

Ruixing Coffee Versus Starbucks in China: Has Technology Given Ruixing Coffee an Edge

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Abstract. Ruixing Coffee's rapid ascendancy in the Chinese market, outpacing the longstanding leader, Starbucks, is a notable phenomenon in the coffee retail industry. This study analyzes the underlying strategies and technological innovations that facilitated Ruixing's remarkable growth since its inception in 2017. With a distinctive focus on its tech-driven approach, the research highlights Ruixing's meticulous use of smart technology in business monitoring, the integration of blockchain for financial transparency, the role of big data in its operations, and its strategic emphasis on precision marketing. In addition, the company's commitment to robust data protection and cybersecurity practices further underscores its progressive business model. This comprehensive exploration reveals how Ruixing Coffee has effectively gained advantage after Starbucks in China's competitive coffee market landscape by reviewing qualitative and quantitative data regarding Ruixing's technology, marketing strategy and cultural fitness. Ruixing coffee pursues improvements in data security, actively follows social trends in China, offering lessons for businesses in leveraging technology for competitive advantage.

Keywords: Coffee retail industry, Luckin Coffee, Starbucks, Data-driven decision-making, Technology-driven strategy, Competitive advantage.

1. Introduction

Ruixing, also known as Luckin Coffee, is a Chinese coffeehouse chain that has gained popularity in a short period of time having been founded in Beijing in 2017 and having already surpassed coffee powerhouse Starbucks in number of retail Cafés by 2019 and in revenue in the first quarter of 2023. All this is happening in Starbucks' second biggest market after the United States. Ruixing Coffee offers convenience and affordable coffee through its network of small and self-service Cafés. They also offer in house delivery services, as opposed to contracted delivery services. However, it has not always been smooth sailing for Ruixing Coffee. In 2020, The company was involved in fabricating sales numbers and financial statements. They overstated revenues by upwards of 2.2 billion Yuan. The discovery of the scandal by the public led to a significant drop in its stock price and the ousting of its top executives [1]. Luckin Coffee was also delisted from the NASDAQ stock exchange and the company filed for bankruptcy in the United States in 2020. The company's misfortunes however have changed in recent times and they have grown to top market leader Starbucks in revenue in the first quarter of 2023 and in number of stores in China. This paper aims to investigate and explain the different reasons behind how Ruixing is able to achieve its current success within a short period of time.

2. Leveraging Technology for Competitive Advantage: A Comprehensive Analysis

In the rapidly evolving and competitive world of coffee retail, Ruixing Coffee, or Luckin Coffee, has emerged as a formidable player, showcasing impressive growth and a unique approach to leveraging technology for competitive advantage. This analysis delves into the various facets of Ruixing Coffee's tech-savvy strategy that have propelled it to outpace traditional giants like Starbucks in China [2].

2.1. Introduction to Ruixing Coffee's Remarkable Growth

Ruixing Coffee burst onto the Chinese coffee scene in 2017, a latecomer compared to Starbucks, which had established its presence in China in 1999. In just two short years, Ruixing Coffee surpassed Starbucks in terms of the number of coffee shops across China. What's even more astonishing is that, by the first quarter of 2023, Ruixing Coffee had not only caught up but also exceeded Starbucks in revenue within China. This rapid ascent is a testament to the effectiveness of their strategies, particularly in leveraging technology [3].

2.2. Meticulous Monitoring and Data-Driven Decision Making

One of the cornerstones of Ruixing Coffee's success lies in its meticulous monitoring of business operations coupled with data-driven decision-making. The company has demonstrated astute use of smart technology to oversee production processes and maintain high-quality standards. This approach has allowed them to navigate challenges such as logistical disruptions, late deliveries, and even unforeseen events like pandemics. By closely monitoring their operations through technology, Ruixing Coffee ensures a consistent and reliable customer experience [4].

2.3. Blockchain Technology in Finance

Ruixing Coffee has embraced blockchain technology, especially in its finance division, as a means to promote transparency and reliability in financial processes. The integration of blockchain technology enhances trust and security in financial transactions, which is vital for a business operating at scale. This tech-savvy approach in finance mirrors their overall commitment to seamlessly integrating technology into all aspects of their retail stores. It showcases how technology can be leveraged not only for customer-facing applications but also for enhancing internal operations [5].

