

Analysis of Marketing Strategy of MIXUE Ice Cream & Tea Company Based on SWOT Model

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Abstract: In recent years, the market for freshly made tea has boomed, attracting many emerging brands such as MIXUE Ice Cream & Tea (MIXUE). In the face of fierce competition and the challenge of homogeneous products, MIXUE needs to continuously optimize its marketing strategies to maintain its competitive advantages. This study takes MIXUE as the research object, adopts the SWOT model, aims to analyze the success of its marketing strategy, and puts forward optimization suggestions. Through the SWOT model analysis, the potential problems with the current marketing strategies of MIXUE are revealed. At present, the brand maintains a certain low-end market advantage in the freshly made tea market, but faces the disadvantages of fierce homogeneous competition and a relatively single market model. Its products are seriously homogeneous, food hygiene and safety problems are frequent, there is a lack of innovation in publicity methods, the low-price strategy affects the long-term profitability of the stores, and it lacks reasonable operation of its own online channels. These problems make MIXUE face development obstacles and risks. At the same time, this paper proposes improvement strategies in terms of enhancing innovation, strengthening food safety management, improving personnel management and after-sales service, optimizing cost performance, broadening price range, and increasing brand promotion channels, so as to enhance marketing power and competitiveness. It provides new ideas for improving its marketing power and competitiveness, and also has reference significance for the development of the entire tea industry.

Keywords: Freshly made tea market, MIXUE Ice Cream & Tea, SWOT analysis, marketing strategy, competitive advantage

1. Introduction

In recent years, with the increase in residents' income and the acceleration of urbanization, the consumption level of residents has continued to increase, and the freshly made tea market has flourished. With the growing demand, many new tea brands have emerged in the market, such as MIXUE Ice Cream & Tea, Hey Tea, and ChaPanda. Founded in 1997, MIXUE has succeeded in the highly competitive milk tea market by using unusual marketing strategies and minimizing cost inputs. It features an attractive brand image IP and online interaction with consumers, attracting a large number of consumers at a very competitive price. As a result, MIXUE brand has almost monopolized the low-priced milk tea market, attracted many consumers in the high-priced milk tea market, and now has more than 10,000 stores around the world. However, because the process of

making this kind of drink is simple, the industry threshold and operating costs are low, so the number of operators who choose to engage in this industry has gradually increased, and then many homogeneous products and similar marketing methods have been produced, and the milk tea industry is now entering the mature stage of the product life cycle, which has led to a serious market saturation crisis, making the industry competitive pressure surge. In such a fiercely competitive environment, if MIXUE wants to gain a competitive advantage, survive and develop in an almost saturated market, it needs to continuously analyze and optimize its marketing strategy and carry out continuous innovation.

This study uses the SWOT model to analyze its marketing status and development trend, finds out the problems existing in its marketing process, and make suggestions for optimizing its marketing strategy. It is hoped that this paper will help to improve the marketing power and competitiveness of MIXUE, at the same time provides new ideas for the development of other tea brands, and promotes the promotion and marketing innovation of the tea industry.

2. SWOT analysis of MIXUE Ice Cream & Tea company

2.1. Advantage analysis

2.1.1. Price advantage

One of the marketing ideas of MIXUE is to rely on the advantages of low product prices and ultra-high cost performance for development. Compared with tea brands such as Hey Tea, which have an average price of about 20 yuan, the average price of MIXUE is even less than half of theirs, and this relatively affordable price has attracted a wide range of consumer groups [1]. The reason why MIXUE is able to adopt such a low-price pricing strategy is that it uses a series of effective methods to reduce production costs. The first is that the brand has strong bargaining power, and can rely on its own scale advantage to purchase high-quality ingredients at a lower cost, so as to ensure that it has a lower price on the basis of the same quality ingredients. For consumers, products with a more friendly price are more likely to continue to attract consumers to buy homogeneous products. Secondly, in the long-term development process, MIXUE has gradually formed a mature industrial chain from the production and research and development of raw materials to the production and sales of final products, and the self-sufficient industrial model not only reduces the production cost of final products, but also ensures product quality from the source.

