

Analyzing MIXUE's Situation in Australia Through SWOT

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Abstract: Against the backdrop of the tea industry gradually going global, MIXUE has moved from China to the world and established offline stores in Australia in 2023, which have received popularity from locals. As a result, the purpose of this research was to examine MIXUE's SWOT analysis of the circumstances that Australian CBD stores are in. This research showed that for locals, product, price, place, and promotion have positive effects on the purchase intention of customers. In this study, MIXUE's location was chosen in the CBD, which provides a certain base of customers for MIXUE. MIXUE's beverages, which are completely lower than the market price, have attracted customers, especially young people. At the same time, the sales method of distributing coupons before opening has also played a good role in the 'warm-up' stage, laying the foundation for the number of customers after opening. In the beverage industry, Customers also attach great importance to product quality. This article has certain reference significance for brands planning to develop the tea industry in Australia in the future.

Keywords: MIXUE, Australia, marketing mix theory

1. Introduction

1.1. Research Background

The beverage industry has a stable scale and has become one of the most important national consumers. Packaged water, carbonated drinks, fruit and vegetable drinks, tea drinks, functional drinks, milk drinks, alcoholic beverages, coffee drinks, and so on are only a few of the many commodities that comprise the modern beverage industry's eight major categories. According to incomplete statistics, the number of new tea and beverage stores will reach 466,000 by the end of 2022 and 378,000 by the end of 2020. Growth will be 28%, with compound annual growth of about 13.4%. [1]. According to data from the China Chain Store and Franchise Association, China's new tea beverage market is expected to grow from 42.2 billion yuan in 2017 to 10.3 billion yuan in 2021, growing at an average annual rate of more than 20% [1]. For China's tea market, according to data from market research institute iResearch, the scale of China's tea beverage market is constantly expanding, and it is expected that the tea beverage market will reach more than 50 billion yuan by 2025 [1]. Most of the consumers of tea drinks are young people, accounting for more than 70%, of whom the post-90s and post-00s are the majority [1].

The tea beverage market is highly competitive, and many tea beverage brands with good reputations have emerged, such as Coco, Heytea, MIXUE, and so on. In terms of innovation, tea

shops often co-brand with other well-known brands or well-known games to launch new models to attract consumers to buy them. For Europe, Europeans like high-sugar drinks and need full sugar when ordering. Unlike China's predominantly young consumers drinking milk tea, the queue at this store is lined up with foreign consumers of all ages, including gray-haired elderly people. Because Westerners, regardless of men, women, and children, drink coffee, they understand milk tea as Chinese coffee and want to try to see why Chinese coffee is so much more expensive than European coffee, such as Spanish CoCo, whose single price is between 5-7 euros (1 euro is about 7.55 yuan), i.e., a cup costs more than forty yuan, while the price of a latte in an ordinary coffee shop in Barcelona is about 2.5 euros. Chinese milk tea, which is more than twice as expensive as local coffee, has become a "high-luxury drink" in a foreign country. In addition, because of the time difference between the development of the milk tea industry abroad and at home, the type of milk tea that Europeans prefer is still bubble tea, and the new tea drink of cold brew tea + fresh fruit pulp + milk cover that is now popular in China still needs a period of market education in Europe. In this dimension, Chinese milk tea has undoubtedly become the leader and shaper of European and American tea tasting [2].

With people's increasing concern about their health, healthy drinks have received more and more attention. Consumers are more inclined to choose drinks with natural ingredients such as plants, fruits, and vegetables to meet the increasing demand for healthy drinks. In addition, emotional connection has also become one of the most important consumer trends. Consumers are more inclined to choose drinks to share with friends and family and experience the pleasure of drinks in emotional communication. This consumer psychology has also driven many beverage brands to combine emotional marketing strategies to launch beverage products that are more in line with consumer needs.

