

# Marketing Strategies of Mixue Bingcheng in Lower-tier Markets

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**Abstract:** With the rapid development of the new-style tea beverage market, Mixue Ice Cream & Tea has achieved remarkable success in lower-tier markets through its unique marketing strategies. However, in the face of increasingly fierce market competition and the diversification of consumer demands, Mixue's marketing strategies in these lower-tier markets are encountering numerous challenges. Through methods such as literature review, this paper conducts an in-depth analysis of the current situation, existing problems, and underlying causes of Mixue's marketing strategies in lower-tier markets. Furthermore, targeted optimization suggestions are proposed, aiming to provide theoretical support and practical guidance for the sustainable development of Mixue and similar tea beverage brands in lower-tier markets.

**Keywords:** Mixue Ice Cream & Tea, Lower-tier Markets, Marketing Strategy.

## 1. Introduction

Propelled by social progress, technological advancement, and a growing public health consciousness, the new-style tea beverage industry is evolving from a phase of quantitative expansion to one of qualitative transformation (Xu & Luo, 2025). [1] Lower-tier markets, acting as a key growth point for the tea beverage industry, have attracted widespread attention and strategic layout from numerous tea brands due to their massive consumer base and substantial market potential. Mixue Ice Cream & Tea has achieved significant success in these markets by capitalizing on its unique marketing tactics and extensive store network. However, with market competition becoming increasingly fierce and consumer demands growing more diverse, its marketing strategies in lower-tier markets now face a number of challenges, including product homogeneity, price competition pressure, channel management issues, and limited effectiveness of promotions.

Therefore, conducting an in-depth investigation into the current status, challenges, and optimization pathways for Mixue's marketing strategies in lower-tier markets is of significant importance for the brand's sustainable growth in these regions. To this end, this study builds its analysis on a dual foundation: first, by reviewing extant literature to establish the development status, competitive dynamics, and consumer behavior patterns within the tea beverage industry's lower-tier markets; and second, by integrating secondary data sources, including industry reports and corporate disclosures, to perform a targeted dissection of Mixue's specific marketing approaches. This combined methodological framework not only provides the necessary theoretical grounding but also enables the formulation of empirically-informed, actionable optimization recommendations.

## 2. Current Status of Mixue Bingcheng's Marketing Strategies in Lower-Tier Markets

### 2.1. Current Status of Product Strategy

In lower-tier markets, Mixue Bingcheng's product

offerings are categorized into five distinct series, constituting the cornerstone of its current product strategy: the Milk Tea Series, the Real Fruit Tea Series, the Ice Cream Series, the Light Milk Tea Series, and the Pure Tea & Coffee Series (Deng, 2023) [2]. First, the Milk Tea Series, represented by the classic Pearl Milk Tea; Second, the Real Fruit Tea Series, exemplified by the signature 4-yuan Lemonade; Third, the Ice Cream Series, featuring items such as the classic Waffle Cone Ice Cream; Fourth, the Light Milk Tea Series\*\*, including Jasmine Green Milk Tea; Finally, the Pure Tea & Coffee Series, which comprises green tea, Four-Seasons Spring tea, Americano, latte, among others. Additionally, Mixue offers a variety of snacks and tea bags for purchase. Notably, while maintaining product quality, the brand adopts a low-price strategy-exemplified by the widely popular 2-yuan ice cream cone and 4-yuan lemonade-leveraging this cost-effectiveness to meet the demand for affordable beverages and thereby building an extensive consumer base.

### 2.2. Current Status of Pricing Strategy

From its inception, Mixue Bingcheng has adhered to the philosophy of "making delicious products accessible to everyone," consistently maintaining an affordable and even low-price strategy. Among its offerings, the 2-yuan ice cream and 4-yuan lemonade are the most iconic representations of this approach.

Data from Mixue stores indicate that the average price of all beverages falls within the range of 6 to 8 yuan. Specifically, the Milk Tea Series averages around 7 yuan; the Real Fruit Tea Series is also priced at approximately 7 yuan; the Ice Cream Series averages about 6 yuan; the Light Milk Tea Series averages 7 yuan; and the Pure Tea & Coffee Series averages 6 yuan. Through such pricing, Mixue Bingcheng has pushed its low-price strategy to an exceptional level. In addition, thanks to its self-built tea gardens, fruit orchards, factories, and well-developed supply chain system-all of which help reduce costs-as well as the economies of scale derived from over 20,000 stores that further dilute expenses, the brand possesses unparalleled pricing power. This enables it to implement a nationwide uniform pricing mechanism, ensuring product prices remain consistent across all markets, from first-tier cities to townships (Song, 2023) [3].