2.4. Data-Driven Choices in All Aspects

The tech-savvy choices made by Ruixing Coffee are evident in various facets of their operations. From decisions about store locations to optimizing supply chain management, data-driven insights are at the core of their decision-making processes. By analyzing customer details, the company can customize its offerings and promotional strategies to suit specific demographics and zones. This fact-based tactic allows Ruixing to provide a more customized and attractive experience for each client. It also helps in optimizing inventory management, ensuring that products are available where and when they are mostly in demand. This not solely decreases waste but in addition enhances supply chain performance [6].

2.5. The Whole-Chain Digital Closed-Loop System

The tech-savvy choices made by Ruixing Coffee are evident in various facets of their operations. From decisions about store locations to optimizing supply chain management, data-driven insights are at the core of their decision-making processes. By analyzing customer details, the company can customize its offerings and promotional strategies to suit specific demographics and zones. This fact-based tactic allows Ruixing to provide a more customized and attractive experience for each client. It also helps in optimizing inventory management, ensuring that products are available where and when they are mostly in demand. This not solely decreases waste but in addition enhances supply chain performance [6]. One of the most remarkable technological innovations at Ruixing Coffee is their implementation of a "whole-chain digital closed-loop system." This system encompasses three critical areas: People, Products, and Locations. It leverages big data and digital tools to optimize all facets of their business operations, from coffee production to efficient delivery [2]. This system functions akin to a Customer Data Platform (CDP), empowering them to gain profound insights into their customer base. It exploits expansive information and technology advances to improve each angle of tasks, from making coffee to conveying it productively. This gives profound knowledge into clients that permits customized administrations important for maintaining and drawing in new clients.

2.6. Precision Marketing and Real-Time Feedback

Ruixing Coffee has adopted a strategic shift from conventional marketing approaches towards precision marketing. This aligns with their new retail ethos, which focuses on real-time feedback, algorithmic insights, and data analysis. These three pillars have become their arsenal in ensuring the timely and accurate distribution of products to their designated destinations. Precise marketing allows Ruixing Coffee to aim specific client portions with customized offers and goods, expanding the proficiency of their advertising attempts. Real-time feedback and information examination in addition permit them to fine-tune their approaches, reacting rapidly to changing shopper preferences and industry patterns.

2.7. Integration of Internet of Things (IoT) Technology

The integration of Internet of Things (IoT) technology into Ruixing Coffee's supply chain operations is another significant technological advancement. This innovation grants them real-time oversight over critical factors, including product temperature. In the coffee industry, where freshness is paramount, maintaining the ideal temperature during transportation and storage is crucial. The IoT ensures coffee goods are dealt with attentively and precisely, protecting their quality and taste. This concentration on technology-fueled quality regulation demonstrates Ruixing Coffee's dedication to supplying the ideal possible customer encounter.

2.8. Mobile Ordering and Payment Systems

Ruixing Coffee has excelled in providing a seamless and convenient customer experience through its mobile app. This app allows customers to easily place orders, make payments, and even request deliveries using their smartphones. This technical benefit notably decreases wait occasions for buyers and boosts overall practicality. In a rapidly paced culture where time is a precious asset, this phone requesting and payment scheme separates Ruixing Coffee from competitors [7].

2.9. Inventory Management

Technology holds a very important part in making inventory management at Ruixing Coffee as good as possible. Through the use of lots of data collected, the company can foresee which things are wanted more in different areas. This ability to foresee allows them to keep items ready in that way, decreasing waste and making sure things can be obtained. Managing items effectively is truly key for a business working at a large scale, and technology helps Ruixing Coffee hit the right balance between what's needed and what's provided. This results in cost savings, improved customer fulfillment, and enhanced supply route proficiency [8].

2.10. Social Media Engagement

Ruixing Coffee actively leverages social media platforms such as WeChat, Weibo, and Douyin (TikTok) to engage with customers. This proactive approach involves sharing promotions, responding to customer feedback, and creating viral marketing campaigns. By maintaining a strong presence on these platforms, Ruixing Coffee boosts brand visibility and awareness, particularly among the younger, tech-savvy Chinese demographic. Social media engagement has become a critical component of modern marketing, and Ruixing Coffee's success in this area reflects its ability to connect with customers in the digital age.

