

# The Marketing Strategy on MIXUE Milk Tea on Social Media Platforms

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**Abstract.** Recently, the milk tea industry is increasingly popular in China, and the competition in the market is fierce. In 2019, a company called Mixue, which specializes in providing low-cost milk tea, become well-known in China within only a month. Mixue's success in rapidly gaining a lot of customers relies on the brand's marketing on social media platforms. This study analyzes how Mixue increases its brand's popularity and attracts many customers through social media. The goal is to reveal the key factors that make social media a catalyst in the brand marketing of the milk tea industry. The approach is a combination of case study and literature analysis. The conclusion is that social media is a powerful medium for milk tea companies to do advertising and marketing. The key factors that make social media effective are the overlap of the age distribution between milk tea consumers and social network users, the multimedia content in a familiar topic, and the rapid dissemination of controversial information. Moreover, advice on applying social media to further improve customer services in the milk tea industry is also stated in the research.

**Keywords:** Mixue milk tea, social media, marketing strategies.

## 1. Introduction

With the rapid development of digital technology, the number of people using social media for communication has increased dramatically. Social media is a highly interactive network platform where people can freely contribute their thoughts [1]. In 2022, global users spent an average time of two hours and twenty-seven minutes on social platforms [2]. Furthermore, the function of social media is not limited to communication between users. Its attributes of social presence, media richness and mobility provide opportunities for brand promotion [3]. The emergence and widespread adoption of social media have made a profound impact on marketing. Many companies have adopted various ways of online brand interaction such as setting up the brand's official websites and publishing videos or articles on social networks [2].

Media promotion is also utilized in the Chinese milk tea industry. In the past several years, people's consumption ability is elevated and demand for high-quality beverages increased as well. "New types milk tea" is different from traditional Chinese tea. It refers to the now-produced, high-sweetness tea made of fresh ingredients. At the same time, these tea beverages usually have well-designed appearances, and can constantly launch new products to attract customers [4, 5]. Due to the low barriers to entry, many companies have gradually entered the milk tea market, making the market more competitive [6]. Mixue was initially lack of popularity. But with effective digital marketing and great opportunity, it occupies a large market share.

Much research works has been done to analyze social media and milk tea brand marketing. Jiang and Xie pointed out that the marketing approach using social media should be designed more systematically. Brands need to better understand consumer needs and promote their products in a more diversified way [7]. Mao's study mentioned that many milk tea brands have gained many consumers by posting advertisements and creating topics on social media. However, they still have problems such as monotonous brand interaction online and ineffective linkage between offline purchase experience and online marketing [8]. According to Wingnam Shi, Chongxin Yang and Pengjun Yu, some milk tea companies currently have basic core competitiveness in the market due to their complete supply chain and the ability to continuously launch new products. And milk tea enterprises have a lot of room for development in the future. The focus of their further development

lies in achieving personalized brand development, and creative media promotion is one of the key points to achieve this purpose [9].

With the existing research works, the impact of social media on milk tea brand marketing has been well recognized. However, the key factors that bring the catalyst effect are not very clear and still need investigation. The goal of this study is to find out the specific key factors that make social media successful in milk tea brand marketing.

In this paper, the marketing strategy of Mixue is analyzed, which is regarded as one of the most successful ones in the Chinese milk tea industry, and identifies the key factor that makes social media more effective for brand marketing. The key factors are: the alignment between the age distribution of social media users and that of potential customers, the controversial content in information broadcasting, and the form of multimedia. The paper also gives suggestions on what else the milk tea company can leverage social media after the success in the customer acquisition stage.

The rest of the paper is organized as follows. Mixue's case is introduced in the case description section. In the case analysis section, the paper makes three arguments and discusses them in detail respectively. The suggestion on what can be done further by social media is given in the suggestion section. Finally, this research concludes the paper and makes discussions.

## 2. Mixue's Success in Brand Marketing via Social Media

MIXUE enterprise was set up in 1997 by Hongchao Zhang. The company majorly sells freshly-made tea drinks and ice creams. By 2022 March, MIXUE have opened more than 20,000 offline stores, covering 31 provinces in China [10].