MIXUE is a popular research object, and many scholars have applied it as a research object to conduct research to different degrees. As an example, taking MIXUE as an example, Liu applied the SWOT model to analyze the marketing status of MIXUE in Zhengzhou and applied the Marketing mix theory to find the shortcomings in its marketing strategy [3]. Zhang took MIXUE as the research object, adopted a SWOT model analysis, and formulated a marketing development strategy [4]. Liu studied the situation in 2016, and the other one studied the situation in 2020, which is more in line with today's MIXUE [4]. The problems of new products produced by MIXUE products explored by the former and the problems of prominent decoration characteristics will be solved in 2020. Taking MIXUE as an example, Gao explored the industry environment and current marketing strategies and communication methods through Porter's Five Forces Model [5].

1.2. Research Gap

Although there is a lot of research on MIXUE, it has entered overseas markets in recent years. So far in 2023, it has entered Sydney, Brisbane, and Melbourne in Australia. However, so far, research on whether MIXUE can develop in Australia for a long time and whether it can be accepted by Australian consumers has not yet appeared, so this paper has found a research gap. To fill this gap, this research will investigate if MIXUE, which arose from a street shaved ice kiosk, can resist internationalization. Is the predicted impact of customer buying intentions the same as it was in China? MIXUE, being the first local low-cost brand to leave China, can serve as a model for other domestic firms looking to expand internationally. It gives essential Market data as well as local preferences for the subsequent creation of offline brand stores. Other domestic brands might use the MIXUE data to see whether their items are appropriate for the local market.

1.3. Fill The Gap

To solve the above problems, this article will take MIXUE's overseas expansion as the research object, employ Marketing Mix Theory as the theoretical basis, and further analyze its development in the European market by combining theory and case strategy.

2. Literature Review

2.1. Definition

Research on Marketing Mix Theory has a long history. Neil Borden first proposed it in 1953, and it has been an important tool to encourage customers to purchase the products effectively. There are four factors combined in the marketing mix theory: product, price, place, and promotion. It is utilized in various communication methods and sales behaviors to stimulate consumers so that they want to buy.

2.2. Important Results

Many studies have used surveys and assumptions to find that price does not influence purchasing intent. Noprisson's data showed that a focus on brand perception, price, trust, and value all contributed to an increase in app purchase intent; however, pricing played no part in the e-commerce transportation service purchase decision. [6]. To determine three hypotheses about whether consumers can choose from a variety of product attributes and assemble custom products to suit their tastes, Moon investigates the consumer's purchase intent for the personalized product, and to some extent, the intention to purchase the personalized product is the price premium [7]. Shows not to be affected [7].

On the product side, several studies have discovered a positive association between the intention to acquire a product and the intention to purchase a product. The adjustment effect of late action control on one's attitude and intention are further considered [8]. The results indicate that environmental awareness and appearance awareness positively influence attitudes toward the purchase of organic self-care products [8]. Karbala & Wandebor proved that product design factors and the variety of products have the greatest effect on consumers purchase intentions [9].

Many researchers have found that there is no correlation between place and purchase intention. To analyze the effect of the marketing mix of 4Ps on consumers' purchase intention towards Aqua Products [10]. Sutedjo used questionnaires to obtain primary data using the Non-Probability Sampling Method [10]. The findings of this investigation show that this has no bearing on the actual intent to purchase Aqua goods [10]. Using a structural equation model, Zheng tested the study's hypothesized relationship between the 4Ps and consumers' perceptions of green beauty care products in Taiwan and found that consumers' attitudes played a mediating role between the two variables [11]. The green beauty care product market in Taiwan has found that place, promotion, and price in 4Ps have no significant impact on consumer purchase intention [11].

For the promotion aspect, many researchers found that the relationship between promotion and purchase intention is positive. Mathur et al. examined the impact of store image on the intention of Indian consumers to purchase private brands [12]. The results show that the dimensions of the identified store image, "association of sellers and stores", "promotion and institutionalization," and goods," have a significant impact on buying intentions [12]. Chen and Cheng looked at how knowledge of a price promotion scheme affected consumers' valuation of a product and their propensity to buy it online [13]. The results of the experiment showed that the price framing for a single discount had a greater effect on perceived value than the price framing for a package of discounts [13].