2.11. Online Reviews and Loyalty Programs

Managing online reviews effectively is essential in the digital era, and Ruixing Coffee excels in this regard. The company actively monitors online reviews and promptly addresses customer complaints. Positive online reviews and high ratings are crucial for attracting new customers, especially first-time visitors who rely on these reviews for guidance. Additionally, Ruixing Coffee implements loyalty programs with rewards to encourage repeat business. These programs not only

foster customer loyalty but also serve as a valuable source of customer data, which can further inform data-driven decisions and marketing strategies [9].

3. Leveraging Technology for Competitive Advantage: A Comprehensive Analysis

Ruixing Coffee, popularly known as Luckin Coffee, has not only made a significant mark in the coffee industry through its innovative technology-driven approach but has also displayed a strong commitment to data protection. In a digital era where data privacy is a paramount concern, the company's efforts to secure customer data stand out as a commendable aspect of its business strategy.

3.1. Advanced Technology and Data Security

At the core of Ruixing Coffee's operations lie advanced technologies, such as a smart system and a mobile app, which enable the efficient management of their stores and ensure a seamless experience for customers. However, alongside this technological prowess, the company places great importance on data security. Robust rules and systems have been put in place to guarantee the safety and reliability of customer information. This dual focus on technology and data security is in line with contemporary best practices, recognizing the vital role data protection plays in today's digital business landscape [10].

3.2. Utilization of the WPDRRC Model

At the core of Ruixing Coffee's operations lie advanced technologies, such as a smart system and a mobile app, which enable the efficient management of their stores and ensure a seamless experience for customers. However, alongside this technological prowess, the company places great importance on data security. Robust rules and systems have been put in place to guarantee the safety and reliability of customer information. This dual focus on technology and data security is in line with contemporary best practices, recognizing the vital role data protection plays in today's digital business landscape [10].

3.3. Elevation of the Information Security Department

In 2021, Ruixing Coffee made a significant organizational move by elevating the importance of its Information Security Department. This strategic decision empowers the department to respond swiftly and effectively to potential security incidents. By giving prominence to this department, the company acknowledges that data security is not merely an IT concern but a fundamental aspect of its overall business strategy. This highlights their commitment to proactively addressing and managing security risks, further strengthening their data protection efforts [11].

3.4. Establishment of a Data Security Management Committee

To ensure comprehensive data security across various segments of the organization, Ruixing Coffee established a Data Security Management Committee. This committee plays a pivotal part in overseeing and applying data security steps. By allocating a particular panel to this role, the business emphasizes the importance of data protection and guarantees that it gets the attention and assets it merits. This strategy aligns with ideal practices in corporate administration and.

3.5. Employee Training and Stringent Rules

Ruixing Coffee's commitment to data protection extends to its employees. They have implemented stringent rules and provide training to ensure that employees uphold the highest standards of data protection. This technique realizes that data safety is not only a technological subject but also relies on the knowledge and care from each team member. Such steps build a culture of duty and liability within the organization, emphasizing the importance of defending details through the company [13].

3.6. Regular Security Audits and Certifications

To reinforce their commitment to legal compliance and best practices in data security, Ruixing Coffee conducts regular security audits performed by professionals. These audits serve as a proactive measure to identify vulnerabilities and weaknesses in their systems, allowing for timely corrections and improvements. In addition, the company achieves confirmations that validate their adherence to sector best standards. These confirmations serve as outside substantiation of their commitment to information security, further developing client belief and self-assurance in their brand [14].

