



Brewing Connections: *A/B Testing Persuasion Strategies for Latea Bubble Tea & Coffee*

MGMT 52850 | Consumer Behavior and Marketing

Group #14

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Content

1. Abstract.....	2
2. Organization and Campaign Goal.....	2
a. About Latea Bubble Tea and Coffee	
b. Campaign Goal	
3. Target Consumer Segment.....	3
a. Demographic Segmentation	
b. Psychographic & Behavioral Segmentation	
c. Geographic Segmentation	
d. Rationale for Segment Selection	
4. Ad Design and Theoretical Framework.....	4
a. Ad 1: Central Route Persuasion & Self-Image Congruence	
b. Ad 2: Peripheral Route Persuasion & Reference Group Influence	
c. Hypothesis	
5. Campaign Procedure.....	6
6. Results.....	7
7. Analysis and Interpretation.....	9
8. Implications for Latea.....	9
9. Conclusion.....	9
10. Bibliography.....	9
11. Appendix.....	10

Abstract

This report presents the ideation, production, and testing of an A/B advertising campaign of Latea Bubble Tea and Coffee to discover which ad technique most appeals to the brand's target market. Two commercials were made: one on personalization and quality of goods ("Craft Your Perfect Balance"), and one on the social and affective aspect of drinking Latea ("Bubbles in Your Cup. Bubbles in Your Heart."). Both ads were grounded in established consumer behavior theories and tailored based on Latea's brand profile. The ad campaign was promoted to young adults at all Latea locations, with \$100 allocated across the campaign timeframe. Campaign performance was measured through engagement, click-through rate, and social media interactions. The campaign found that the peripheral route ad, focused on emotional and social appeal, outperformed the central route ad across key metrics. It generated 206 post interactions versus 116, nearly double the likes (93 vs. 47), and 40 times more shares (40 vs. 1). The peripheral ad also drove more website visits (81 vs. 63) at a lower cost per visit (\$0.62 vs. \$0.79). These results demonstrate that emotionally resonant, community-focused messaging is more effective for engaging Latea's young, digitally active audience on Instagram.

Organization and Campaign Goal

About Latea Bubble Tea and Coffee

Latea Bubble Tea and Coffee is a specialty beverage brand established in 2013 by Jack Hsiao. His vision was shaped by his family's deep roots in the tea industry and his entrepreneurial spirit. The brand is committed to delivering authentic and high-quality drinks, focusing on organic, all-natural, whole leaf teas and fresh ingredients to create a premium experience for its customers. Latea's mission is to popularize tea culture in the United States while fostering a sense of innovation, social connection, and playfulness within its community. Since its founding, Latea has grown from a single location to four stores across the United States: West Lafayette, Culver City, Champaign, and Lone Tree. Latea's menu features a long list of beverages, ranging from classic milk teas to fruit teas, coffee drinks, creamy floats, and seasonal specialties, along with snacks like flavored fries and baked goods (*Latea Lounge, n.d.*).

A hallmark of the Latea experience is its high level of customization. Customers can tailor their drinks by adjusting sweetness levels, choosing from a selection of add-ins like house-made boba and cream floats, and selecting their preferred type of milk. The emphasis on personalization, combined with a warm, welcoming atmosphere and attentive service, helps Latea stand out in a competitive market and align it with its desired brand image. Its commitment to quality, authenticity, and customer engagement aligns with contemporary consumer trends that value fresh ingredients, customizable options, and experiential consumption (*Exhibit A*).

Campaign Goal

The goal of this campaign is to experimentally test which advertising approach- central route persuasion (emphasizing product customization and quality) or peripheral route persuasion (highlighting social and emotional experiences)- best appeals to Latea's target market and shapes consumer action. Through the A/B testing of two contrasting advertisements, the campaign aims to attain actionable knowledge regarding Latea's target market preferences, simplify subsequent marketing campaigns, and solidify Latea's brand image across all establishments.

Target Consumer Segment

Latea's ad campaign targeted a lively, multicultural cohort of young adults aged 18-34, including college students and young professionals living in city and university-dwelling communities. This target is highly engaged in specialty beverage trends, specifically coffee and bubble tea, and is robust on social media platforms like Instagram and Facebook.

