

Factors Attract Millennials and Gen-Z of Buying Boba Tea in the US

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Abstract: Boba tea is a type of drinks came from Asia. It started in Taiwan and soon spread all over South-East Asia. Boba tea is made of black tea, milk, and sugar. With the development of the drink, it soon had various type of drink which includes tea latte, fruit tea, and lemonade. It can be customized by adding more than 30 types of toppings and choosing the different type of tea. Boba tea has entered the US market with the immigrations. It at first only be known for Asian people, but it is becoming a new trend in the new target group, which are Millennials and Gen-Z in the US. Millennials is the generation who was born between 1981-1996, Gen-Z is the generation who was born between 1997 to 2012. They can be called as young generations. Boba tea is new in the US, and the target customers are different from the ones in Asia, hence, what factors that attract the target customers are also different. As a result, it is important to understand what factors attract Millennials and Gen-Z of buying Boba tea in the US. This paper is to indicate what elements of boba tea that attract Millennials and Gen-Z to purchase boba tea.

Keywords: Boba Tea; Millennials; Gen-Z; Factors; Buying decision.

1. Introduction

Boba tea is a new item just become popular in the US. When a new thing comes to people, they are willing to have a try. However, if people in the US only have the intension of trying boba tea, then the boba tea shops will not be sustainable. Boba tea is originally from Asia. The diet habits in Asian are a lot different from the diet habits in the US. For example, Asian people prefer hot beverage because they believe that iced beverage is bad for the health. However, most people in the US are used to drink iced beverage since they are kids. Another example is that Asian people do not like desert or beverage to be too sweet, but most of the desert and beverage in the US are often very sweet. It shows that people in different region have different factors over the beverage they like. As a result, understanding what factors attract young generations to buy boba is an essential project. What is more, how should boba tea shops adjust the receipt of the drinks to make it more acceptable in the US target. The target market of buying boba tea are the Millennials and Gen-Z. Their purchasing preference is a significant factor that affects them of buying boba tea.

This paper conduct four hypothesis to test what is the main factor that attract Millennials and Gen-Z to choose boba tea over local coffee. Then, this paper will conduct a questionnaire facing Millennials and Gen-Z to understand better about what impact them when buying boba tea.

2. Literature Review

Every generation has a different shopping characteristic. As a result, Millennials and Gen-Z will also have their own purchase preference. Millennials and Gen-Z are willing to be the first group to experience what is coming up new. They are more than willing to purchase things that are new to the US market [1]. Nowadays, digital marketing is becoming more and more popular. Digital marketing can bring convenience for both the consumers and the companies. The impact of digital marketing also impact young generations pattern of shopping preference significantly [2]. It can be seemed like

the purchase preference of Millennials and Gen-Z is positively impacting them of purchasing things that are trending in the social media. Millennials and Gen-Z are becoming more concerned about their health status. It becomes an important factor that young generations choose boba tea because the tea in the drinks is healthy and it can have positive benefit of health when the sugar level is low [3]. The obesity problem is very severe of young generations in the US. However, the food and beverage industry are unlikely to eliminate the marketing portion of unhealth food and drinks to young generations [4]. Generation Z is the new foodie generation. Foodie means the type of people who have the passion of eating and are willing to learn about food. Generation Z is becoming a part of the main consumers in food and beverage industry. They are very important in the market as they are creative enough to make their new type of food. The foodie activity can help researchers to understand their purchasing preference for food better [5]. The country of USA is full of diversity. As a country of immigration, people in the US are used to be around with people come from all over the world. Especially for the Millennials and the Gen-Z since their generations are more open for immigrations. They diet habits are also significantly impact by food from all over the world. For example, they have Taco from Mexico, Sushi from Japan for their daily diet [6]. As a result, they will not be too resisted of Boba tea from China.

3. Theoretical Underpinning

This article will use behavioral psychology to conduct the hypotheses. Based on the literature review, Millennials and Gen-Z have similar preference of purchasing decision. They are the most active generations in social media. With the growing of the development of social media, the digital marketing has been increasing sharply. More and more companies regardless the size of it is moving their advertising from TV to social media. Instagram, Facebook, Twitter is the most popular social media in the US that college students prefer to use. When companies posting advertisements on social media, college students are the main target of it. It can be elaborated to high school students and people who just

graduated. As a result, if boba tea shops keep posting pictures and news about the boba tea through these social media, it will be seen by many Millennials and Generation Z. As research indicated, Millennials and Gen-Z have the purchasing preference to buy whatever is trending. As a result, one of the hypotheses is that social media makes boba tea be seen by Millennials and Gen-Z, so it becomes trending, in order to attracting them to buy boba tea.

Hypotheses 1: social media plays a big role of affecting Millennials and Gen-Z to buy boba tea beverage.

In behavioral science, teenagers are more likely to be affected by peers [7]. They tend to have the urge to try whatever is popular in the peers. As a new trending beverage in the US, it surely is becoming a popular drink in the life of teenagers. When one person brings a drink that is not often seen to school or workplace, it will become the topic of the day because not only Millennials and Gen-Z are full of curiosity, but it is also human instinct to be curious about new things.

Hypothesis 2: peer influence can be a positive impact of Millennials and Gen-Z buying boba tea.

