthen the Construction of Tea Brand Culture

The formation of the brand culture is determined by the final consumer, which reflects the consumer's cognition of the cultural information conveyed by the brand and represents the core value of the brand. In the construction of brand culture, Chinese tea enterprises need to fully learn from the successful experience of "Lipton", "Harney&Sons", "Seasons Tea", "Twings" and other excellent brands. First, make reasonable brand positioning. For example, "Harney&Sons" focuses on blended teas, "Seasons Tea" focuses on fruit teas, and "Twings" focuses on tea bags. These brands have formed unique brand cultures through accurate brand positioning and gained consumers in their respective sub-markets. Second, make effective use of the advantages of origin. "Dilmah" focuses on hand-picked organic Ceylon black tea, which has the best technic in the purity of black tea, who is even designated as black tea by the world's top Michelin restaurant. Chinese tea brands should also actively promote the origin and production process, so that consumers can understand the story behind the brand. Third, actively develop tea culture peripheral products. The Japanese tea brand "Lupicia" launches a limited edition every year, a comprehensive "tea book" that contains dozens of flavored tea bags, which has become a major feature of the brand. Chinese tea brands should also appropriately launch peripheral products that are highly integrated with local culture, and even conduct cross-border cooperation with other brands to better promote the dissemination of brand culture.

5.3 Make Full Use of Online Platforms

Cross-border e-commerce has developed rapidly in many countries around the world. The development of this model breaks the shackles of the traditional business model and realizes a more direct connection between enterprises and final consumers. Chinese tea companies can make full use of the opportunity of cross-border e-commerce development, to carry out cross-cultural marketing innovatively, such as opening websites for global consumers, setting up global direct stores on internationally renowned B2C e-commerce platforms, etc. The use of the online platform will enable enterprises to reach more overseas customers, and provide a new way for overseas consumers to understand Chinese tea culture and recognize Chinese tea brands.

References

- [1] Wang Xiaodong. (2015). *International Marketing, Fourth Edition*. Beijing: Renmin University of China Press. 29-34.
- [2] Li Yiwei.(2003). *An Analysis of Two Market Entry Modes of Cross-cultural Marketing*. *Journal of Sichuan University (Philosophy and Social Sciences Edition)* (06), 40-46.
- [3] Chen Yashi. (2021). *Research on cross-cultural marketing strategies in international trade*. *Business Culture* (36), 56-57.
- [4] Chen Guang. (2005). *Starbucks Strategy - Industry Innovation and Experience Marketing of the World's No. 1 Coffee Chain Store*, Beijing: Enterprise Management Press, 45.
- [5] He H I , *Studies P D* , Renmin University of China, et al. *Socio-Demographic Analysis of Social Support of the New Generation Migrants[J]*. *Population Research*, 2012.