2.1.2. Brand exposure advantage

With the development of society, consumers in the new era pay more and more attention to brand image and product packaging design. MIXUE just seized this development opportunity, focusing on the shaping of brand image on the basis of attaching importance to product research and development, establishing close contact with consumers, and obtaining high brand recognition. In 2018, MIXUE created a new and distinctive IP image, Snow King, which not only serves as the brand's logo, but also has distinctive character characteristics: Snow King, as the chief quality control officer of MIXUE and the brand's lifelong spokesperson, likes to sing and dance, and can't help but lick his mouth when he sees his favorite bubble tea shop [2]. Since the birth of this IP image, Snow King has consistently displayed its own character characteristics, continuously strengthened its own image characteristics in the process of interacting with consumers, narrowed the distance with consumers, made the brand more warm, and let consumers have memory points for the brand. In 2019, the launch of the theme song of MIXUE further deepened the impression of the brand among the majority of consumer groups. In addition, MIXUE also carried out promotional activities in offline stores, and created official Douyin, Weibo, Bilibili and other

accounts online for promotion, forming a brand communication matrix to entertain and interact with consumers, greatly enhancing the brand's popularity and expanding potential consumer groups [3].

2.1.3. Location advantages

In 2018, the company opened its first overseas store in Vietnam, marking the first step in internationalization. Up to now, MIXUE has opened more than 3,000 stores in 11 countries, including Vietnam, Indonesia, Singapore, Thailand, South Korea, Japan, and Australia [4]. Although the stores are already so widely distributed, they are still mainly concentrated near university towns and third- and fourth-tier cities, where store rents and labor costs are relatively low, and large profit margins can be obtained. In addition, these places also have a large number of foot traffic, which can attract the main consumer groups of the brand positioning - students and young people with lower incomes, and bring more stable and ample sales opportunities.

2.2. Disadvantage analysis

2.2.1. Sales are greatly affected by seasonal factors

The products of MIXUE are mainly cold drinks, and the sales network is mainly concentrated in summer, especially the sales of the two signature products, chilled lemonade and ice cream, which are very affected by seasonal factors. In the hot summer weather, chilled lemonade and ice cream can be a great way to relieve the heat and may drive sales of other products. In the cold winter, consumers are more inclined to buy hot drinks to help resist the cold, and MIXUE has not yet launched signature products to meet the needs of consumers, and lacks the guidance of core products, resulting in a low sales volume of all products in winter.

2.2.2. The profit of a single store is affected by the dense distribution of stores

In order to expand the scale of enterprise sales and the number of offline stores, MIXUE has introduced a series of preferential franchise policies for franchisees, thus attracting a large number of franchisees and increasing the number of stores rapidly. For franchisees, the selection of store location is a very important issue, which directly affects the profit income of the store, so most franchisees are more inclined to open stores near more lively business districts or schools to attract more consumers, which leads to the frequent occurrence of "corner and another family". Such a layout is easy to trigger fierce competition between two adjacent stores, and even evolve into malicious competition, resulting in the phenomenon of competing for customers. Such an overly dense number of stores will greatly reduce the turnover of a single store, and there will even be a risk of store closure, which may eventually lead to the shrinkage of the MIXUE market. If the relationship between franchisees cannot be properly handled and the location distribution of franchised stores is not restricted, the development of MIXUE will face huge challenges.

2.2.3. Insufficient management and control capabilities, causing quality control problems

With the increase in the brand influence of MIXUE, more and more franchisees are attracted, the number of offline stores has expanded rapidly, and the rapid expansion of the scale has brought huge profits to the development of the brand, but it has weakened the brand's ability to supervise franchisees. In the actual production and operation process, there are many operational links that are difficult for brands to directly control. In recent years, there has been endless food safety problems related to the products of the MIXUE stores, either pointing out that the MIXUE stores use expired ingredients and spoiled fruits, or pointing out that the sanitary environment of the MIXUE stores is

not up to standard. The company's supervision and management of a large number of widely distributed offline stores is a problem that must be solved on its development path.