### 2.3. Current Status of Channel Strategy

Mixue Bingcheng adopts a business model primarily based on franchising, supplemented by directly operated stores. As of September 30, 2024, the company had 40,510 franchised stores and 4,690 directly operated stores (Li, 2025[4]). Mixue Ice Cream & Tea's store network is predominantly concentrated in high-footfall locations, particularly around educational institutions and residential districts. This location strategy serves a dual purpose: it targets the core young demographic (e.g., students) and facilitates a clear market positioning that avoids direct rivalry with premium brands. Beyond its physical footprint, the company has implemented a comprehensive omnichannel sales strategy. This includes proprietary digital platforms (a mini-program and a dedicated app) for direct online orders, partnerships with third-party delivery giants (Ele.me and Meituan), and official flagship stores on major e-commerce marketplaces (Taobao and JD.com). The integration of these online and offline channels is designed to enhance marketing reach and drive sales volume synergistically.

### 2.4. Current Status of Promotion Strategy

Mixue Ice Cream & Tea's marketing is centered on its proprietary "Snow King" intellectual property (IP), which is deployed through an integrated online-offline strategy. On digital platforms such as Bilibili and Douyin, the Snow King IP has cultivated a substantial follower base and achieved broader cultural resonance through viral campaigns-including its symbolic "darkening" and co-branded initiatives such as the partnership with China Post. In physical stores, the brand reinforces its identity through the continual playback of its upbeat theme song, along with curated thematic events and derivative merchandise. Furthermore, it implements seasonally targeted promotional activities, such as the "Mixue Lucky Bag Festival," the "520 Couple's Certificate" campaign, and various limited-time offers including "buy-one-get-one-free" and half-price discounts.

## 3. Analysis of Problems and Causes in Mixue Bingcheng's Marketing Strategies for Lower-Tier Markets

### 3.1. Challenges and Contributing Factors in Product Strategy

Mixue Bingcheng continues to face multiple challenges in its product offerings. Firstly, there is a lack of product innovation and distinctive signature items, resulting in severe homogenization. The tea beverage industry generally features simple production processes and low technical barriers, leading to widespread product overlap with competing brands.

Secondly, frequent food safety incidents across various store locations have undermined consumer trust. Due to the franchise-dominated expansion model and the vast number of stores nationwide, oversight of franchisee operations has been inadequate. Many franchisees fail to fully comply with unified regulations and standards for various reasons, leading to recurrent food safety issues that damage Mixue Bingcheng's brand image.

Additionally, the packaging design lacks variety and appears less aesthetically appealing compared to other tea brands, which hampers consumer attraction. Mixue's packaging primarily centers on the cartoon mascot "Snow King," using red as the base color to convey a cute and playful

image. However, compared to the packaging of other well-known brands such as Gu Ming, it is often perceived as cheap. This reduces the willingness of younger consumers to share the brand on social media, thereby limiting its potential to convert new customers.

### 3.2. Challenges and Contributing Factors in Pricing Strategy

Against the backdrop of intensifying industry competition, the long-term sustainability of Mixue Bingcheng's established pricing strategy is increasingly being called into question by multiple pressures. The primary challenge lies in the continuous escalation of operational costs, which progressively erodes profit margins. The brand's low-price positioning has historically been underpinned by aggressive cost control, achieved through an optimized supply chain and significant economies of scale derived from its vast store network (Wang, 2024) [5]. The sustainability of this strategy is increasingly challenged by both external cost pressures-such as rising labor and commodity (e.g., sugar) costs-and competitive encroachment from players like Luckin Coffee through aggressive pricing. Furthermore, the rigidity of its nationwide uniform pricing fails to account for regional disparities in economic development and consumer purchasing power. This one-price-fits-all approach not only erodes pricing power in higher-cost first- and second-tier cities but also constrains the brand's ability to penetrate more premium market segments, highlighting a strategic gap in regional adaptability and market segmentation.

### 3.3. Challenges and Contributing Factors in Channel Strategy

At present, with its offline store count exceeding 40,000, Mixue Bingcheng faces significant difficulties in its marketing channels amidst rapid scaling. The first major issue lies in excessive store concentration and poor in-store experience. On one hand, as the brand continues to expand, high store density within individual regions has intensified competition among franchisees, squeezing their profit margins and breeding dissatisfaction. On the other hand, most Mixue outlets are notably small in scale, unable to offer dine-in or rest areas for customers. Furthermore, frequent long queues combined with the lack of waiting space substantially undermine consumers' purchase intention. Secondly, online channel integration remains inadequate. Although the brand has launched its own mobile application, user engagement is low and its ratings are suboptimal. Consequently, online sales rely more heavily on third-party platforms such as Meituan and JD.com.