Demographic Segmentation

- **Age** - 18-34, centered on the college and early career years. This age group, Gen Z and Millennials, is recognized for high frequency of casual dining and trying new food experiences (*Taipec Ltd. n.d.*). For example, Millennials eat out an average of 3.39 times per week, compared to 2.54 for Gen X and 2.34 for Baby Boomers, indicating a strong predisposition toward cafes like Latea (*Electro IQ. 2025*)
- **Gender** - Targets both genders, with a slight female bias based on industry statistics. In the conversation with Latea's marketing manager, it was deduced that women make up the majority of the customer base in the specialty beverage market.
- **Ethnicity** - While bubble tea has its roots firmly in Asian American cultures, it has expanded in popularity to include Hispanic/Latinx, African American, and multicultural urban populations (*Kathryn Read. n.d.*). This reflects broader trends, where ethnic minority groups are among the fastest growing segments.

Psychographic & Behavioral Segmentation

- **Trend Sensitivity** - These customers are open to trying new tastes, seasonal items, and visually trending beverages, often seeking out items that are "Instagrammable." These are adopters who help spread trends within their peer network.
- **Customization-Oriented** - They love that they can customize their drinks, choosing sweetness levels, toppings like house-made boba and cream floats, and milk alternatives to suit personal preferences or health needs. Research shows customization increases perceived value and customer satisfaction. (*Consumer Behavior: Buying, Having, and Being*)
- **Socially Connected** - Bubble tea outings are often social events, whether study sessions, hangouts, or partying. Members of this group share their visits on social media, generating buzz and visibility for the brand. Hence, the online wave creates an organic buzz and digital word-of-mouth that amplifies Latea's reach.

- **Health-Conscious** - Increasingly, these shoppers look for less sugary options or products made with only all-natural ingredients, aligning with overall health trends.

Geographic Segmentation

- **US Store Vicinities** - The campaign targets audience's immediate vicinities of Latea's four locations - West Lafayette, Culver City, Champaign, and Lone Tree. (*Latea Lounge*. n.d.).

Rationale for Segment Selection

These segments were chosen because it is the most engaged and influential customer segment for bubble tea cafés in the United States (*Exhibit B*). Their openness to new experiences, desire for customization, and active digital lives make them highly responsive to targeted social media advertising. Additionally, Latea's brand values - emphasizing authenticity, quality, and customization - are closely aligned with this segment's values and behaviors. By reaching this segment, the campaign aimed to capture both short-term interest and long-term brand allegiance at every Latea outlet.

Ad Design and Theoretical Framework

This campaign tested two distinct advertising approaches for Latea Bubble Tea & Coffee, each grounded in key consumer behavior theories. The designs, messaging, and theoretical rationale for each ad are detailed below.



Ad 1: Central Route Persuasion & Self-Image Congruence

Design & Messaging:

This ad features a clean, minimalist image of a Latea taro bubble tea with cream float and house-made boba, the Latea logo displayed on the cup and in the lower corner. The background is uncluttered, with tea leaves and a dollop of cream float arranged beside the cup to highlight real, high-quality ingredients. The headline “Craft Your Perfect Balance” is presented in Latea’s signature green, emphasizing customization and quality. The ad invites viewers to select their preferred sweetness level (0%, 25%, 50%, 75%, 100%) and highlights the opportunity to personalize their drink with add-ons like house-made boba and cream floats (*Exhibit C*).

Theoretical Application:

- **Elaboration Likelihood Model (ELM) - Central Route:** This ad uses rational, product-focused messaging to appeal to consumers who are motivated to process information and make thoughtful, deliberate choices. It provides detailed information about product features, customization, and authenticity.
- **Self-Image Congruence Theory:** By encouraging customers to “craft” their drink, the ad aligns Latea’s offerings with the consumer’s self-concept and desire for authenticity and individuality.

Ad 2: Peripheral Route Persuasion & Reference Group Influence

Design & Messaging:

This ad features a warm, lifestyle-oriented photo of a Latea milk tea on a sunlit table, with the Latea logo prominently displayed. The background shows two friends enjoying time together, creating a sense of connection and positive emotion. The headline, “Bubbles in Your Cup. Bubbles in Your Heart.”, and the tagline, “Brewed for the moments that matter. Stop By. Catch Up. Smile Big.”, emphasize the social and emotional experience of visiting Latea (*Exhibit D*).