2.3. Opportunity Analysis

2.3.1. Younger consumer groups

The main consumer groups targeted by MIXUE are relatively young people, and compared with older consumers, these consumer groups present many unique consumption characteristics. These young people use electronic products more frequently, are exposed to more diversified information, are more receptive to new things, like to try new things when consuming, like to chase trends, and are more freewheeling. MIXUE needs to grasp the characteristics how young people view the products and brands they associate with as a means of self-expression, focus on cultivating an attitude-based image for the brand.

2.3.2. The prevailing new tea culture

China's tea culture has a long history, and with the continuous development of the times, new tea beverages such as bubble tea, taro milk tea, and fruit tea based on tea have emerged in an endless stream. With the upgrading of consumption, in order to meet the quality and experience needs of consumers, manufacturers continue to enrich the taste of tea, develop new products, and constantly upgrade the packaging of their own brands, providing customers with taste buds to enjoy while gradually becoming people's social media, whether at work or when making friends. They will buy each other's favorite tea to ease the social atmosphere. In addition, with the rapid development of the Internet, its unique packaging design, tea has also become a popular fashion item, appearing in the hands of major fashion trendsetters.

2.4. Threat Analysis

2.4.1. The industry is highly competitive

Because the threshold for entrepreneurship in the tea industry is low, the demand for early investment is not high, the production cost is low and the profit margin is large, the main body involved in the industry has increased rapidly, and a large number of tea brands have emerged one after another. In order to meet the needs of consumers, these tea brands are trying to find their own brand positioning, constantly carry out taste and other aspects of innovation, strive to obtain customer stickiness, and have their own fixed fan groups. The competition between different brands is very fierce, the development of other tea brands poses a great threat to the market share and brand influence of MIXUE. In addition, according to iiMedia data, under such a fiercely competitive environment in the tea industry, the scale of China's new tea revenue has dropped sharply this year, from 2016 to 2019, from 29.1 billion yuan to 204.48 billion yuan, but between 2020 and 2025, the growth rate has slowed significantly, falling to between 5.1% and 13.5% [5].

2.4.2. Production costs are rising

Due to changes in the market and economic environment, the cost of rent, fruit prices, etc., which are very important for tea shops, has been increasing, which has led to an increase in prices. MIXUE itself attracts a large number of consumers with its low prices, and the price increase is very likely to lead to the loss of a large number of customers, which has an adverse impact on the development of the enterprise.

2.4.3. Tea drinks are highly alternative

In addition to the fierce competition within the tea industry, some other types of beverage brands, such as coffee and fruit juice, also pose a certain threat to MIXUE. Coupled with the fact that some beverage companies offer bottled beverages, many consumers are more likely to be inclined to buy these products because they are less expensive, have a wide variety of options to choose from, are not compromised in taste, and are also available at many convenience stores.

3. Problems and reasons for the marketing strategy of MIXUE

3.1. The homogenization of products is serious

Because the product production process of the ready-made tea industry is simple, the product technical barriers are low, and most of the products are difficult to apply for patents, the phenomenon of plagiarizing products between different tea brands in the same industry is frequent, and even the product packaging and appearance of many brands are showing a trend of convergence, and the product homogenization is serious. A high degree of homogenization will lead to a lack of competitiveness in the competition, and MIXUE also has this problem, many of its product categories are no different from other tea brands in the same track, and there is a lack of differentiation.

3.2. Food hygiene and safety issues

The number of stores in MIXUE is large and widely distributed, and it is difficult for the company's headquarters to effectively and comprehensively manage each store, which leads to the fact that many stores are not fully standardized in accordance with the company's unified standards in the actual operation process. The use of expired raw materials, non-standard staff operations, and substandard store hygiene often lead to disputes over product quality and public opinion that damage the company's brand image. These consequences caused by food safety issues have influenced consumers' purchasing decisions to a certain extent and harmed the interests of companies [6].

