



# The Marketing Strategy of Mixue

Xiao Tan

Yibin No. 3 Middle School, Yibin, 644000, China

20203565@stu.hebmu.edu.cn

**Abstract.** This article explores MIXUE's marketing strategy in China. First, the background and marketing strategy of the MIXUE brand is introduced, including its low-price positioning and marketing methods. The focus was on the creation of brand image, such as the role of the cute Snow King image and the infectious theme song in brand promotion. The article also analyzes the brand's strengths and opportunities and its challenges and threats. Regarding the existing problems, suggestions were put forward to enhance the quality of raw materials, cooperate with evaluation bloggers, establish a unified management system, establish emotional connections with consumers, and develop new product lines. Finally, it was concluded that through improving the supply chain, opening large-scale stores, and vigorously promoting the brand image, Mixue achieved success in the highly competitive milk tea market. This paper comprehensively analyzes the market strategy of Mixue, proposes solutions, and provides valuable suggestions for the development of the brand.

**Keywords:** Sinking market, Swot analysis, Low price.

## 1 INTRODUCTION

With China's rapidly developing milk tea market, competition among major brands is becoming increasingly fierce. As one of the leading brands in the milk tea industry, MIXUE has attracted much attention for its successful marketing strategy. This article aims to provide an in-depth analysis of MIXUE's marketing strategy, explore the key factors for its success, and provide reference and inspiration for the research on marketing strategies in the milk tea industry. Since its establishment, MIXUE has successfully attracted a large number of consumers through low-price positioning and diversified marketing methods. This study will focus on analyzing the brand's marketing strategies, especially the brand image creation and promotion strategies. MIXUE injects vivid vitality into the brand image with its cute Snow King image and infectious theme song, becoming the highlight of its marketing promotion. The research will use SWOT analysis method to comprehensively sort out the strengths, weaknesses, opportunities and threats of MIXUE. By deeply exploring MIXUE's marketing strategy, this study aims to provide theoretical support for understanding the reasons behind its success and provide reference for the market strategies of other competing brands in the milk tea industry. The significance of this study is to provide new perspectives and inspirations

for the marketing strategy of the milk tea industry, and to provide theoretical support and practical guidance for the future development of the industry. In addition, through the evaluation and analysis of MIXUE's marketing strategy, it can provide useful suggestions and strategic planning for the brand's future development. Therefore, the research question of this study is how to deeply analyze MIXUE's marketing strategy, clarify the brand's strengths and opportunities, as well as the challenges and threats it faces, and propose corresponding solutions. By studying the successful marketing strategies of MIXUE, the author can provide new perspectives and inspirations for the marketing strategies of the milk tea industry, and provide theoretical support and practical guidance for the future development of the industry. In summary, the research goal of this article is to comprehensively understand MIXUE's marketing strategy, deeply explore the reasons for its success, and provide reference and inspiration for the marketing strategy of the milk tea industry. At the same time, through the evaluation and analysis of MIXUE's marketing strategy, it provides useful suggestions and strategic planning for the future development of the brand, and contributes to the sustainable development of the industry.

## 2 BRAND INTRODUCTION

MIXUE is a well-known milk tea brand in China, established in 1997. For many years, MIXUE has been committed to providing high-quality, affordable, and delicious food, allowing everyone worldwide to enjoy its unique milk tea flavor. MIXUE has 24,536 stores nationwide, providing customers with convenient purchasing channels. MIXUE's brand slogan is "You love me, and I love you; MIXUE is sweet." This slogan conveys MIXUE's gratitude to customers and the sweet experience they bring to customers. Customers can feel the unique taste and deliciousness of MIXUE's milk tea, leaving them with endless aftertaste. MIXUE's brand image is "Snow King." This image is cute and approachable and is loved by everyone.

Below the author will use the SWOT model to analyze MIXUE. The SWOT analysis model is a commonly used strategic management tool to evaluate an organization's internal and external environment. SWOT represents the organization's Strengths, Weaknesses, Opportunities, and Threats. By analyzing these factors, organizations can better formulate strategies, seize development opportunities, solve problems, and respond to challenges. Strengths and weaknesses are internal factors. Assessing the strengths and weaknesses within an organization can help the organization understand its core competencies and areas that need improvement. Opportunities and threats are external factors. Assessing external factors such as market trends, competitive environment, policies, and regulations can help organizations seize opportunities, avoid threats, and formulate adaptive development strategies. SWOT analysis is usually presented in matrix form to help organizations clearly understand their situation, guiding decision-making and planning future development strategies.