Health consideration become more and more important in the US. Oversweet beverage results in the problem of obesity in the US. 94% of Americans believe that obesity can result in riskier of early death even without other disease [8]. However, Millennials and Gen-Z are more concerned about the obesity problem than other generations. They start to have healthier beverage such as unsweetness tea, vegetable smoothies and so on. As a result, boba tea has the advantage when Millennials and Gen-Z are looking for a healthier beverage. The tea itself is good for human body, and the sweet level of boba tea is lower than any soda. What's more, almost all the boba tea shops can adjust the sugar level to meet different requirement for different customers.

Hypothesis 3: Health Consciousness is a significant factor that positively attract young generations to buy boba tea.

4. Methods/Anticipated Results

This study used online questionnaires to collect data from all occupation to conduct what are the main factors that attract millennials and Gen-Z of buying boba tea. Millennials and Gen-Z in the US are the main participants in this research. Data of participants that outside of Millennials and Gen-Z are elected from the final data. The online questionnaire will be sent out through QR code. The QR code was sent out through email and social media.

Questionnaire

Section 1: General Characteristics

Age

- Under 18
- 19 - 25
- 26 - 45
- 45 and over

Which of the following best describes your racial and ethnic identification?

- White
- Black or African American
- American Indian or Alaska Native
- Asian
- Native Hawaiian or Pacific Islander
- Other (please specify)

What is your occupation?

- Student
- Freelancer
- Government Officials
- Office Workers
- Unemployed
- Others (please specify)

Section 2: Customers' purposes of Choosing Boba Tea

Have you ever heard or known about boba tea?

Yes

No

Maybe

How familiar are you with boba tea or bubble tea?

Not familiar at all

Slightly familiar

Moderately familiar

Very familiar

Extremely familiar

How did you know about boba tea? (Possible to select more than one answer)

Social Media (Instagram, Facebook, Youtube, blogs, etc.)

Advertising (posters, newspaper, etc.)

From friends, families

From local stores

Other (please specify)

How often do you purchase boba tea?

I rarely purchase it

Once a week

Twice a week

Three times a week

Almost every day

Do you consider health aspect when purchasing boba tea?

If so, why?

No

Maybe

Yes

5. Expected Results

Through 22 days of questionnaire distribution and recall, a total of 154 questionnaires were sent out and 129 were returned, of which 98 were valid for the follow-up statistical results and research analysis. The results are as follows:

Table 1.1. Age profile of the respondents

n = 129		
Age	Response	Percentage
-18	23	17.8
19-25	62	48.1
26-45	36	27.9
45+	8	6.2
Total	129	100

Table 1.2. Racial and ethnic identification profile of the respondent

n = 121		
Racial and ethnic	Response	Percentage
White	59	48.8
Black or African American	39	32.2
American Indian or Alaska Native		
Asian	23	19
Native Hawaiian or Pacific Islander		
Other		
Total	121	100

Table 1.3. Occupation profile of the respondents

n =98		
Occupation	Response	Percentage
Students	51	52
Freelancer	9	9.2
Government Officials	4	4.1
Office Workers	27	27.6
Unemployed	2	2
Others	5	5.1
Total	98	100

Table 2.1. Respondents' knowledge of Boba Tea

n = 98		
Knowledge	Response	Percentage
Yes	51	52
No	19	19.4
Maybe	28	28.6
Total	98	100

Table 2.2. Respondents' familiarity with Boba Tea

n = 98		
Familiarity	Response	Percentage
Not familiar at all	4	4.1
Slightly familiar	7	7.1
Moderately familiar	29	29.6
Very familiar	32	32.7
Extremely familiar	26	26.5
Total	98	100

Table 2.3. The channels respondent know Boba Tea (possible to select more than one answer)

n = 98		
Channels	Response	Percentage
Social Media	52	53.1
Advertising	16	16.3
Friends, families	12	12.2
Local stores	18	18.4
Total	98	100

Table 2.4. Respondents' Boba Tea purchase frequency

n = 98		
Purchase frequency	Response	Percentage
I rarely purchase it	14	14.3
Once a week	44	44.9
Twice a week	23	23.5
Three times a week	11	11.2
Almost everyday	6	6.1
Total	98	100

Table 2.5. Health aspect affect purchase decision

n = 98		
Health aspect	Response	Percentage
No	33	33.7
Maybe	37	37.8
Yes	28	28.5
Total	98	100

6. Data Analysis

For hypothesis 1, 53.1% of millennials and Gen-Z in the US know about Boba tea through social media. It is larger than half amounts of the anticipants, which can indicate that social media plays a big role in Millennials and Gen-Z of buying boba tea. 12.2% of Millennials and Gen-Z know about boba tea from friends and families. It is not as large percentage as it was expected. This result shows a failure of hypothesis 2. Peer influence is not as important as social media influence of Millennials and Gen-Z of buying boba tea in this case. 33.7% of Millennials and Gen-Z do not consider health issue when choosing boba tea, while 28.5% of them are positively concern about the health issue when choosing boba tea. However, there are 37% of them are not sure about if they care the health issue when buying boba tea. In this case, hypothesis 3 needs more data to indicate whether health concern is one of the factors affecting Millennials and Gen-Z of buying boba tea.

7. Conclusion

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