3.3. Lack of innovation in publicity and marketing methods

At present, MIXUE mainly focuses on discounts and coupons to get that promotion method, which can attract a certain number of consumers in the short term, but from a long-term perspective, it may be difficult to obtain user stickiness, so that consumers have a sense of fatigue from promotional activities. In addition to the preferential promotion and brand promotion at the time of opening, the promotion activities in the later stage are basically zero, which leads to many potential customers not knowing enough about the product and the product discount plan. Moreover, there are also some problems in the online promotion of MIXUE, such as the slow update speed of publicity on major media platforms, the lack of innovative advertising, and there is still a lot of room for improvement in brand promotion and promotion.

3.4. The low-price strategy affects the long-term profitability of stores

MIXUE adopts a low-price strategy and wants to make profits through small profits and quick turnover, but selling at a low price will bring about a compression of profit margins. Because of the low price, it will also lose many consumers, and many users will subconsciously think that the quality of such low-priced products is low, especially for stores located in mid-to-high-end commercial areas. In addition, in recent years, due to the impact of the market and economic

environment, the prices of raw materials such as fruits and packaging materials have been increasing, and the rent and labor costs have also continued to rise, so the low-price strategy has brought certain obstacles to the increase of store revenue [7].

3.5. Lack of reasonable operation of online self-owned channels

With the development of the Internet era, online purchase has become a hot way of consumption, and consumers can enjoy door-to-door delivery services without leaving home. Although MIXUE has an independent online APP and WeChat mini program, which allows customers to choose online ordering and in-store pickup and delivery services, the delivery service is in vain, and the coverage is very narrow, with about 90% of merchants not providing takeaway services for apps and mini programs, but relying more on third-party takeaway platforms such as Meituan and Ele.me for delivery [8].

4. Optimization of marketing strategy of MIXUE

4.1. Enhance innovation and achieve product differentiation

In the market environment of serious product homogenization and fierce competition in the ready-made tea industry, enterprises can only obtain lasting support from consumers through continuous innovation. First of all, MIXUE can accelerate the update and iteration of products, such as regularly launching seasonal limited drinks, which use seasonal flower tea to prepare new flavors of tea, which not only meets the consumption needs of consumers for innovation and innovation, attracts consumers to buy, but also highlights the brand characteristics and shapes the brand innovation image.

Secondly, a healthy drink production line can be developed. The improvement of people's consumption level and the change of life concept have led to an increasing demand for healthy diets, and a large number of consumers pay more attention to sugar reduction, health, low-fat, and natural when purchasing tea [9]. Therefore, when selecting raw materials, MIXUE should choose to use more natural foods such as fruits, reduce the use ratio of concentrated fruit juice, add less additives such as fresh milk to the base of healthy drinks, and increase white fungus, probiotics and other foods with health and beauty functions in small ingredients.

In addition, related baked refreshments and tea pairings can be launched for sale. Nowadays, more than 50% of tea consumers choose to pair some baked goods with some baked goods, such as puffs, when they buy tea, so MIXUE can sell it as a combination of tea + baking when launching new products to attract more consumers and provide new profit points [10].

4.2. Pay attention to food safety and formulate regulatory measures

As a tea brand, food safety is crucial to customers' consumption choices. To this end, the supervision and management of major franchisees should be strengthened, requiring them to strictly abide by food safety standards, ensure that all ingredients are fresh and hygienic, and the production process is strictly controlled, so as to ensure the quality and safety of products. In order to achieve a better supervision effect, stores that violate corporate hygiene standards can be fined and subject to other serious punishments.

In order to make customers feel more at ease, the store can display the production window transparently, so that customers can see and rest assured, and it can also regularly launch a series of activities to allow consumers to participate in the production process of the product, increasing communication and interaction between the brand and consumers. In addition to making consumers

feel at ease eating and using, this kind of interaction can also lead to many useful development suggestions from the perspective of consumers.