Theoretical Application:

- **Elaboration Likelihood Model (ELM) – Peripheral Route:** This ad relies on affective and social cues, using inviting imagery and a relaxed atmosphere to create positive associations with the brand. It appeals to consumers who are more likely to respond to emotional and social information than to detailed product attributes.
- **Reference Group Influence:** By depicting friends enjoying Latea together, the ad leverages social proof and the desire to belong, suggesting that Latea is a brand embraced and shared by one’s peer group.

Hypothesis

We hypothesize that the peripheral route ad (“Bubbles in Your Cup. Bubbles in Your Heart.”) will generate significantly higher social engagement (likes, shares, and comments) than the central route

ad ("Craft Your Perfect Balance"). This expectation is grounded in the Elaboration Likelihood Model (ELM), which suggests that emotionally stimulating, socially constructed messages-such as images of friends enjoying a product together-are more likely to prompt impulsive engagement, especially on platforms like Instagram where affective and social cues are highly salient. The peripheral ad's use of reference group influence further encourages identification with the group, appealing to consumers motivated by social affiliation and emotional connection. In contrast, while the central route ad appeals to customization and product quality, social media engagement is generally driven more by emotional resonance and social proof than by rational evaluation of features. Therefore, we expect the peripheral route ad to outperform the central route ad in engaging our target audience of young, socially networked adults.

Campaign Procedure

Campaign Dates: The campaign launched on a Sunday at 11:00 PM and concluded on Tuesday at 12:00 AM, providing two full days for live data collection. This continuous run allowed for the capture of both weekday and late-weekend engagement patterns, maximizing exposure to Latea's target audience during peak social media activity.

Ad Platform: Both ads were deployed on Instagram, utilizing the main feed and Instagram Stories. This dual-format approach was chosen based on Instagram's popularity among young adults and its visual-centric environment, which is conducive to both product-focused and lifestyle-oriented messaging. The use of Stories and posts ensured broad reach and repeated exposure, supporting the learning principle that repetition and multi-channel exposure enhance recall and engagement.

Budget Allocation: A total budget of \$100 was allocated evenly between the two ads. Each ad received \$50, ensuring a fair A/B test and controlling for budget-related performance differences. This even split aligns with experimental best practices for isolating the effects of message content and format.

Targeting Criteria

- **Geographic Targeting:** Ads targeted users in the immediate vicinity of Latea's four locations - West Lafayette (IN), Culver City (CA), Champaign (IL), and Lone Tree/Denver (CO)-using Instagram's city and radius targeting (e.g., 5-10 miles around each store).
- **Demographics:** Within these areas, ads reached users aged 16-35, all genders, with English as the primary language, using Instagram's precise demographic filters.
- **Interest & Behavior Targeting:** Instagram's detailed targeting options were used to select interests such as bubble tea, boba, coffee, Asian cuisine, foodie culture, college life, and urban lifestyle. No exclusions (like existing followers) were applied to maximize reach.

Ad Scheduling: Ads ran continuously throughout the campaign period, with no restrictions on time of day and no mid-campaign optimizations. This approach ensured unbiased data collection and captured organic engagement patterns, consistent with experimental control principles.

Key Metrics: Key metrics collected included total views, reach, post interactions (likes, shares, saves), profile activity (website visits), cost per website visit, audience gender split, top location, external link taps, and profile visits, allowing for a comprehensive evaluation of ad performance.

Ad Formats & Creative Elements

- **Format:** Static image ads only, as visual content is proven to drive higher engagement and recall on Instagram.
- **Creative Elements:** Each ad included relevant hashtags (e.g., #boba, #bubbletea, #coffeelover, #matchalatte, #denvercolorado, #uiuc, #westlafayette, #purdue) tailored to Latea's locations and target audience, supporting discoverability and social sharing.

Execution Details: The Latea marketing team posted the ads on behalf of the project team, as direct access to the official Instagram account was not available. A/B testing was managed manually, with budget and exposure split evenly between the two ads. No mid-campaign adjustments were made, ensuring a controlled comparison of ad effectiveness.