### 3 MARKETING STRATEGY

MIXUE's low-price strategy makes it unique in the highly competitive milk tea market. The price of its products is about 6 yuan. Compared with the high price positioning of other milk tea brands, MIXUE attracts consumers' attention with its low price. By offering affordable prices, MIXUE successfully meets the needs of consumers unwilling to spend too much money. MIXUE's target market mainly focuses on the low-end market, which is a market that other milk tea brands often ignore. It chose to set up stores around university towns in third- and fourth-tier cities and in rural areas, places that are usually ignored or receive less attention. By opening stores in these places, MIXUE has effectively met the needs of consumers in these areas and provided them with the low-priced milk tea they need. MIXUE attracts consumers with its ultimate cost-effectiveness. In addition to low-price positioning, MIXUE often launches buy-one-get-one-free coupons and other promotions, further increasing the product's value. In short, MIXUE successfully positioned itself in the low-end market through its low-price strategy, met the needs of low-income consumers, and attracted more consumers through promotional activities and an approachable image. The success of this price strategy has won MIXUE a place in the highly competitive milk tea market and laid a solid foundation for its future development.

MIXUE adopts an online and offline multi-platform linkage strategy in publicity and planning and uses various marketing methods to stimulate consumers' purchasing motivations and ensure that their actual returns on the products are consistent with their purchase expectations. Among them, MIXUE's theme song played an important role in publicity. This theme song has lively tunes and simple lyrics, giving people a pleasant and exciting feeling. It has high emotional value and can help customers create positive emotions, promoting consumption. This song is very brainwashing and attracts the attention of many potential customers. MIXUE cleverly uses sound symbols to attract customers and leave long-lasting memories, making the brand well-known in the market.

Moreover, the song has been translated into 20 languages, earning MIXUE a good reputation making it persuasive and competitive enough in the bubble milk tea industry. Through such a publicity strategy, MIXUE successfully attracted consumers' attention and established a positive brand image. This multi-platform linkage strategy increases brand awareness and brings more potential customers and consumers to MIXUE, laying a solid foundation for the brand's growth and development.

In terms of brand awareness and brand image, Snow King's appearance is the familiar snowman image with a cute shape and jelly-like elasticity when walking, which is loved by the public. People often see Snow King's air model dolls in stores and many other places. Interact with passers-by at your front door, on the street, or even in the mall. MIXUE allows Snow King's uniqueness to gradually penetrate into customers' lives, bringing exposure to MIXUE, enhancing consumers' awareness of the brand image, and attracting a large number of potential customers. At the same time, as the IP of MIXUE, Snow King's cute and people-friendly image has shaped MIXUE's intimate, cute and approachable brand personality, strongly attracting its target customers - young consumer groups. In addition, the appeal of Snow King's cute image is also used

to create consumers' liking emotions. This is also one of the persuasion techniques adopted by MIXUE.

## **4 PROBLEM ANALYSIS**

### **4.1 Strength Analysis**

MIXUE dominates the target market with its cost-effective advantage (low price and large cup). The stores are widely distributed, with 32,000 stores in China covering campuses, transportation hubs, shopping malls, and counties. It covers the target customer group well and provides purchase convenience, which will become one of the customers' purchasing motivations. At the same time, MIXUE has a sophisticated supply chain, logistics, and warehouse storage system, which saves on expenditure costs and supports its low-price strategy. MIXUE is highly successful in brand promotion; the creation of Snow King and brainwashing songs have brought immense popularity and seized the front-end step of persuasion that creates customers with a certain degree of brand awareness before purchasing [1].

### **4.2 Opportunity Analysis**

With the development of social culture and trends, ice cream has gradually gotten rid of the season's restrictions; according to the consumption tendency and demand of the target market, the bubble tea market has great potential for future development. Due to the lack of an overseas bubble tea industry [2], it is an excellent opportunity to expand and seize the overseas market. Meanwhile, due to digital development, the utilization of digital delivery channels will be brought up. Cross-brand co-branding will also bring more popularity outside of its target market.

### **4.3 Weakness and Threats Analysis**

Due to the low entry threshold of the bubble tea industry, the competitiveness between brands has increased dramatically; the appearance of "counterfeit brands" will disperse MIXUE's target customer groups, thus affecting its "winning by quantity" strategy. As MIXUE mainly targets the low-end market, it is bound to lose some upscale market customers. In addition, MIXUE's product categories are relatively homogeneous compared to other brands. For example, the classic varieties of the milk tea series are similar to other brands. The future increase in raw material costs may even make it difficult for MIXUE to maintain a low-price strategy, which will make consumers' Loyalty to MIXUE decline. Brand decline affects the brand image and positioning. China's control of the food market is becoming stringent [3]. Large numbers of franchise shops will cause difficulty to control, and the product quality problems of the franchise stores will also become a severe inherent risk. With the digital development, MIXUE's brand promotion is currently in a relatively saturated state; the future may be too much excessive

marketing, quickly causing consumers to backlash and bringing up the growth of negative evaluation.

