Comcast, each of which also owns 30%, control of a streaming platform with 20m customers in America. (Mr Murdoch and his family would retain the flagship broadcast network and their national sports and news networks, including Fox News Channel, the company's cash cow).

The stakes appear higher for Comcast. Disney's enviable collection of film franchises should provide enough backing for a successful streaming service without Fox. Comcast, if it were to lose, would be left to hunt for much smaller prey to bulk up its offering. Lionsgate, a mini-studio, might be one target. Mr Roberts could also seek to prise Hulu or other properties from a Disney-Fox transaction. Either victor may need to surrender some assets as concessions to regulators.

The Murdochs prefer Disney, saying it is a better fit (they turned down an offer from Comcast in the autumn). On March 29th James Murdoch, Fox's boss, reiterated this rationale at Code, a media conference in California. But the family holds only 17% of Fox. Other investors may well opt for Comcast's cash over Disney's shares; the cash is taxable but so would the shares be once sold. In the end most analysts believe Mr Iger will raise Disney's bid by as much as it takes to get Fox. Either way Fox investors will not have minded the attention. ■

Tea chains in China

A new leaf

SHANGHAI

HEYTEA wants to do for tea in China what Starbucks has done for coffee

TIPPED, not stirred, is how hip young things in China now take their tea. To be exact, at a 45-degree tilt. So advise the tea-ristas of HEYTEA, a budding, pricey tea chain, the better to blend the bitter tang of freshly brewed leaves with a salty cream-cheese "cap". *Naigai cha*, or cheese-tea, has taken China's rich eastern cities by storm. For months after HEYTEA shops appeared in Shanghai in February 2017, security guards had to manage queues with waiting times of up to three hours. Impatient customers hired queuers from personal-services apps to stand in line for them. Cups were limited to two purchases a person to ward off scalpers (the limit is still in place in Beijing).

To many in the beverage industry this smacked of "thirst marketing", purposely keeping supply scarce. HEYTEA denies this, as well as accusations of padding out its own queues. Though everything from fancy eateries to convenience stores is on China's main food-delivery apps, HEYTEA stayed off them early on (the firm's first shops were in a handful of second-tier cities in southern Guangdong in 2012). Nie Yunchen, its 26-year-old founder, says his priority was to offer high-quality teas. These are gently brewed and cheese-capped to order: not for him the grab-and-go streetside tea chains that use powdered mixes. Most HEYTEA outlets are in ritzy shopping malls, with space to sit and wall displays of tea in glass beakers.

But many customers only stay long enough to receive their drink and snap a selfie or two. In that sense HEYTEA turns the concept of ritual-laden *chaguan*, or tea rooms, which seem stuffy to young people, on its head. It may be making tea-drinking cool again. Mr Nie thinks the early idea from Starbucks, to create "a third space" for coffee drinkers—neither the home nor the office—is no longer as relevant when youngsters are gathering online to chatter. Instead he wants his pretty stores to be widely shared, "social-media currency".

This year HEYTEA will open in provincial capitals in middle and western China, including Chengdu and Chongqing. A second funding round completed in April that raised 400m yuan ($63m) was led by Longzhu Capital, the venture-capital arm of Meituan-Dianping, an online-services and delivery giant. Exclusivity was good for the brand early on, says Jason Yu of Kantar Worldpanel, a market-research firm, but success will depend on scale. The firm wants to double the number of its stores to 200 by the end of this year.

Will that be at Starbucks's expense in China? Mr Nie says that he is not trying to challenge the American caffeine giant. Still, he is probably competing for the same, premium market, charging 25-30 yuan for a cup of tea. His concept stores, such as HEYTEA Black, bring to mind the Starbucks Reserve Roastery, which features in-house roasting of unusual coffees. Since entering China in 1999, Starbucks has fared well selling coffee to a nation of tea-drinkers. It has around 3,300 stores that serve more than 6m customers a week. Last month it raised its target for new stores from 500 to 600 a year until 2022.

Yet sales of freshly prepared tea grew by 19% in 2017 as those of coffee fell by 4%, according to Kantar. Yi Dian Dian, a Taiwanese milk-tea company, has become the world's largest chain of streetside kiosks, according to Euromonitor, expanding from 300 outlets in mainland China in 2012 to over 3,500 last year. Citic Securities, a broker, predicts that the combined revenue of China's new big tea chains will soon reach 12bn yuan, close to Starbucks China's estimated revenue of 13.8bn yuan in 2016. Yi Dian Dian, whose stalls arrived in mainland China in 2011, has reportedly attracted 700m yuan in local investment. A large supplier to drinks chains in China says that Starbucks's expansion plans feel for the first time like "a defend strategy".

Meanwhile HEYTEA is riding a frothy cream-cheese wave (it also offers popular fruit-based teas). Singapore is among the candidates for the location of its first shop abroad. Each one in China makes more than 1m yuan in monthly revenue, selling between 1,000 and 2,000 cups a day. It hopes that its distinctive blends, such as the "Golden Phoenix King", will get customers hooked: either a flight of fancy—or the rebirth of the tea business. ■