4. Ruixing Coffee and Employees' Well-being

Luckin Coffee prioritizes its employees' well-being, focusing on motivation as a crucial factor, and maintains rigorous hiring practices that align recruits with the company culture. Hard work is rewarded with competitive compensation and candidates are evaluated comprehensively for various roles [15]. To expedite hiring, Luckin Coffee uses technology and specialized programs for recent graduates. They foster career progression and offer numerous training programs. The company recognizes technical workers with dedicated programs and awards. During tough times, Luckin Coffee supports its workforce and focuses on punctual coffee deliveries, earning accolades for quality and corporate responsibility. They collaborate with partners to ensure mutual success. Luckin Coffee's core values "High Standards" and "High Belief" guide their recruitment process, emphasizing stringent standards. They offer "High Growth" and "High Reward" opportunities and encourage "High Performance" and "High Self-motivation". They optimize recruitment using internal resources and technology. Luckin Coffee promotes internal talent sharing and offers unique recruitment programs.

They align values with corporate missions through culture handbooks and offer diverse training programs. These include orientation, skill building, and leadership development. Luckin Coffee's dual-track promotion system lets employees choose their path, and they encourage baristas to become managers through internal promotions. Shared values are central to Luckin Coffee's culture, reflected in their compensation system and incentives. Their award programs promote a positive work environment, highlighting the importance of shared values in building a world-class brand. In response to the challenges posed by the COVID-19 pandemic, the company actively supported employees, suppliers, and business partners, emphasizing mutual trust and cooperation. Operational optimization efforts included adapting supply chain operations and establishing protocols for store closures and reopenings to ensure efficient operations. Luckin Coffee's dedication to fostering a sense of community and shared interests with its stakeholders is further demonstrated through collaborations with store partners and suppliers.

5. Ruixing Coffee and Sustainability

Luckin Coffee prioritizes its core values, environmental protection, and a management culture focused on rules during its ongoing progression plan. The coffee company spotlights compliance and a company culture based on trustworthiness to impel business advancement. This dedication is evident in how the organization dedicates itself to consistent self-appraisal, standardizing its systems, and establishing a robust risk administration system that aligns with strategic growth needs [16]. The company's mentality surrounding teamwork, sustainability, and compliance underlines its dedication to nurturing powerful relationships, backing market development, and adhering to ethical and responsible work practices. Quality and food safety are paramount concerns for Luckin Coffee, leading to the implementation of a digitally empowered food safety management system. This system employs hierarchical risk controls, monitoring throughout the supply chain, and the use of digital technologies like IoT and AI for real-time risk management.

Value chain management is a core strategy for Luckin Coffee's competitiveness in the coffee market. The company collaborates with partners across the value chain, sources premium coffee

beans, plans roasting plants, and leverages technology for efficient supply chain and warehousing management. Innovative technology is integral to Luckin Coffee's sustainability and development approach. The company invests in smart data algorithms and IoT technologies to address operational challenges. Blockchain technology is also explored to enhance credit, refine operational and financial data, and provide tamper-proof transaction data [17]. Luckin Coffee's focus on sustainable organizational core competencies includes optimizing its human resources structure, providing sustainable career paths, and expanding the talent pool. Mutual trust is a key element in the company's culture, contributing to its overall organizational competitiveness. Luckin Coffee places a strong emphasis on maintaining a compliance-based corporate culture, recognizing the vital role it plays in enterprise development. This commitment is rooted in the core value of "Integrity," which should ideally run through all aspects of daily operations [17]. The company continuously engages in self-examination and business system standardization to enhance internal operations and mitigate potential external risks. This approach forms a strategic management mechanism tailored to different developmental stages, further strengthening the risk management system.

The company's dedication to cooperation, sustainability, and compliance underscores its resolve to cultivate robust partnerships, foster industry growth, and uphold ethical and responsible business practices. Ruixing Coffee places a lot of importance on product quality and food safety. The company endeavors to empower its food safety management system digitally, implementing hierarchical risk controls throughout the supply chain [4]. This involves monitoring personnel, equipment, materials, operation standards, and hygiene environments. Digital technologies, such as IoT monitoring and AI, are harnessed for real-time food safety risk management. The overarching goal is to ensure the consistent delivery of safe, high-quality products while remaining responsive to public sentiment and early warnings.