2.3. Summary

For the above reasons, this article predicts that these four factors will not be the same in this case. Price is negative for purchase intention, and promotion, place, and product are positive for purchase intention.

3. Method

3.1. Research Design

Using MIXUE in Australia as a case study, the report conducts a SWOT analysis using qualitative methodologies. Qualitative analysis is one of the study methodologies in Communication studies that aims to comprehend the nature of something by delving into its minutiae with the use of reasoning, philosophy, historical verification, legal judgment, and other modes of thought. Communication studies, as a subject of linguistics, employs research methodologies created in the humanities.

The SWOT analysis method is a type of strategic business analysis method that consists of examining the enterprise's internal conditions and determining the benefits, drawbacks, and overall competitiveness. This strategy can be used to find elements that are favorable and worth boosting. Identifying and avoiding negative things is critical for discovering solutions and establishing future development directions. Analyzing the social structure of market communication in Australia and explaining the internal and external conditions of MIXUE in Australia, as well as its future development direction in the Australian market, are required for studying the development of MIXUE in the Australian market. Because this case study meets the requirements of these two approaches, SWOT and qualitative analysis can be used.

3.2. MIXUE

MIXUE is an ice cream and tea brand set up by Zhang Hongchao in Zhengzhou in 1997. The number of stores in China has exceeded 20000, covering 31 provinces (cities, autonomous regions), and is actively exploring overseas markets. On the day of the trial opening on February 12th local time in Australia, a long queue had already formed at the entrance, with a first-day turnover exceeding 24000 RMB. The popularity has even attracted the attention of local television stations. Therefore, based on this phenomenon, the paper aims to discuss whether MIXUE is suitable for the Australian tea industry market, with the aim of providing a reference for industries that want to develop overseas in the future.

3.3. SWOT Analysis

3.3.1. Strength

Mixue has its unique strength in price because the most expensive drink is only 4 Australian dollars, which is much lower than the market price. On the menu, Bubble tea sells for 2.5 Australian dollars (about 11.8 yuan), Mango pomelo sago sells for 3.5 Australian dollars (about 16.5 yuan), which is equivalent to the price of local retail mineral water, and the price of original leaf black tea is as low as 1.5 Australian dollars (about 7 yuan). According to netizens, the unit price of local milk tea is generally around 7 to 10 Australian dollars.

From the videos released by some bloggers, it can be seen that the consumers of MIXUE are mainly Chinese. On the day of the trial opening on February 12th, a long queue had already formed at the entrance, and the first day's revenue exceeded 24000 RMB. The popularity has even attracted the attention of local television stations. The cheap price has had a positive impact on consumers' willingness to purchase.

MIXUE has also launched a new online promotion strategy, selling over 100,000 RMB vouchers over a three-day warm-up period. In addition, the occasion of inviting 1000 international students from Sydney to drink MIXUE drew a large number of youthful customers. At the same time, the price steadily piqued the interest of many residents, who began to try to buy it.

3.3.2. Weakness

The Apple Vision Pro has a significant weakness in its high price as well as its dependence on other devices.

High price: The Vision Pro is positioned at the top end of the market, and as such, it is relatively expensive. This affects the purchasing decisions of many users who have the willingness to buy or potential willingness to buy, thus affecting its market penetration and sales volume. This is in fact the biggest drawback of the Apple Vision Pro; although the technology it contains is very advanced and the functions it possesses are very rich, its price is too high, which discourages many people who love it. This research is intended for users aged 18 to 25. Most people in this age bracket do not have a lot of disposable savings, and they value money more than anything else, therefore, a high price will have a negative impact on their attitude toward consuming and thus their inclination to buy. Although a high price is feasible for those who can afford it, it can also make buyers apprehensive, which has a detrimental influence on their readiness to buy.

Dependence on other Apple devices: Connectivity to other Apple devices limits Vision Pro's functionality and user experience. This may make it less attractive to users who do not have other Apple products.