MIXUE has different product positioning from other milk tea brands in the Chinese milk tea market. It majorly provides low-priced tea drinks, which makes the company stand out in the variety of milk tea companies. According to the data from the official purchasing platform, the average price of MIXUE beverages is 8 yuan. For other mainstream milk tea brands such as Hey Tea and NAIXUE, the price setting of a similar beverage is about 20 yuan. When setting the price, MIXUE follows the cost-based pricing strategy and strictly compresses the price. The prerequisite for controlling the price is MIXUE Company has established a complete industrial chain so that the compression of raw material costs is possible.

In 2018, MIXUE officially published the animation IP "Snow King" and the slogan "I love you. You love me. Mixue Ice Cream and Tea" [10]. On June 3, 2021, in order to promote the brand's popularity, Mixue released the brand's first music video on its official accounts on a few social media and video platforms. The MV uses a famous American folk song as the melody and changes the lyrics to the brand's slogan on this basis. The content of the video is basically the brand's mascot "Snow King" dancing to the music. Because of the lyrics' repeatability and the catchy tune, the video was then re-posted by a large number of netizens on various platforms, and the popularity of the video increased rapidly. On June 25, 2021, the Mixue MV has received more than 12.13 million views and 25,000 comments on different platforms [11]. Mixue appeared to be a well-known punch line on the social platform. After that, Mixue and its animated character "Snow King" become a popular material for the videographer's video making. Many video creators publish the recreation of Mixue MV or MV-related videos in the form of translating the MV into different languages and making auto-tune remix-themed content videos for the purpose of pranking and making fun. Facing the surge in the brand's related video recreation, Mixue did not send out any warning about the infringement of intellectual property. Instead, Mixue's official account actively interacted with the video makers and viewers under the video comment area. June 15th, when the company became well-known, Mixue posted the MV accompaniment to encourage video makers' new video creation.

With the assistance of the increase in brand awareness, Mixue Company further increases the number of stores. 2020-2021, the company's overall net increase of the store number in each year is 5,897, 7,382. Over the past three years, the compound annual growth rate of the stores is 65% [12].

### 3. The Application of Social Media on Mixue's Case

The success of Mixue's marketing strategy is worth in-depth analysis and research so that this success can be replicated by other brands. After analyzing the case of Mixue, this research gets the following three arguments.

Firstly, the impact of social media on brand marketing can be amplified when the age distribution of targeted customers aligns with that of social media users. Social media is an important medium for people aged from 20 to 40 to share and exchange information. For this group of people, social media also plays a significant role in promoting new products. When a product's customers and social media users are perfectly matched in age distribution, the impact of social media on promoting the product can be maximized, and the product can easily gain popularity. The reason is that the majority of potential customers are possibly getting reached by social media, and the product information can be propagated very fast given that the interested customers are also active users of the social network. According to the investigation from iiMedia Research, in 2019 the majority of social platforms users are aged 19-40, accounting for 81.6 percent of the whole population [13]. Similarly, considering the age distribution of the milk tea customers, people in age 20 to 40 account for 87 percent [14]. Therefore, Mixue's consumers and social media users are basically overlapping in terms of age. This explains why the Mixue Company received great attention within just a month. The alignment of the age distribution between social media users and potential customer's matters for a company's marketing strategy. The wheelchair companies in the United States do not focus their marketing efforts on social media, because it is not the most effective platform to reach its customers, who are primarily old adults and do not frequently use social media. Instead, other channels, such as direct mail campaigns or advertising in print publications are used to cater to the target audience. Thus, when there exists a mismatch in age distribution between social media users and main customers, the effectiveness of social media in brand marketing can be limited.

Secondly, the form of multimedia can carry richer information in social media and broaden the channel of broadcasting, which makes social media more effective in brand marketing. Mixue's MV has an arresting animation character with a catchy tone. The repetition of the lyrics also strengthens people's impression of the brand. More importantly, the selected music is the popular one taught in the school class, so the melody is familiar to the public. Because of the mere exposure effect, i.e., people prefer things they are more familiar with, by effective multimedia advertising, Mixue gained more benefits from social media. Multimedia is the combination of multiple communication components, including text, images, audio, and video. In comparison to traditional media, multimedia has the advantage of interacting with the viewers. The comments made by the viewers can be displayed as subtitles of the video. Such interactions attract more people to get involved in a topic discussion, which makes a brand recognized quickly. In addition, the display of the images or video accompanied by narration and music will be more direct and impressive to the audience. Nowadays, typical ways to broadcast through multimedia are short videos or official accounts on social media. By June 2022, the size of short video users was 962 million, accounting for 91.5% of the overall Internet users in China [15]. The combined modalities could impress the viewer in both visual and aural aspects, which can make the information more memorable. In addition, the utilization of some photographic or cinematic technics can make the content more attractive.