4.3. Strengthen personnel management and after-sales service

In order to get long-term consumption support from sticky users, MIXUE needs to bring great emotional satisfaction to consumers in the process of product consumption. This requires that the first thing to do is to improve the service process of each store and strictly standardize the work standards of all employees. In terms of professional level training, the company can regularly hold large-scale deployment competitions and formulate corresponding reward mechanisms. There are also small differences in the process of the same recipe being blended by different people, which will eventually lead to different tastes of the tea brewed, so such a blending competition can promote the enthusiasm of employees to learn their own special skills, and may also create new drinks. In addition, it is necessary to set strict requirements for the basic services of employees, and it is necessary to quickly and actively understand and solve customer needs, and pay attention to appropriate attitudes and language in the service process. You can also add a complaint area to facilitate customers directly scanning the QR code to accurately forward complaints and suggestions to the corresponding stores, and timely provide feedback to the stores and the company for timely remedial measures.

4.4. Optimize the cost performance and broaden the price range

High-cost performance has always been a major advantage of MIXUE, and for customers with different consumption levels, cost performance is an important factor when choosing to buy products, so MIXUE can emphasize its cost-effective advantages when promoting products, and strengthen its affordable image in the hearts of consumers. If MIXUE wants to achieve long-term development, it needs to broaden its price range. Because the current consumer level is constantly improving, some higher-priced products can be launched on the basis of retaining the original product pricing, retaining the original consumers and attracting more customers with different purchasing power [11].

4.5. Increase the publicity channels of the brand

In the era of high information, online publicity has become an important marketing track, which is more convenient and efficient than traditional publicity methods, and has a wider range of communication. MIXUE needs to make reasonable use of social network platforms to publicize, publish some more novel blog posts under the official Weibo, WeChat public accounts and other accounts, and combine store information, product activities, fan feedback and other information with some current hot facts to catch the attention of consumers. Some online lucky draws can be held on a regular basis to allow fans to get a greater sense of participation, so that consumers can establish a good interaction with the brand, and have a fuller understanding of the brand's product information. Video graphic check-in activities on online platforms can also be carried out, such as Xiaohongshu and Douyin to improve the exposure of the store and obtain feedback and suggestions from consumers in a timely manner.

In addition, MIXUE can also find Internet celebrity bloggers who are in line with the brand concept for promotion, and invite some well-known food anchors on major platforms to shoot videos in stores for promotion and to attract consumers. MIXUE can also cooperate with some well-known brands, for example, it can co-brand with some game companies, and portray the characteristic image of the game character on the IP image of MIXUE, Snow King, to attract a large number of fans for consumption.

5. Conclusion

This paper uses SWOT model to conduct an in-depth exploration of the current marketing strategy of MIXUE Ice Cream & Tea company, and draws the following conclusions: First, through SWOT analysis, the advantages and disadvantages of the MIXUE brand itself, as well as the risks and opportunities brought by the industry in which it is located, are analyzed. At present, the ready-made tea industry has a large number of brands, high competitive pressure, and a wide range of consumer choices, MIXUE temporarily retains certain advantages in the low-end market, but the market model is relatively single, there are still many disadvantages, and it is facing many risks and threats. It is necessary to reasonably combine advantages and opportunities to reduce development obstacles. Second, analyze the problems and causes of the current marketing strategy of MIXUE. The specific problems are as follows: First, the product homogeneity is serious. Second, food hygiene and safety problems occur frequently. Third, there is a lack of innovation in publicity and marketing methods. Fourth, the low-price strategy affects the long-term profitability of stores. Fifth, there is also a lack of reasonable operation of online self-owned channels. Third: Based on the research and analysis above, the marketing optimization suggestions of MIXUE are put forward, and the suggestions are as follows: (1) Enhance innovation and achieve product differentiation. (2) Pay attention to food safety and formulate regulatory measures. (3) Strengthen personnel management and after-sales service. Fourth, optimize the cost performance and broaden the price range. Fifth, increase the brand's publicity channels. It is hoped that the research in this paper will help to improve the marketing power and competitiveness of MIXUE, and at the same time provide a certain reference value for the development of other tea brands. Due to the author's lack of professional ability and time and energy, this paper still has many shortcomings. One is that the research conditions are limited, and the offline field research is not conducted, and the other is that this paper only analyzes the marketing strategy of MIXUE, and does not conduct a comprehensive comparative analysis of other tea brands in the industry, and the analysis lacks wide applicability.

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