Maintaining competitiveness within the coffee market is a key commitment for Luckin Coffee. The company actively collaborates with partners spanning the entire value chain. This involves sourcing premium coffee beans from select production areas, expanding its roasting plant network, and leveraging technology and digitalization for efficient supply chain and warehousing management. The company also explores international market opportunities while maintaining a strong focus on the Chinese market [4]. The company's digitized and data-driven operating system, aligned with principles of craftsmanship and sustainable development, is continually enhanced to meet evolving market dynamics and customer demands. Luckin Coffee relentlessly strives for maximum operational efficiency, empowering its management with technology, refining store environments, and enhancing customer service systems to deliver a superior and safer experience.

6. Starbucks in China

Starbucks' venture into the Chinese market since its establishment in 1999 stands as a remarkable success story, characterized by significant growth and expansion. Since 1999, the company has rapidly expanded its presence across China, boasting thousands of stores throughout the country. Starbucks has slightly over 6,000 stores in China, positioning it as one of its largest markets beyond the United States [13]. Starbucks initially entered China through joint ventures with local partners. This collaborative approach helped the company navigate China's complex market and build a robust foundation. Bloomberg's report details Starbucks' partnership with Alibaba, a significant move to enhance its digital presence and customer experience [18].

Starbucks has adeptly adjusted its menu to cater to local tastes while retaining its core offerings. Chinese-inspired beverages and food items were introduced to broaden the customer base. Starbucks has done well to get in digital innovation in China although a bit late. The company has forged partnerships with tech giants like Alibaba and Tencent. This collaboration has yielded a seamless digital ecosystem for customers, offering features like mobile payments, delivery services, and personalized marketing. These opulent retail spaces, highlighted in a Starbucks press release from December 2017, provide premium, small-lot coffees and unique coffee experiences.

Starbucks has actively integrated sustainability into its Chinese operations. Measures include eco-friendly store designs, promoting reusable cups, and supporting local coffee farmers, as outlined in its sustainability reports. Starbucks faced competition from local coffee chains, notably Luckin Coffee. Despite the challenges, Starbucks' commitment to quality and customer experience helped it maintain its leadership position up until the first quarter of 2023 [19]. The company's initial focus was on major cities, Starbucks strategically expanded into lower-tier cities. Recognizing the growth potential in these regions, the company embarked on this expansion.

Starbucks in China has actively engaged with local communities through various initiatives, including youth programs and cultural exchanges. Starbucks continues to view China as a crucial growth market. The company has expressed its commitment to further expansion and substantial investments in the Chinese market in its press releases and corporate communications.

7. Reasons for Ruixing Coffee Rise in China

Being a Chinese company, Ruixing Coffee has a deep understanding of the Chinese market. It can be argued that they understand local Consumers, Chinese cultural dynamics, and their tastes and preferences better than Starbucks or the other multinationals in the industry. Apart from being Chinese, Ruixing has other advantages that may give the company an edge over its competitors. These advantages are its rapid expansion [15]. In comparison to Starbucks, Ruixing opens an average of 500 stores per month as compared to Starbucks' average of 80 (Figure 1). Total number of Starbucks stores in China is 6,480 while that of Ruixing is 10,780 as of August 2023 (Figure 2). This aggressive expansion strategy has helped them capture a larger market share and increase their visibility. The company's pricing strategy also gives them an edge. They have a product that sells at 9.9 Yuan to increase foot traffic into its stores as compared to Starbucks' most pocket friendly offering of 30 Yuan [2]. Ruixing's affordable pricing strategy appeals to cost-conscious consumers in China, especially in price-sensitive markets.

