

Intermediate Offline Catering Marketing Strategy: Taking Manner as an Example

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Abstract: With the social development, many customers who lose weight or need high-intensity mental work are also increasing, and people's demand for coffee is increasing. In China, coffee has gradually become a part of life, which leads to fierce competition in the coffee industry. Based on 4p theory and taking Manner as an example, this paper analyzes the marketing problems of small and medium-sized enterprises in popular industries. Four dimensions, including price, product, marketing and location are used to analyze Manner's practical marketing strategy to increase sales volume. Through analysis, it is found that the unclear product positioning and improper marketing strategy are the two biggest problems affecting the development of Manner: Manner is not well-known in second-and-third-tier cities, and the product income cannot cover the company's operating cost. By comparison, it is concluded that Manner is more suitable for learning Luckin's marketing model that Manner should target customers and cultivate customer loyalty.

1 INTRODUCTION

Recently because the coffee industry has risen, an increasing number of coffee shops have appeared everywhere in streets. Two most successful cases in China are that Starbucks and Luckin coffee have almost taken up all the market due to either Starbucks' high quality and high price or Luckin coffee's high cost performance. But their quality ranks in the middle. As a high-quality coffee shop, Manner coffee even beats the traditional American brand Starbucks in its flavor and taste. To be more accurate, Manner's Americano is added with some materials like soda, which enhances its taste. So Manner's Americano is more popular with customers than Starbucks. As an inexpensive coffee shop, its price (after reduction) is even almost on par with the brand -new Luckin coffee. Although it has become the preference of white-collar workers in the mansion, Manner coffee's popularity and sale are far less than two tycoon coffee brands. But its commercial price and development potential cannot be ignored. It is well-known that if a frog is put into lukewarm water and then water is heated up slowly, the frog will not survive because the frog enjoys the current situation and is used to the lukewarm water. But when the water is boiled, the frog will die. Many

medium-sized offline enterprises are like the frog, and Manner is one of the enterprises. Manner is now in a situation like a frog in lukewarm water which seems to be safe. But in fact, there are very big risks because Manner's sales volume is not ideal and it can only struggle in the coffee industry. When the market of coffee industry is saturated, Manner will be like a frog in boiling water, and its result will only be eliminated. This essay will elaborate on that the dilemma of Manner may be attributed to its vague market positioning.

2 BRAND INTRODUCTION

In 2015, MANNER COFFEE was established in Jing'an District, Shanghai. The brand belongs to Shanghai Yinhe Industrial Co., LTD. The local coffee culture of Shanghai which Manner coffee depends on spreads to the whole country. It has become one of the largest boutique coffee chain brand in China with 1,500 offline shops. After seven-year development, Manner's first store in Northeast China was opened in Wangxiang City Mansion in Shenyang in 2022. This means that Manner, a boutique coffee shop which only developed in big cities, gradually entered the market of second-and-third tier cities. Until 2024,

Manner has opened 16 physical coffee shops in Northeast China, 15 of which are from Liaoning Province. Take Manner coffee in Shenyang as an example, the marketing strategy of Manner is not successful.

Manner has also been a unique coffee company in China's coffee industry that has implemented the concept of environmental protection. The environmental policy is that each guest who brings a non-disposable cup to the store for coffee will gain 5yuan reduction. With the support of environmental protection strategy, the prices of most Manner's products are around 10 yuan. Unlike the coffee with more water from Luckin coffee and Cudi coffee whose price are 9.9yuan, Manner not only has maintained the lower price, but also has ensured the quality and taste of coffee. Manner is not inferior to Starbucks. Besides, the price of Manner coffee is one thirds of the Starbucks's coffee. However, compared with Starbucks and Luckin coffee, Manner is more like to compete with milk tea industry.

3 PROBLEM ANALYSIS

In 2019, there was a large-scale epidemic in the world, and under the influence of the epidemic, many small companies went bankrupt. As a new company that had just been operating for four years, Manner was undoubtedly greatly affected, but Starbucks was much less affected, because until 2019, Starbucks already had more than 30,000 stores (Lombardi et al., 2021).

According to the 2021 China Youth Coffee Lifestyle Trends Insight, 60% of Chinese consumers had more than three cups of coffee per week, which is already on par with the countries whose citizens prefer coffee (CBNDData, 2021). The competition of coffee industry is fierce, but there are only two coffee brands that make coffee better in China, which are Starbucks and Luckin. The 4P model is the standard for testing enterprises. In 4P theory, Manner does not perform well.

3.1 Product

Manner coffee adopts Arabica boutique coffee beans that are also used by Starbucks, which results in little difference in quality between the two brands. However, why does Starbucks get a good lead? In addition to the popularity gained from early entrance to market, Starbucks can offer consumers a wider variety of choices. For example, Starbucks American

coffee is divided into classic espresso, golden Espresso, low factor espresso, etc. Meanwhile, the Americano category can also be divided into other choices, according to concentration, temperature, type of cup and other options. In contrast, Manner's Americano only has two variables for customers to choose: temperature and concentration. The wider selection of Starbucks coffee encourages more consumers who like Starbucks or want to try Starbucks to choose it, which improves the reputation of Starbucks. Therefore, Manner coffee can provide more choices to meet customers' different tastes.