Thirdly, the controversial content of Mixue boosts the broadcast of social media, which leads to an unexpectedly good outcome in brand marketing. When Mixue's official account updated the music video on the video platform, topics such as brainwashing tone and the low-cost production style of the MV were widely discussed by the audience and customers. For entertainment purposes, many netizens edited secondary-created videos based on Mixue's MV. To continuously expand its brand presence, Mixue adopted the strategy of applying no control in the dissemination of both positive and negative information. Meanwhile, Mixue managed to further increase the brand's popularity by interacting with the video creators on the platforms. Content which was controversial is associated with higher degrees of activity [16]. Hence, for companies that intend to boost browsing on their advertisement, controversial information will help them lead to the discussion on the internet, which

subsequently broader the brand's exposure to more consumers. Although divisive content is risky for damaging the enterprise's reputation, the tradeoff on the increase of consumer awareness will be enormous, especially for the firm that just entered the market. In Mixue's case, the increasing economic profit proves that controversial information indeed contributes to the popularity of the brand. Another brand that benefits from the controversial information is Pinduoduo (PDD). PDD is an online shopping platform featured by very cheap products from unknown brands. When PDD was first known to the public, the brand was not in a good profile. Many posts on the internet made the comparison between the products from the famous brand and the ones from PDD, which had almost the same appearance but were at very low prices. These posts were distributed very fast on social media and PDD was mocked and despised. This turned out a feast for Chinese netizens and the funny pictures of PDD products were posted and forwarded on every social media platform. Unexpected by many people, PDD quickly acquired a large number of customers who had relatively low incomes and took product price as the first priority. PDD then grew at an amazing pace and became a key competitor of the top online shopping platforms.

#### **4. Suggestions on Mixue's Next Actions**

Mixue has successfully leveraged the power of social media at the customer acquisition stage. It has gained many customers who are attracted by Mixue's MV and want to try its milk teas. The Mixue shops also expand quickly in second, and third-line cities. It is suggested that at the next stage, Mixue's focus should be on improving the quality of the service and increasing the loyalty of the existing customers. To fulfill this task, social media is still a powerful tool to rely on. Specifically, the following three things are recommended. First, Mixue should use social media as a bridge to closely connect the company and the customers. The connection should be transformed from one-way information conveyance to two-way communication. Mixue could open an easily used customer review system on social media and reward the customers who make their comments. By doing that, a large amount of customer feedback can be collected in time. Second, after getting the customers' first-hand messages from social media, Mixue is suggested to do data analysis continuously. By applying natural language processing (NLP) technology in social media content, Mixue can understand the true requirement of customers and quickly adjust the proposition of their products if necessary. Third, WeChat groups can be built by adding customers who reside in the same district. This is a channel to maintain a closer relationship between the brand and the customers. The staff from Mixue can send coupons to make the group active. He or she can also introduce new products or promotional activities to the customer. By doing the three things above, the loyalty of the customers can be strengthened and the number of Mixue's customers can be maintained, or steadily increased.

#### **5. Conclusion**

In general, social media can significantly contribute to brand marketing in the milk tea industry. The goal of the research is to discover the specific factors that make social media effective in milk tea brand marketing. The study introduces Mixue's case, which is regarded as a miracle of brand promotion by social media. By carefully analyzing Mixue's marketing strategy, this research has identified the specific factors that make social media a catalyst in brand marketing. These key factors are (1) alignment on the age distribution between social media users and potential customers, (2) the form of multimedia carrying the familiar melody, and (3) controversial context in information broadcasting. The research also provided suggestions for further leveraging social media after the customer acquisition stage, in which customer services are the focus. The three suggestions are using social media to collect customers' feedback, finding customer requirements by analyzing social media data, and building WeChat groups to maintain customer relationships. To some extent, this research reveals insights into Mixue's success in brand marketing. The identification of specific factors helps people to understand the characteristics of social media and makes it possible to replicate such a

success led by social media in brand marketing. The limitation of this research is that the arguments are made only based on Mixue's case. To reach a reliable conclusion, more case studies should be conducted. Future work will investigate the marketing strategy of other milk tea brands such as HEYTEA and CoCo. The impact of social media on these brands will be analyzed and the conclusion made from Mixue's case will be verified.

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