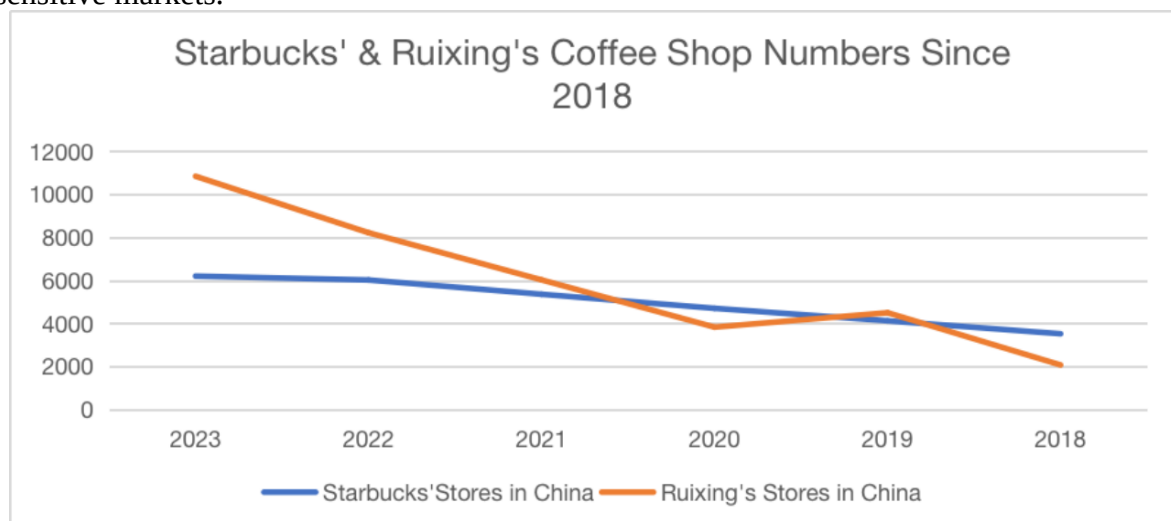


Fig. 1 Starbucks' and Ruixing Coffee Shop Numbers From 2018 to 2023 in China

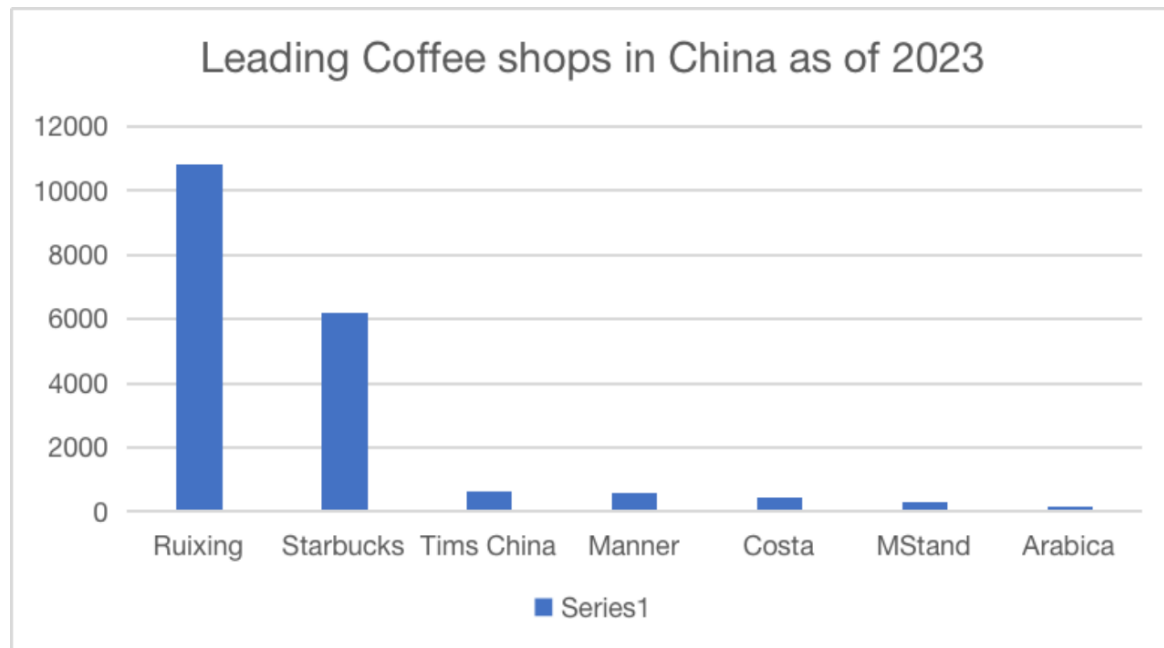


Fig. 2 Leading Coffee Shops in China as of 2023

7.1. Employee Training and Stringent Rules

Ruixing coffee's main advantage has been leveraging technology through features such as mobile ordering, mobile and online payment, and requests for delivery through its mobile app. The company is also keen on social media engagements through platforms like WeChat, Weibo, or Douyin (TikTok) [9]. It uses these sites to engage with customers, share promotions, and create viral marketing campaigns that helps boost brand visibility and awareness and, in this aspect, they have enlisted the services of famous Chinese celebrities to appear on their marketing advertisements. Customers are also able to browse through these mobile and online platforms in real time.