## **5 SUGGESTION**

In conjunction with MIXUE's current market situation and threat analysis, the following recommendation are made:

### **5.1 Raw Material Quality Enhancement**

In order to solve the problem of raw material quality brought about by the negligence of too many franchises, it is proposed to increase the quality of raw materials by cooperating with fruit farmers and carrying out the "assisting farmers project. " At the same time, MIXUE will make the production process open to the public to enhance consumers' trust in the brand. Inviting consumers to visit the origin of the raw materials can build up a good brand image through word-of-mouth to attract consumers to buy the products [4].

### **5.2 Cooperation with Evaluating Bloggers**

Cooperate with famous evaluation bloggers / experts / celebrities to promote the "safety" of the product and at the same time, promote the brand "authority" offline and online at the same time [5].

### **5.3 Establishment of Unified Management System.**

Develop an excellent relative management policy to reduce the negative impact on the brand caused by the "bad behavior" of the franchisees. Due to the rapid expansion of the operation and management needing to keep up with food safety, inadequate supply of raw materials, uneven staff quality, and other frequent problems, MIXUE needs to establish a robust chain operation system and personnel training system. Talent management, in particular, is a strategic endeavor that may bring the most significant returns [6].

### **5.4 Settlement of Emotional Connection with Consumers**

Build emotional connections with consumers, which is a better way to drive growth and profitability. Establish a fan base, improve social media accounts, enhance interaction with fans, understand consumer needs and suggestions, and better build emotions with consumers [7]. MIXUE can carry out more promotional activities to enhance consumers' loyalty to the brand, obtain timely feedback through the integration of online and offline channels, use brand reputation to promote product sales transformation, and achieve network traffic.

## 5.5 Development of New Product Line

New product development and product line expansion, improving product diversity, and breaking the seasonal restrictions on the product. Product diversification can invariably stimulate consumers' desire to buy, enabling them to satisfy their needs through various choices and promoting consumption expansion [8].

## 6 CONCLUSION

Based on the SWOT analysis of MIXUE's current market situation discussed in the previous chapter, the successful implementation of a complete supply chain, wide-spread store openings, and strong brand image promotion have resulted in a "flywheel effect." [9]. This has enabled MIXUE to dominate the low-end market with its low-priced strategy and approachable brand image. However, it is important to acknowledge that potential risks in the future may arise from ensuring raw material safety, managing a large number of franchise stores, and dealing with the relatively homogeneous product line. These findings and insights from the analysis provide a theoretical basis for understanding the marketing strategies of MIXUE and offer valuable recommendations and insights for the milk tea industry's future development [10].

## REFERENCES

1. Khurram, M., Qadeer, F. and Sheeraz, M. (2018) The role of Brand Recall, brand recognition and price consciousness in understanding actual purchase, SSRN. Available at: <https://ssrn.com/abstract=3215875> (Accessed: 29 November 2023).
2. Wong, M. H. (2020) The rise of bubble tea, one of Taiwan's most beloved beverages, CNN. Available at: <https://edition.cnn.com/travel/article/taiwan-bubble-tea-origins/index.html> (Accessed: 29 November 2023).
3. Lim, G. Y. (2019) 'strictest supervision and penalties': China introduces strengthened Food Safety Laws, foodnavigator. Available at: <https://www.foodnavigator-asia.com/Article/2019/11/27/Strictest-supervision-and-penalties-China-introduces-strengthened-food-safety-laws> (Accessed: 29 November 2023).
4. Allsop, D. T. , Bassett, B. R. and Hoskins, J. A. (2007) 'Word-of-mouth research: Principles and applications', *Journal of Advertising Research*, 47(4), pp. 398–411. doi:10.2501/s0021849907070419.
5. Calvo-Porral, C. , Rivaroli, S. and Orosa-González, J. (2021) 'The influence of celebrity endorsement on Food Consumption Behavior', *Foods*, 10(9), p. 2224. doi:10.3390/foods10092224.
6. Cappelli, P. and Keller, J. (2014) 'Talent management: Conceptual Approaches and practical challenges', *Annual Review of Organizational Psychology and Organizational Behavior*, 1(1), pp. 305–331. doi:10.1146/annurev-orgpsych-031413-091314.
7. Magids, S. , Zorfias, A. and Leemon, D. (2019) The new science of customer emotions, *Harvard Business Review*. Available at: <https://hbr.org/2015/11/the-new-science-of-customer-emotions> (Accessed: 28 November 2023).

8. Ding, C. , Zhang, R. and Wu, X. (2023) ‘The impact of product diversity and distribution networks on consumption expansion’, *Journal of Business Research*, 161, p. 113833. doi:10.1016/j.jbusres.2023.113833.
9. Sam Davies, Yukai Peng. (2022). How a budget brand rose to become China’s biggest milk tea franchise?. *The World of Chinese*(06),6-8.
10. Yanzi Tan, Zhaoxia Peng. (2023). Analysis of marketing strategy of tea drink enterprises—illustrated by the case of MIXUE Ice Cream. *Industrial innovation research*(16),160-162.

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