Results

Metric	Central Route Ad ("Craft Your Perfect Balance")	Peripheral Route Ad ("Bubbles in Your Cup...")
1. Total Views	11,664 (post) + 10,032 (ad) = 21,696	10,502 (post) + 9,797 (ad) = 20,299
2. Reach	9,656 (post) + 8,756 (ad) = 18,412	6576 (post) + 8,876 (ad) = 15452
3. Post Interactions	76(post) + 72 (ad) = 148	130 (post) + 76 (ad) = 206
4. Likes	76(post) + 4 (ad) = 80	89 (post) + 4 (ad) = 93
5. Comments	0(post)+0(ad)	0
6. Shares	36 (post) + 0 (ad) = 36	39 (post) + 1 (ad) = 40
7. Saves	2 (post) + 0 (ad) = 2	2 (post) + 0 (ad) = 2
8. Profile Activity	130 (post) + 44 (ad) = 174	76 (post) + 130 (ad) = 206
9. Website Visits	63	81
10. Cost Per Website Visit	\$0.79	\$0.62
11. Spend	\$49.99	\$49.95
12. Audience Gender Split	74.7% Women, 24.8% Men (AD)	67.7% Women, 30.8% Men
13. Top Location	Indiana	Illinois (51.7%), followed by CA and CO
14. External Link Taps (Post)	57	56
15. Profile Visits (Post)	20	20
16. Follows	2	2
17. Messaging convo started	1	3
18. Age 18-24 (%)	47.9	51
19. Age 25-34 (%)	29.7	33.6
20. Age 35-44 (%)	22.4	15.3
21. Illinois (%)	48.5	51.6
22. California (%)	28	25.6
23. Colorado (%)	9.7	12
24. Indiana (%)	13.8	10.7

- **Higher Engagement Across the Board**

The peripheral route ad achieved significantly higher engagement—206 post interactions vs. 148 for the central ad. It outperformed in likes (93 vs. 80) and shares (40 vs. 36), reflecting a stronger emotional connection and social amplification (*Exhibit H*).

- **Superior Cost-Efficiency and Conversion**

Despite a slightly lower reach, the peripheral ad drove more website visits (81 vs. 63) at a lower cost per visit (\$0.62 vs. \$0.79). This affirms its greater ROI and ability to convert passive viewers into active users (*Exhibit J*).

- **More Meaningful Behavioral Actions**

While profile visits were tied (20 for both), the peripheral ad led in external link taps (56 vs. 57) and also saw more messaging conversations started (3 vs. 1)—suggesting that emotionally resonant ads trigger deeper audience intent and interactions.

- **Gender Resonance and Cross-Gender Appeal**

Although both ads attracted a largely female audience, the peripheral ad had a more balanced gender distribution (67.7% women) than the central ad (74.7%), indicating that emotionally driven storytelling may better appeal across gender lines.

- **Stronger Regional Reach and Cultural Spread**

The peripheral ad had a broader geographic footprint, leading in Illinois (51.6%) but also drawing solid viewership from California (25.6%) and Colorado (12%). In contrast, the central ad was more locally concentrated in Indiana (13.8%), highlighting the universal relatability of the peripheral ad's lifestyle tone.

- **Emotional Stickiness Through Saves**

Although both ads tied in saves (2 each), the contextual storytelling in the peripheral ad likely contributed to users choosing to revisit or share later, validating the power of story-led creative design in capturing attention for longer.

Analysis and Interpretation

The comparative analysis of the two ads shows that Peripheral Ad: "Bubbles in Your Cup. Bubbles in Your Heart."—designed using the peripheral route of persuasion—outperformed Central Ad: "Craft Your Perfect Balance," which was based on the central route. While the central ad had slightly higher total views (*Exhibit G*), and reach (21,696 vs. 20,299 views; 18,412 vs. 15,452 reach), Peripheral Ad significantly outpaced in key engagement metrics: it generated 93 total likes (vs. 80), 40 shares (vs. 36), and 81 website visits (vs. 63). Notably, its cost per website visit was also lower at \$0.62 compared to \$0.79. (*Exhibit I*, *Exhibit E*, *Exhibit F*)

This aligns with the Elaboration Likelihood Model (ELM), suggesting that emotional, socially relatable content performs better on fast-paced platforms like Instagram. Peripheral Ad's visuals of friends enjoying bubble tea likely triggered heuristic-based (peripheral) processing, making it easier to

engage with during casual scrolling. The reference group influence is also evident here: depicting peer bonding resonated with Latea's young, socially active target market.