7.2. Employee Training and Stringent Rules

Ruixing uses big data to its advantage, collecting and analyzing customer data has helped the company understand consumer preferences, track purchasing patterns, and make informed decisions about menu offerings and marketing strategies. Through big data, the company is able to know a customer's favorite beverage, what time they most likely order, whether they like extra sugar on their beverage and such information [2]. In this regard, big data is able to help the company to run targeted online advertising campaigns that help reach specific demographics and geographic areas more effectively than traditional marketing methods. By tracking customer preferences and behaviors, Ruixing has been able to personalize recommendations and offers, creating a more tailored and appealing experience for each customer [5]. Digital integration and big data have also streamlined inventory management processes, ensuring that the right ingredients are stocked at the right times, reducing waste, and optimizing supply chain efficiency. Through big data, the company is able to know which products are fast moving, they are able to know how to stock items according to regions according to how popular these items are in the respective regions.

8. SWOT Analysis of Ruixing Coffee Technology

Due to limited empirical data, we opted for a qualitative analysis of Ruixing's business model. We used SWOT analysis to have a general view of its performance in relation to the coffee industry in China and more so in comparison to Starbucks [10].

8.1. Strengths

Technology at Ruixing Coffee has enabled quick and convenient order placement and payment through mobile apps, reducing wait times for customers. In Ruixing Coffee's app, a customer can either choose pick-up or delivery. Coffee is usually delivered within 30 minutes and pick-ups are usually ready within 3 minutes. Ruixing coffee houses do not accept cash [16]. Ruixing Coffee uses technology to implement loyalty programs with rewards for its more frequent customers. The frequency of purchases can be tracked through the number of online order uptake, this encourages repeat business. Up to the end of 2020, the company offered free coffee to anyone who downloaded its online app. As of 2023 they offer up to 80% discounts to first time customers who download the App. Ruixing Coffee has been able to collect and analyze customer data, helping them tailor their offerings, marketing, and operations to customers' uniqueness [14]. Ruixing uses Mobile apps and online platforms to expand their reach through delivery services. Their mobile, online, and delivery platforms have helped them reach areas that are far from their retail outlets..

8.2. Weaknesses

The financial scandal of 2020 dealt the company a major blow. There was a reduction in market capitalization leading to a reduction of its market value by\$ 5 billion [20]. Over-reliance on technology can lead to disruptions in service if systems fail or technical issues arise. Though cases of major system failures haven't been reported yet, we cannot discount it as a major source of weakness. Gathering customer data for marketing purposes may raise privacy concerns and require careful management to maintain customer trust. As reported, Luckin Coffee's mobile app was among apps threatened with removal from app stores by China's cyber-security watchdog in 2020 for infringing customer data regulations [21].

8.3. Opportunities

Continued technological innovation leads to improved customer experiences, such as personalized recommendations and interactive menus. Technology facilitates the launch of virtual and ghost kitchens, allowing coffee chains to enter new markets without the need for physical locations. Technology can support sustainability efforts by optimizing supply chains, reducing food waste, and promoting eco-friendly practices. An article from Xu notes that in 2018 alone, over 355 million people in China ordered food through Maiduan and Ele which are third party online delivery services that compete with Ruixing Coffee's inhouse delivery app [22]. This is a huge number of customers that Ruixing could lure to be their clientele.

8.4. Threats

As technology becomes more prevalent in the industry, competition intensifies as more coffeehouses adopt technology. The collection of customer data carries the risk of data breaches, potentially damaging a coffeehouse's reputation and customer trust [12]. Rapid changes in technology and consumer preferences can make it challenging to keep up with trends and adapt to shifting demands. Ruixing Coffee must navigate evolving regulations related to data privacy, food safety, and delivery services, which can impact their operations.