3.3.3. Opportunity

The opportunity is also reflected in the place. This time, the first store of MIXUE opened in World Square in the CBD area of central Sydney. The traffic counters on Park St., Market St., Bridge St., and Elizabeth St. show that the city has recovered to 50% of its pre-epidemic level. The traffic is very high, and unlike the simple and down-to-earth storefront style of MIXUE in the domestic or Southeast Asian markets, Sydney's first store looks more spacious and brighter, with a design style that tends to be young and fashionable. At the same time, it attracts more consumers to visit, especially young people. There is even a service on Taobao that replaces queuing. This opportunity, due to its convenient location, will gradually change.

3.3.4. Threaten

On the pricing, a hit was generated. Numerous nearby residents were unhappy with the store, claiming that the price was too cheap and requesting a refund. A week later, the MIXUE store in Sydney initiated a price hike, however the advantage was relatively minimal following the increase. Tea Shop Express, Machi Machi, CoCo, Burwood, Happy Hall, tribute tea, tea from the Palace, and other chain or local brands have dominated the Australian tea market in Sydney's central business district. Products of the same type compete with one another, giving customers more options and decreasing their likelihood of purchasing Mix.

4. Results & Discussion

Based on the analysis of the threats to Apple Vision Pro, this paper suggests that the only way to face the external threats is to launch new products and technologies faster than competitors, to capture the market in advance, and to make sure Vision Pro maintains its competitive advantage in the market. Apple can extensively study the products of its major competitors, learn from their strengths and

avoid their weaknesses, increase its investment in R&D, improve the salaries and wages of its researchers, and stimulate their potential to create better products and technologies.

In the Australian market, the overall advantages of MIXUE are price and promotion, but the overall disadvantage is the price issue, and the advantage is the product. The benefits of low price and proximity drew a certain number of customers, but the plastic flavor and competition from similar products caused MIXUE to lose some clients.

According to the analysis results, price, place, promotion, and product have positive impacts on purchase intention. Price, place, and promotion attract consumers, while product leads to consumer churn. For products, brand new products can be launched. Although MIXUE already has ice cream, fruit juice, milk, Iced coffee, and other products, it must learn to innovate if it wants to develop in the fierce market competition. For example, it can develop new winter products and healthcare products. Because of its price advantage, it can be maintained and even co-branded with local brands to increase its customer base. In addition to opening stores in the CBD, you can also choose addresses located near the school, which are more affordable and attract students. Places located near the campus have more students and a larger potential customer base. Compared to a personalized product, people feel that it is priceless and cannot be measured by money. Therefore, people are willing to spend a large amount of money to purchase personalized products. The price does not necessarily affect customers' purchase intentions, but MIXUE beverages can be measured by calculating costs in terms of money. Therefore, low prices are more likely to attract customers.

5. Conclusion

In the context of MIXUE's entry into the Australian market, this article conducts market research and investigates if MIXUE is appropriate for the Australian market. The conclusion reached throughout the discussion is that MIXUE has persuaded local people to purchase it with its own advantages by organizing the Marketing Mix Theory and utilizing the SWOT approach to examine the internal and external advantages and disadvantages of MIXUE. However, in order to get a foothold in the Australian market, where strong tea industry brands such as Machi Machi, Top Tea, Coco, and others already exist, it is required to improve product design, quality, and site selection in order to adapt to the Australian market environment.

The value of this article lies in conducting a SWOT analysis of MIXUE's stores in the CBD, providing reference significance for future plans to open stores in the Australian CBD, and understanding its market size and prospects in advance. By analysing MIXUE's stores in Australia, one can determine whether the tea beverage industry they want to develop is suitable for the Australian market. It is necessary to consider in advance what problems may arise and what measures can be taken to improve them.

The article, however, focuses more on the discussion of MIXUE itself, focusing more on the circumstances displayed by MIXUE's stores in the Australian CBD to analyse MIXUE itself, and it lacks an analysis of the overall Australian market. Moreover, MIXUE's strategy is to attract consumers at low prices, which lacks reference significance for the tea industry's mid- to high-end brands. Future studies can analyse each region of Australia one by one from the aspects of the local economy, population, market size, etc. to further clarify which type of tea industry is more suitable for each region.

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