In contrast, Central Ad leaned on product-centric messaging, highlighting customization and quality, ideal for central-route processing. But that approach may demand higher attention spans and deeper reflection, not always suited to impulsive social media behavior. Despite a broader reach, Central Ad's rational appeal translated into lower emotional engagement and fewer conversions, reinforcing the importance of emotionally driven storytelling in Latea's digital strategy.

Implications for Latea

The campaign's results point to several concrete implications for future marketing strategy. First, ads that leveraged social proof and community cues outperformed others, highlighting the value of using reference groups and peer influence to drive engagement. Tailoring ad content to both the platform and the specific target segment proved essential, as different creative approaches resonated depending on where and to whom they were shown. The strong performance of ads with emotional and sensory appeal suggests that marketers should continue to integrate these elements to capture attention and enhance recall. Additionally, real-time data collection enabled rapid optimization, reinforcing the importance of ongoing testing and adjustment. Finally, encouraging consumer participation and fostering a sense of brand community not only boosted immediate results but also laid the groundwork for long-term loyalty. Marketers should prioritize influencer partnerships, segment-specific creative, and community-building tactics to maximize campaign effectiveness and sustain brand growth.

Conclusion

This campaign demonstrates that a strategic blend of consumer behavior insights and data-driven marketing can deliver meaningful results. By tailoring messages to specific segments, leveraging social proof, and optimizing creative content for each platform, the campaign not only achieved its immediate objectives but also provided valuable learning about what motivates and engages our target audience. The findings reinforce the importance of understanding both the rational and emotional drivers behind consumer decisions, as well as the need for continuous testing and adaptation in a dynamic media landscape. Moving forward, these insights can inform more effective, targeted campaigns that build stronger brand connections and drive long-term loyalty.

Bibliography

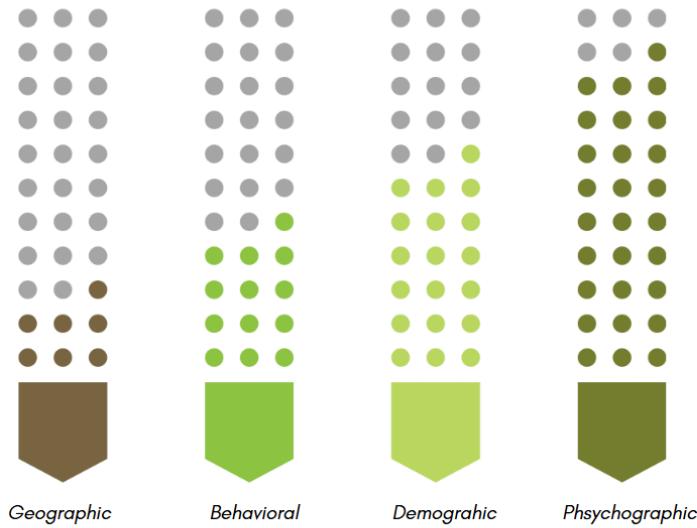
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Appendix

Exhibit A: *Latea Profile*

Established <i>Founded in 2013</i>	Branches <i>4 U.S. Branches</i>	Customizations <i>10+ Options</i>	Market Growth <i>USD 1.47B by 2030</i>
			

Exhibit B: *Relative Importance of Segmentation*



[Magnitude and Relative Importance of each segmentation]

