

Research on the Impact of Corporate Social Responsibility on Sustainable Development - The Case of MIXUE Ice Cream & Tea

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Abstract: MIXUE Ice Cream & Tea is a leading beverage chain brand in China, offering tea drinks, ice cream, fruit drinks and other products. By the end of 2022, MIXUE has more than 25,000 stores in most Chinese cities and several overseas markets. Because of the huge market size MIXUE possesses and the CSR campaign it promotes, the authors chose MIXUE for their case study. This paper focuses on the CSR strategy of Honey Snow, showing how a company can integrate CSR into its corporate strategy to achieve long-term growth. The authors believe that effective CSR behavior can beneficially address social problems while helping to enhance brand image, gain corporate competitiveness, and contribute to sustainable development.

Keywords: CSR, MIXUE, Corporate Philanthropy, Employee Engagement, Innovation, Sustainable Business Development.

1. Introduction

Corporate Social Responsibility (CSR) is the commitment of a company to conduct its business in a way that makes a positive contribution to society and the environment, rather than just focusing on profit generation. CSR considers the company have an obligation to promote and improve social goals in a way that goes beyond their economic interests [1]. Businesses can benefit economically by increasing the intensity of donations [2]. The accomplishment of CSR is highly related to employee engagement [3]. CSR contracting increases company engagement in socially responsible activities and corporate value, which means that there is a positive correlation between increased CSR engagement and corporate value, which further supports sustainable economic development [4]. CSR has a closely relationship with sustainable development, and technological innovation and environmental practices have a positive effect on the sustainable practices [5]. This paper will analyze MIXUE's CSR strategy from three perspectives: social aspect, environmental, and economic aspect. In the Social aspect, this paper discusses the impact of corporate philanthropy and employee engagement on CSR programs. The environment part emphasizes how the company's technological innovation protect the environment and the importance of companies taking responsibility for environmental protection. Economic aspect, the last section highlights the local economy and company's sustainable business development contributes by MIXUE's CSR strategy. This paper

adopts theoretical analysis to review MIXUE's CSR as an example, hoping to give guidance and reference to other enterprises.

2. Social aspect

2.1. Corporate Philanthropy

Corporate philanthropy is considered an important part of CSR [6]. The philanthropy includes behaviors that benefit others, contribute to charitable, humanitarian or social causes for the benefit of others [7]. Philanthropy is one of the most direct and effective CSR measures a company can take to benefit and make known to the public. Therefore, companies can benefit the needy in the society by doing charity within their means, as well as improve their brand reputation and influence

CSR helps companies build a distinctive brand image and establish strong interactions with stakeholders in response to their social concerns [8]. For instance, MIXUE provides financial assistance to employees facing serious illnesses, thus contributing 3 million RMB to create the “MIXUE Care Fund” [9]. MIXUE has demonstrated its responsibility to address social issues through a series of donations, such as donating 2 million RMB in 2022 to the disaster-stricken area of Huding, Sichuan Province, for earthquake relief and post-disaster reconstruction [9]. In addition, MIXUE donated more than 900 books to elementary school and build the “One Book Hope Library”. It also set up the “MIXUE Scholarship” covering five universities in Henan Province to provide financial support to undergraduate and graduate students [9]. Companies can promote goodwill and create a positive organizational image that differentiates them from their competitors by being socially responsible [10]. Through such CSR actions, MIXUE effectively aligns social contributions with business strategy, thereby enhancing both their societal impact and long-term business success.

2.2. Employee Engagement in CSR

Employees are critical to a company's success, particularly in enhancing its brand image, fostering business growth, building corporate reputation, improving company-stakeholder relationships, and contributing to community development and social welfare [11]. Although companies may formally adopt CSR policies, employees are essential to effective implementation. Since employees are primarily responsible for carrying out CSR efforts, a company's capacity to implement them ultimately depends on their willingness to participate [12]. Employees are more inclined to actively participate in CSR when their values align with those of organization [3]. For instance, MIXUE employees volunteered to organize a public service campaign to customize more than 400,000 “lost child” cup covers in cooperation with the local “Baby Home Volunteer Association”. These cup covers provided publicity and support for the search for lost children and raised awareness of the issue of lost children [9]. These activities, in which employees are fully involved, have helped MIXUE to enhance its corporate image and build a good reputation.

However, some studies have discussed the problems and challenges of engaging employees in CSR activities. Involving more employees in CSR, and the scale of organizational change needed to address pressing social issues, may lead to Employee-CSR tensions [3]. Additionally, employees experience psychological and moral pressure when they disagree with the company's goals and practices [13]. Therefore, when an organization implements CSR activities, it should ensure that the values of the employees are consistent with the CSR activities in order to maintain employee engagement and mental health.

3. Environmental

3.1. Technology Innovation

CSR can drive innovation and provide organizations with an important competitive advantage [14]. Technological innovation is necessary for business growth through CSR practices [15]. This is because technological innovation can provide new trading opportunities, improve production processes and enhance sustainable development practices [4]. Hence, the promotion of technological innovation is essential for companies that seek a competitive advantage from sustainable development and CSR.

There is a relationship between innovation and environmental sustainability practices, and it is recommended that companies should adhere to CSR principles in their manufacturing processes through the use of new technologies that are environmentally friendly [16]. For instance, in an effort to reduce its use of plastic, MIXUE replaced the PE plastic bags previously used in its stores with fully degradable plastic bags using PBAT+PLA as the main material in 2022 [9]. This innovation activities enabled it to reduce the use of PE plastic by more than 3,600 tons in 2022 [9]. MIXUE also replaced PLA biodegradable straws (3g/straw) with CPLA biodegradable straws (2.5g/straw), thereby reducing the use of raw materials for straws by 79 tons [9].