9. Key Factors that Attributed to Ruixing Coffee's Ability to Surpass Starbucks in China

Ruixing Coffee's ability to outpace Starbucks in China during the first quarter of 2023 is a testament to the company's multifaceted competitive strategies, with technology playing a pivotal role.

9.1. Big Data Utilization

One of Ruixing Coffee's key technological talents lies in its productive usage of extensive information. The business has harnessed the might of figures to gain deep insights into client preferences and purchasing routines. By examining these numbers, Ruixing can change its offerings, strategies for promotion, and even areas of shops to cater to specific groups and regions. This customized approach enhances the experience of the customer and fosters allegiance to the brand. In contrast, Starbucks has been somewhat slower in harnessing the full potential of effectively using huge amounts of statistics, giving Ruixing a clear advantage in comprehending and catering to the Chinese market [22].

9.2. Inventory Management

Technology has also played a pivotal role in Ruixing Coffee's inventory management. Through data-driven insights, Ruixing can accurately predict which products are in high demand in different regions. This enables the company to stock items accordingly, reducing waste, ensuring product availability, and enhancing supply chain efficiency. Starbucks, on the other hand, has traditionally relied on a more classic way of handling what it keeps on hand, potentially causing inefficiencies and fluctuations in what customers can get. Ruixing's technology-guided inventory has given it an advantage in meeting customer needs [23].

9.3. Mobile Ordering and Payment Systems

Ruixing Coffee has excelled in providing a seamless and convenient customer experience through its mobile app. Customers can easily place orders, make payments, and even request deliveries using their smartphones. This technological advantage reduces wait times for customers and enhances overall convenience. While Starbucks at last presented portable requests in China, it initially halted and fell behind Ruixing with respect to this. Ruixing's early reception of cell innovation essentially added to its capacity to pick up pieces of the overall industry [24].

9.4. Social Media Engagement

Ruixing Coffee has leveraged social media platforms like WeChat, Weibo, and Douyin (TikTok) to engage with customers, share promotions, and create viral marketing campaigns. This proactive approach has boosted brand visibility and awareness, especially among the younger, tech-savvy Chinese demographic. Starbucks, while present on social media, may not have utilized these platforms as effectively as Ruixing, potentially missing out on opportunities to engage with a broader customer base and strengthen brand loyalty [23].

9.5. Online Reviews and Loyalty Programs

Ruixing actively manages online reviews and promptly addresses customer complaints. Positive online reviews and high ratings are crucial for attracting new customers, especially first-time visitors who rely on these reviews for guidance. Additionally, the company has implemented loyalty programs with rewards to encourage repeat business. Starbucks, while also having loyalty programs, may not have emphasized online review management to the same extent as Ruixing, which can impact the perception of brand quality and customer trust [12].

Ruixing Coffee's success in surpassing Starbucks in China can be attributed to a combination of factors, including being a Chinese company, rapid expansion, and an affordable pricing strategy. However, engineering has played a pivotal part in this accomplishment. Success's adept use of enormous details for customized promoting and stock administration, mobile requesting and installment frameworks, online media inclusion, and successful online audit administration have given them a critical specialized advantage over contenders like Starbucks. While Starbucks at last caught up in some specialized perspectives, Success's early reception and smooth coordination of innovation into its tasks were pivotal in building up its focused preferred standpoint available [7].

10. Conclusion

Ruixing Coffee's ascendance in China's fiercely contested coffee sector and its capacity to outpace Starbucks in the initial three months of 2023 can be tied to an intertwining of aspects, with technology playing a key part in their accomplishment. Additional aspects that also contribute to the climb is Ruixing's position as an indigenous Chinese company and affordability. Within the swiftly developing drink sector, Ruixing Coffee needs to stay changeable as it persists to leverage on modern advances to strengthen consumer interactions, amplify their attainment through online kitchens, and encourage sustainability. It also ought to maneuver probable dangers concerning competition, data breaches, fluctuating consumer preferences, and evolving rules. Ruixing Coffee demonstrated how blending proficiency with the nearby population alongside capable computerized execution can overtake a worldwide pioneer in the Chinese commercial center. An intensive comprehension of neighborhood needs, combined with powerful innovative usage, can bring about astounding accomplishments in the cutthroat condition of present-day business.

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