Exhibit C: Central Route Persuasion Roadmap

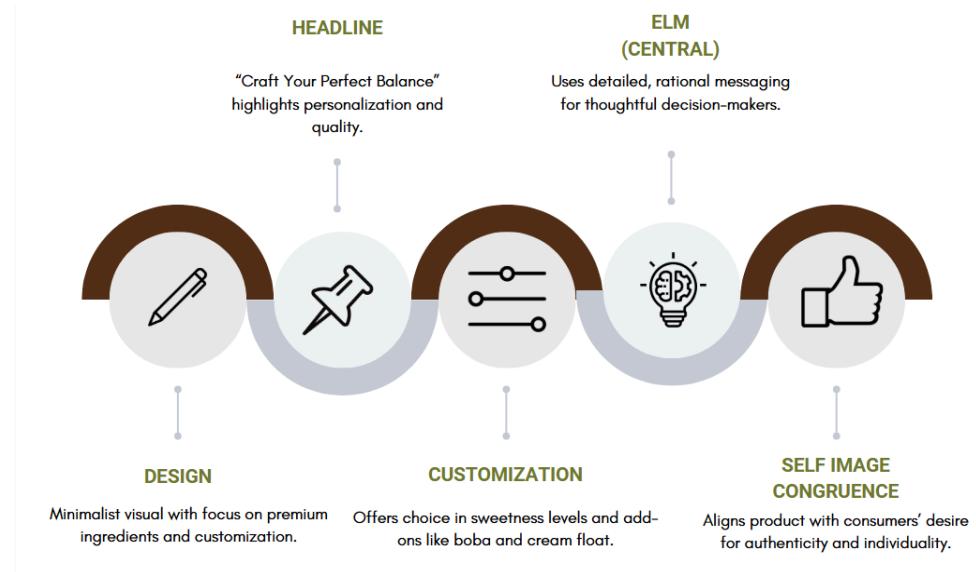


Exhibit D: Peripheral Route Persuasion Roadmap

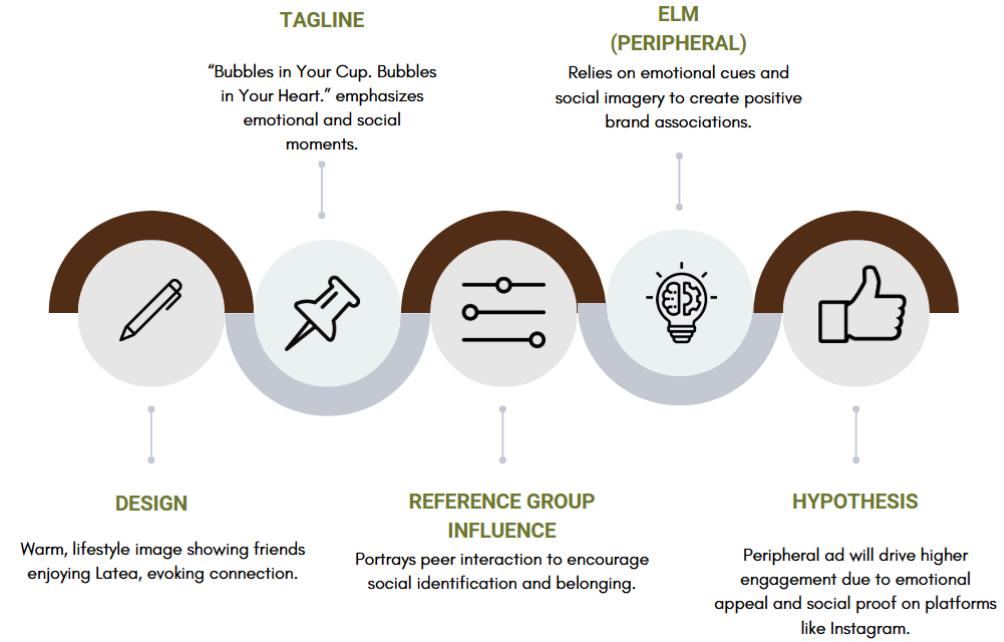
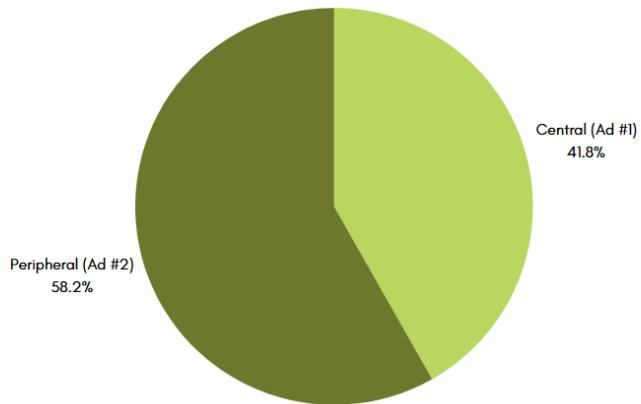
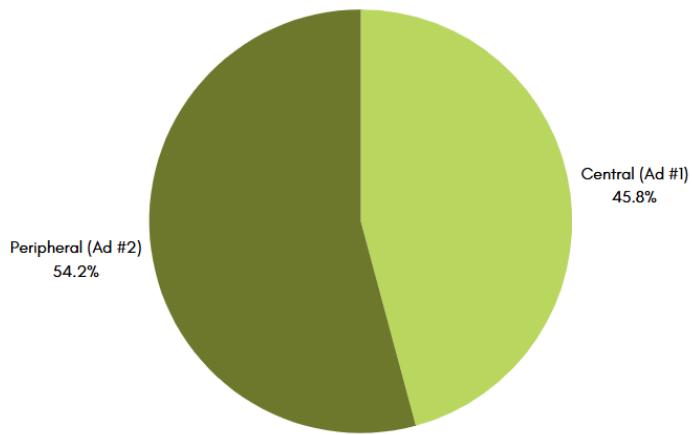