Therefore, environmentally friendly technological innovations in some small segments within large companies, like the choice of biodegradable plastic bags and straws, can also accumulate into significant economic benefits and reduced environmental pollution in the long run. Such CSR behaviors not only reduce the company's cost expenditure and improve its brand reputation, but also contribute to the protection of the environment and promote the company's sustainable growth, productivity and competitiveness.

3.2. Environmental Protection in CSR

It is important for companies to have attitudes and actions that are responsible for environmental protection. Companies with higher environmental impact face stronger CSR expectations [17]. Moreover, past research suggests that consumers often seek cues to assess the trustworthiness of online retailers, which in turn influences their purchasing decisions [18]. Compared to U.S. consumers, the Chinese public is generally more supportive and willing to engage in socially responsible activities [19].

For companies seeking to enhance brand awareness and consumer loyalty, it is crucial to implement effective environmental protection measures. This is especially important as their growth often leads to greater consumption of natural resources. The relationship between natural resources and the environment is closely tied to sustainable development, and any such development inevitably impacts both [20]. It is hoped that the management of natural resources and the environment will not only be sufficient for current needs but will also ensure sustainability for future generations [20]. Ultimately, successful businesses that support environmental projects can lead to greater financial success and social well-being in addition to their economic responsibilities

4. Economic aspect

4.1. Boosting Local Economy

An optimally executed CSR program can address issues like poverty and environmental degradation, fostering community harmony. In 2022, MIXUE harvested approximately 42,000 tons of Anyue lemons, benefiting over 20,000 local farmers by boosting their yields and income [9]. Collaboration with agricultural technology companies provided farmers with technical guidance, agricultural

resource support, and a comprehensive pesticide residue traceability system [9]. This initiative represents an effort to transform local lemon farming into a more technologically advanced and standardized industry, ensuring food safety from the source [9].

For MIXUE, controlling the quantity and quality of raw materials helps mitigate supply chain risks and supports sustainable development strategies. Additionally, it enhances the company's social reputation and potential value, contributing to a win-win scenario for both the company and the local economy. By securing a stable supply of high-quality materials, MIXUE reduces procurement and transportation risks, while simultaneously increasing farmers' income and promoting local economic growth. For the local society, this program not only generates employment opportunities but also fosters greater self-reliance among local communities, improving their access to necessary economic resources and creating a positive impact on the regional economic environment. In practice, this CSR initiative lays a solid foundation for the company's future expansion and long-term sustainability.

4.2. Sustainable Business Development

Sustainable development is defined as development that meets the needs of the present without jeopardizing the ability of future generations to meet their own needs [21]. The successful implementation of a Corporate Social Responsibility (CSR) program can significantly enhance a company's image, building trust among the public and stakeholders, which facilitates smoother operations and long-term success [22]. Neglecting CSR can damage a company's profitability and image, affecting sustainability. Therefore, businesses should take CSR seriously and implement effective programs to seize market opportunities and derive benefits. MIXUE actively practices the concept of green development, strictly manages the use of resources and builds green factories [23]. The company attaches great importance to water resource management and strictly controls wastewater treatment and recycling of water resources to improve the efficiency of water use [23]. A wastewater recycling system has been set up in the factory and the treated wastewater can be reused for cleaning roads and other purposes within the factory [23]. In 2023, this initiative helped MIXUE reduce tap water consumption by more than 180,000 tons during the production process [23].

In addition, maintaining financial stability and fostering sustainable economic growth are core components of business sustainability [24]. By adopting socially responsible practices, businesses not only generate goodwill but also enhance their organizational reputation, differentiate themselves from competitors, and achieve long-term profitability [25]. Companies that embrace this approach enjoy the dual benefits of retaining existing customers and attracting new ones, thereby fostering sustained business growth.

Furthermore, implementing sustainable development policies also contributes to addressing social employment issues. By the end of 2022, MIXUE and its sub-brands had more than 25,000 stores, and about 11,000 franchisees have realized self-employment in MIXUE. The brand stores directly create more than 150,000 jobs, and the associated agricultural base, manufacturing, warehousing and logistics indirectly drive employment development of more than 38,000 jobs. Therefore, integrating CSR initiatives into long-term sustainability development programs not only promotes a company's economic growth, but also benefits the wider community.

5. Conclusion

In conclusion, the study of MIXUE's CSR initiatives highlights the importance of CSR in addressing fundamental social issues and realizing corporate sustainability strategies. Socially, Socially, MIXUE supports its employees, society and education by establishing charitable funds and scholarships, as well as donating money and books. Although the company has established CSR programs, its fulfillment depends mainly on the behavior of employees. Therefore, for companies that want to

develop CSR programs in the future, combining employee values with CSR goals can increase employee participation and program efficiency.

Environmentally, MIXUE's commitment to sustainability has spurred technological advancements, enhancing both competitiveness and growth. Economically, MIXUE's contribution to local economic development is reflected in the provision of technical assistance and employment opportunities, and benefits businesses by ensuring high quality raw materials, mitigating supply chain risks, and supporting sustainable development. Therefore, while companies can support local economic development by practicing CSR, they can also benefit from integrating CSR programs into their sustainable development strategies. Ultimately, CSR not only creates long-term business value, but also addresses social challenges such as poverty and environmental degradation. Many studies show that a significant portion of consumers take a company's social responsibility efforts into consideration when making purchasing decisions. As consumer expectations change, companies that prioritize sustainability and socially responsible practices are more likely to succeed and grow in the global marketplace of the future. However, this study has its limitations. It focuses exclusively on the corporate social responsibility strategy of a single company, MIXUE. Future research could examine CSR across various industries to provide broader insights.

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