In terms of product variety and product innovation, Manner has relatively excellent performance. Manner has learned from Luckin's grape Americano and has created new products such as pineapple Americano, dried ginger Americano and Tonic Americano. Compared to its competitor -- Luckin coffee's grape Americano, Manner has utilized its own creativity, replacing pure water with sparkling water to improve the taste of coffee. In recent years, matcha flavor has enjoyed the popularity. Many businesses have mixed matcha into their own products, such as matcha latte, matcha cookies, matcha ice cream. Some even have combined matcha with jasmine tea to make products. Manner has launched iced coconut matcha to cater to the market, which is also one of Manner's most popular products. As a boutique coffee, the quality of its products is far ahead in the same type of coffee, but the product innovation needs to be improved. Manner has novel ideas but these ideas are not necessarily accepted by the public, such as dry ginger Americano which many customers are difficult to accept. Therefore, Manner can conduct a survey on the public taste in order to create a popular coffee taste.

3.2 Place

According to a survey, when Chinese consumers buy coffee products, nearly 70% of consumers choose to drink coffee away, and only 30% choose to drink coffee in the cafe (Shang, 2023).

While most Manner stores are located to office buildings, Manner stores in Shenyang are completely different. Take the Manner coffee in Wanxiang Mansion in Shenyang as an example. Manner is located at the entrance of Wanxiang Mansion's square, on the opposite of shops of Starbucks and Lamborghini, close to M coffee bar, a western restaurant. Wanxiang Mansion is an old-brand shopping mall which is high end in the commercial center of Shenyang, where the flow of people is stable

and the popularity is high, helping Manner occupy a favorable position. However, the location of the small square in Wanxiang Mansion has not received much attention. Compared to the shopping district, the small square is farther away from the main street and most of the people who want to come to the small square are those who want to buy cars and eat meals. Besides, it is directly opposite to Starbucks, so customers will be attracted by Starbucks and choose Starbucks directly instead of Manner.

Manner continues to learn from the latecomer Luckin, but does not want to give up the Starbucks' customer market. A part of Manner shops choose the same offline marketing model as Starbucks. Starbucks has detailed customer needs. It not only has played music, installed library lighting and power plug in the store but also has launched online order. Starbucks has aimed to serve more customers with different needs more effectively. Compared with Starbucks, Manner does not have a perfect store environment that satisfies most customers. Manner does not make a correct decision on the location of the store in accordance with its positioning so it is hard to attract loyal customers. Manner can increase the stores in line with its own positioning, while it remain the existing stores to prepare for drawing the public eyes.

3.3 Price

In 2015, Manner coffee became the cheapest in the coffee industry after its launch. Compared to the coffee at the price between 30-50 yuan, the price of Manner coffee was only 15-25 yuan. However, it did not grasp the timing to market. Three years later, cheaper Luckin coffee came out, with its price at 9.9 yuan, making the competition between coffee brands more fierce. Luckin regularly send coupons to customers in order to ensure customer loyalty and stimulate consumption (Lingyu, 2020).

The price of Manner are lower among the coffee industry, and its price is in line with that of most milk tea shops, whose price is not suitable for coffee drinkers. Coffee drinkers can be broadly grouped into two categories, including the working class and the professional elite. For the working class, the monthly salary of 3000-6000 is not enough to support them to buy high-priced coffee after covering the living expenses, so Luckin has become the best choice for them. Luckin Coffee often collaborates with popular brands to increase its visibility and attract customers to purchase its products. Consumers who are fans of a particular IP will buy coffee because of products related to that IP (Yi, 2024). These IPs are mostly

cartoons or videos that young people enjoy, which happens to match the consumption level of most young trendsetters. In contrast, for the professional elites, high-priced coffee like Starbucks coffee is more like a status symbol. Unfortunately, Manner has been ruled out from these two groups. It takes up the rest group whose market share is not large. Its pricing results in a narrow audience, so the pricing strategy needs to be optimized. In contrast, Luckin's stock price fell and was delisted due to financial fraud in 2020, which did not seem to affect Luckin's sales. The reason is that Luckin has become an irreplaceable low-cost product in the coffee industry. Most of Luckin's customers are ordinary consumers who do not pay attention to the stock market, and Luckin has mastered the customer loyalty with cheap prices and products that meet the tastes of the the public. Compared with Cudi coffee whose marketing strategy, price and products are the same with Luckin, only Manner has the ability to compete with Luckin coffee. There is a common feature between Manner and Luckin that the price of their products is half or more cheaper than many coffees on the market.

