

**Hungarian University of Agriculture and Life
Sciences**

Károly Róbert Campus

**Consumer Market Research
in China
Lipton as a Case Study**

Thesis Summary

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SUMMARY

First, it can be said that Lipton's branding effect in today's Chinese tea market is quite remarkable. For starters, a well-known brand identity has been established in the marketplace, reflected by the brand being known by over 87% of the questionnaire respondents and all the interviewees. Moreover, Lipton has enjoyed a positive brand image in consumers' minds, having more than a 70% approval rate in the survey. Besides, it was also a brand perceived by consumers with distinctive and unique meanings in today's Chinese tea market, which simultaneously met the contemporary consumer's functional and psychological needs. The feelings related to the brand were highly favorable. For instance, many consumers described their feelings towards Lipton as warm, relevant, exciting, and dynamic. Furthermore, the feelings between consumers and Lipton were relatively high, as was confirmed by the high purchase rate and the high level of the consumer's engagement with Lipton-related activities.

But on the other hand, there are several aspects that Lipton has to continually improve on its marketing communications for further promoting its brand in the Chinese market, for example, how to strengthen consumer's familiarity with the brand, how to enhance consumer's confidence in the perceived quality and product credibility, how to encourage better consumer's intention to purchase, etc. In addition, I have tried to demonstrate the tea-drinking habits and preferences in China while pointing out what young entrepreneurs are doing to expand tea as a new style of personal and group enjoyment.

My research led me from the China Tea Marketing Agency to China Tea Economic Research, to iiMedia, 36KR, and others to provide the latest statistics on the largest tea market in the world. It appears that consumers are more than willing to experiment with new tea offerings, with more significant numbers attracted to this tea in unique, sleek, modern settings. From the research, green tea leads all others in consumer preferences, followed by black tea, oolong, scented Pu'er and dark tea (China Customs, CAPAC, 2021).

Since traditional tea drinking is essential to daily life and culture, China's tea sales will maintain an upward trend. Also, with the increase in per capita disposable income and the upgrading of Chinese residents' consumption, the quality of their teas will become an essential factor in the sales and enjoyment of tea. The growers and producers recognize this and are cautiously producing certain teas. New tea entrepreneurs like Xiao Guan also acknowledge the need for specialty teas, pricing them accordingly.

We must remember that China's 1.4 billion people already drink 40% of the world's tea and thirst for more. Many Chinese consumers prefer higher-quality tea and rely on third-party certification to ensure the tea is organic and sustainably grown.

These same consumers are now more accustomed to paying more per serving than their western counterparts, with the best tea in China at US\$ 1,000 for 500 grams (CNBC 2011).

Furthermore, the thesis has identified how Lipton successfully contributed to promoting Lipton's brand and offered suggestions for branding in the Chinese tea market. Accordingly, the thesis results prove that Lipton's branding has significantly contributed to its brand building. By mixing different approaches to actively communicate and highlight its unique brand meanings among the target consumer groups, Lipton has successfully shaped the perceptions, feelings, and judgments that the consumers hold with the brand, thus resulting in increased brand identity, a distinctive and favorable image as well as a high purchase behavior loyalty in the marketplace. Also, the study obtained a detailed explanation of consumers' tea experiences, likes, and dislikes. Lipton's approach is suitable for many company situations. However, the organization should always take all the possible communication tools into account, be fully aware of the advantages and disadvantages of each option, and, ultimately, adopt the appropriate ones to optimize the marketing communication effects.