### 3.4. Challenges and Contributing Factors in Promotion Strategy

The marketing strategy of Mixue Ice Cream & Tea is centered on the IP persona "Snow King," utilizing audio marketing tools such as its iconic jingle and capitalizing on viral phenomena like the character's "dark transformation." While these tactics have yielded measurable short-term gains, they have failed to translate high brand awareness into robust consumer loyalty, revealing a deeper deficit in innovative marketing approaches. In the "traffic-first" era, purchase decisions are driven not only by product taste but significantly by brand equity. Thus, amplifying brand visibility and expanding market reach are critical for influencing consumer behavior. However, the brand's communication strategy

demonstrates a pronounced lack of cultural innovation, over-indexing on ephemeral viral events. This reliance on entertainment-centric, culturally shallow engagement leads to fragile consumer loyalty and high brand forgettability, ultimately jeopardizing its potential for sustainable long-term growth.

## **4. Suggestions for the Optimization of Marketing Strategy of Mixue Ice City**

### **4.1. Product Strategy Optimization**

Enhancing innovation capabilities, building a health-oriented brand image, and establishing differentiated advantages are crucial. The company should strengthen its R&D efforts, promoting product iteration and category expansion by incorporating regional characteristics. Implementing a “weekly new product launch” pace and introducing limited-time offerings such as lychee tea in southern regions and sea buckthorn beverages in northern areas can stimulate consumer interest. Focusing on ingredient innovation to align with the “low-fat, low-sugar, low-calorie” consumption trend will help create distinctive and healthier drinks, thereby breaking the industry’s homogeneity. Furthermore, reinforcing supply chain and standardization systems, for instance, by advancing supply chain transparency initiatives and releasing documentaries like *The Journey of a Lemonade* to publicize its proprietary orchard planting and factory production processes-can build trust. Additionally, leveraging AI algorithms to analyze consumer preferences enables the customized development of new products, allowing the brand to respond swiftly to market changes, enhance competitiveness, and achieve greater product diversity and differentiation(Wang, 2025) [6].

### **4.2. Price Strategy Optimization**

While maintaining low prices as its foundational appeal, the brand can adopt flexible premium pricing as a supplementary approach to break away from a single-price image and expand market depth. Alongside retaining core low-priced products, Mixue may introduce higher-priced product series to cover a broader consumer base. Diversified product bundling can also be employed to achieve price complementarity and effectively boost overall sales volume. Establishing a regionally differentiated pricing mechanism-moderately adjusting prices for certain premium products in first- and second-tier cities while maintaining original pricing in township markets-helps balance profitability across different regions. Launching a membership system where points can be redeemed for beverages or cultural-creative merchandise, rather than offering direct discounts, can increase customer loyalty and average transaction value.

### **4.3. Channel Strategy Optimization**

Strengthening offline operational control, enhancing online self-operated channel development, and optimizing channel layout to explore diversified new avenues are essential for improving the overall consumer experience. Leveraging its storage and logistics network, the company should scientifically plan store distribution, strictly control outlet density within the same county-level market areas to prevent destructive competition among franchisees. In first-tier cities, pilot “casual experience stores (or boutiques)” with added seating and charging facilities can be introduced to enhance

the offline consumption environment. Standardized management and supervision of franchisees should be intensified, including improving training systems for store staff and establishing regular supervision mechanisms to unify service standards nationwide. Deepening digital integration by building a comprehensive online marketing matrix, upgrading official apps and mini-programs with features like ingredient traceability, will increase user engagement. Following industry trends, the brand should also explore live-streaming commerce channels and actively expand into overseas markets to consistently promote brand value and Chinese tea culture

### **4.4. Promotion Strategy Optimization**

Breaking traditional price-based promotions, the brand should deepen user interaction pathways to achieve efficient traffic conversion, empower brand communication, and enhance brand value and user stickiness. Reconstructing brand communication logic, for example, through live streams that break down beverage costs and promote rational consumption knowledge can replace purely repetitive advertising. Research indicates that the core rationale behind Mixue’s promotions relies on high-cost-performance products to attract traffic and drive overall sales, clarifying the conversion path from “traffic” to “sales.” Precisely executed crossover collaborations, such as partnerships with China Post or affordable lifestyle brands that align with Mixue’s brand identity, can broaden brand influence while reinforcing its core perception of “affordable yet high-quality.” Such comprehensive brand communication not only enhances brand awareness and reputation but also effectively promotes product sales and market expansion, laying a solid foundation for sustainable business growth(Xing, 2024) [7].

## **5. Conclusion**

This study indicates that while Mixue has achieved success in lower-tier markets through extreme cost-effectiveness and extensive channels, issues such as product homogeneity, narrowing profit margins, and insufficient brand loyalty are becoming increasingly apparent. Accordingly, the optimization strategies proposed in this paper-centered on supply chain transparency and value enhancement aim to transform cost efficiency into consumer trust and identification, thereby providing a pathway for sustainable brand development. It should be noted that the conclusions of this study are primarily based on literature and industry analysis, lacking empirical consumer data. Thus, the specific effects of the proposed strategies require further validation. Subsequent research could conduct field surveys to track and evaluate the actual impact of transparency strategies on trust rebuilding, along with cross-brand comparisons, to offer more concrete references for the development of the tea beverage industry in lower-tier markets.

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