3.4 Promotion

The founder of Manner Han Yulong wanted to open a coffee shop for coffee itself, and he hoped that people who came to drink coffee would be those who love coffee (Zhou, 2022). As a result, Manner focused more on the evaluation and feelings of coffee drinkers rather than marketing. Thus, marketing is a weak point of Manner. Without popularity, Manner does not vigorously promote the reduction policy aiming to environmental protection to attract customers who want to obtain environmental protection reduction or who want to advocate environmental protection concepts. In contrast, Manner's competitor--- Starbucks has become the "leader" in the coffee industry in terms of environmental protection concepts.

Secondly, Manner's market positioning is not clear, which makes it unable to make effective marketing methods. Every kind of media is a new kind of enterprise sales channel (Wei, 2021). With the development of the information age, the marketing model of traditional media has changed a lot, which has opened up a new business track that coffee shop needs network marketing (Wang, 2024). Firstly, Manner's fame in second-tier cities came from social networking apps such as XiaoHongshu, which has prompted many young people who follow the trend to check in and take photos. Although it helped the store gain a lot of traffic and bills, this part of the

population did not really love or need coffee. On the contrary, the long queue led the Manner's original customers - office workers not to be able to buy coffee in a short time.

As the leader of China's coffee industry, Starbucks coffee even once has become the pricing standard in the coffee industry. In Paryani K's research conducted in 1970, it was stated that Starbucks' success relied on three strategies: coffee, customer experience, and service (Lingyu, 2020). Therefore, the Starbucks' coffee helps the China's coffee industry orient a fixed consumer group - the elite white collar about 25 years old. Similarly, Luckin is also a company with clear market positioning. In 2018, Luckin opened its first store in Beijing with the slogan of low-priced coffee. Its consumers are mostly office workers and students, who engage in activities that need intensive mental labor and have low purchasing power, which also expands the sales market of coffee. The Luckin's physical shops have widespread distribution and the distance between the shops is short. Luckin Coffee's expansion speed is very fast, opening 2064 stores in just 20 months since its establishment (Xinhua Daily, 2019). which means Luckin coffee adapts to the popular marketing environment. At the same time, Luckin supports customers to buy coffee in their shop. Therefore, Luckin coffee fights out those high-priced coffee with its lower price at 9.9 yuan, attracting customers to go into the store. Therefore, Manner can learn from these brands' marketing mode to increase sales volume.

Manner's applet and app utilization rate was low, which was a big gap with Luckin and Starbucks. Starbucks' app promoted sales volume and customers would click the app frequently, increasing the number of repeat customers (Xinhua Daily, 2019).

Taking Manner coffee shop in Shenyang as an example, although it actively took part in the take-out industry and registered stores on the take-out apps which is commonly used in China, the starting price was up to 80 yuan which ruled out a crowd of office workers who wanted to drink coffee alone. Unlike Luckin coffee whose policy is quick returns and small margins or Starbucks whose policy is high price with high positioning, Manner still maintains the slow development with the idea that focuses on coffee itself when Luckin and Starbucks spare no effort to find endorsements. However, Manner has not stagnated. In early November 2024, Manner shop in Shenyang adjusted the starting price of takeout to 18 yuan, which also increased the original monthly sales of 300+ to 2000+.

In combination with the price, it can be concluded that the Manner pricing should not be the same as the price of milk tea because people who like to drink milk tea will not like to drink coffee. Besides, those who enjoy drinking coffee will not choose coffee whose price is more expensive than 9.9, or choose the coffee that is targeted at workers.

4 SUGGESTIONS

Manner should first make clear its market positioning, use more marketing means and launch a key market to individual customer group. The authors firmly approve that Luckin is more suitable to become Manner's learning example according to Manner's price and quality. Therefore, manner should continue to increase the numbers of stores, and actively promote the concept of environmental protection and reduction policies. Luckin is a competitor at the same level of Manner, and Manner can share the market with Luckin through quality. Manner and Starbucks use the same kind of coffee beans, so their quality is better than Luckin coffee. Secondly, Manner should increase the selectivity of goods, such as sweetness, concentration, temperature. Offering more choices can meet more users' needs, which attracts new customers and increases customer loyalty. At the same time, Manner can change the business model, learn the franchise system of Luckin, and take the franchise fee as the main income rather than the income from coffee itself, so as to obtain more benefits. The franchise system can help store expansion, and the ubiquitous stores are also a method of publicity. Although excessive stores will make the brand impression of Manner more low-end, opening the market can get more revenue. Manner stores should not only open in office buildings or shopping malls, but also carry out synchronous development. It should serve customers from the counter, focus on takeout, or takeaway purchase methods.

5 CONCLUSION

These intermediate brands, such as Manner, have great development potential. With a proper strategy, the efficiency will be doubled. The appropriate strategy is a scheme based on the 4p model to maximize the benefits. At the same time, Manner should understand its competitor, imitate and learn their competitors' marketing strategy so as to surpass

its competitors. Manner should change its current marketing mode, actively publicize its own advantages, target consumer groups to enhance customer loyalty and brand choice. In all walks of life, there is no lack of businesses that will go bankrupt because of poor marketing, like Manner. Taking Manner as an example, the bottom problems of such enterprises should be analyzed to help enterprises with real potential to be seen by the public.

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