Exhibit E: *Post Interactions*



Post Interaction

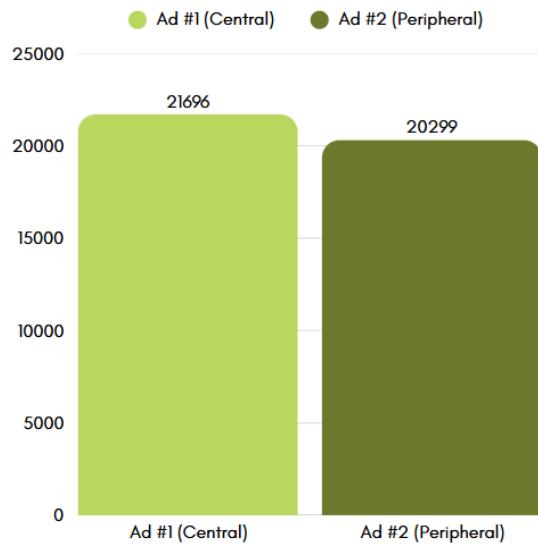
Exhibit F: *Profile Activity*



Profile Activity

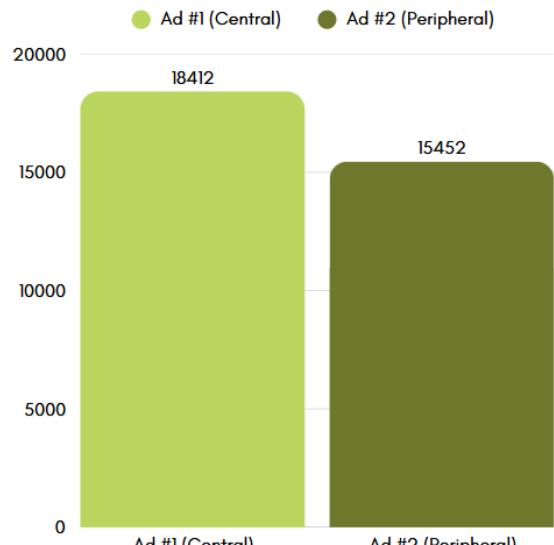


Exhibit G: *Total Views*



Total Views

Exhibit H: *Reach Overview*



Reach Overview



Exhibit I: *Website Visits by Ad Type*

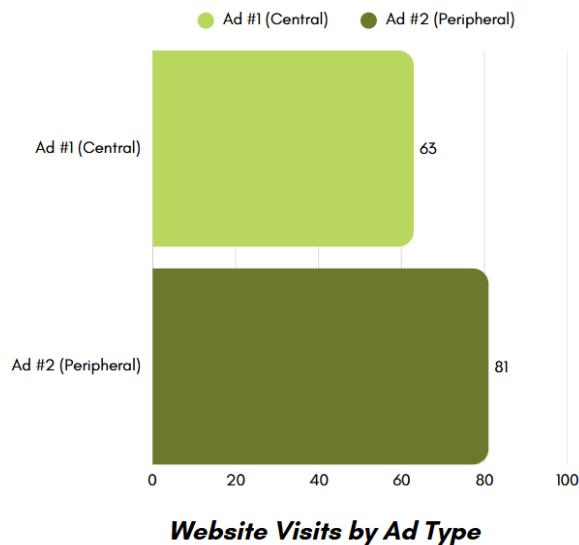


Exhibit J: *Cost Efficiency per Visit*

