

Research on the 4P Strategy of Mixue Ice Cream & Tea Entering the High-End Market

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Abstract: As competition in the new-style tea beverage market intensifies, Mixue Ice Cream & Tea, a leading brand that rose to prominence with a low-price strategy, faces multiple challenges including rising costs, market saturation, and consumption upgrading. Using the 4P marketing theory as an analytical framework, this paper systematically examines the strengths and weaknesses of Mixue Ice Cream & Tea across the four dimensions of product, price, place, and promotion, and explores feasible strategies for its entry into the high-end market. The study finds that Mixue Ice Cream & Tea possesses a solid foundation in areas such as supply chain integration, economies of scale, outlet density, and IP marketing, yet still shows deficiencies in product innovation, pricing flexibility, store experience, and depth of brand culture. Based on these findings, this paper proposes optimization strategies including differentiated product innovation, flexible pricing strategies, contextual channel restructuring, and IP value enhancement, providing strategic references for Mixue Ice Cream & Tea to achieve upward brand breakthroughs.

Keywords: Mixue Ice Cream & Tea, 4P Strategy, High-end Market.

1. Introduction

In recent years, competition in the new-style tea beverage industry has become increasingly fierce, with the market shifting from rapid expansion to structural differentiation. Relying on a low-price strategy, a well-established supply chain system, and an extensive store network, Mixue Ice Cream & Tea has secured a leading position in the lower-tier market. However, as the trend of consumption upgrading accelerates, mid-to-high-end tea brands are continuously capturing consumer mindshare, while the low-price model on which Mixue has long relied is also facing challenges such as rising costs, market saturation, and cross-dimensional competition. How to successfully enter the mid-to-high-end market while consolidating existing advantages, thereby achieving a leap in brand value, has become a strategic issue that Mixue Ice Cream & Tea urgently needs to address. Based on the 4P marketing theory, this paper analyzes Mixue's marketing strengths and weaknesses from the four dimensions of product, price, place, and promotion, and explores optimization pathways for its foray into the mid-to-high-end market.

2. Weaknesses of Mixue's 4P Marketing Strategy

2.1. Weaknesses of Product Strategy

Mixue Ice Cream & Tea maintains a relatively diverse product line. Currently, its product strategy in the lower-tier market encompasses five main categories: milk tea, real fruit tea, ice cream, light milk tea, and plain tea and coffee. [1] Meanwhile, while Mixue Ice Cream & Tea's low-price strategy has met consumer product demands and built a broad customer base, several weaknesses and limitations remain. First, product innovation is insufficient, with a lack of distinctive signature offerings and notable homogenization. The milk tea industry is characterized by simple production processes and low technical barriers, resulting in significant product overlap with other brands. Furthermore, its packaging design is simplistic and comparatively less appealing than that

of other tea beverage brands, which diminishes its attractiveness to consumers. Mixue's packaging primarily features the animated "Snow King" character against a red background, conveying a cute and somewhat whimsical aesthetic. However, compared with packaging from established competitors such as Guming, it is perceived as relatively low-end, reducing young consumers' willingness to share it on social media and thereby hindering the conversion of potential customers

2.2. Weaknesses of Pricing Strategy

With intensifying competition in the industry, Mixue Ice Cream & Tea's low-price strategy is confronted with multiple challenges, including rising costs, partial market saturation, and cross-dimensional competition. First, increasing costs are eroding profit margins, manifested in rising labor and raw material expenses, as well as decelerating inventory turnover. Additionally, partial market saturation has led to declining sales per store, a rising store closure rate, and extended payback periods for franchisees. Moreover, cross-dimensional competition—such as Luckin Coffee's low-price strategy, beverages from convenience stores, and bottled beverage giants introducing new ready-to-drink tea products priced at 6 yuan—further poses significant challenges to Mixue Ice Cream & Tea. According to industry insiders, regarding pricing strategy, "Mixue Ice Cream & Tea's low-price approach is mainly underpinned by cost control, with its supply chain, the ecosystem formed by its store network scale, and its strategic penetration of the lower-tier market all acting as moats. Nevertheless, the sustainability of this low-price strategy is confronted with various threats." [2]

Secondly, the adoption of a unified pricing model lacks flexibility. Given the disparities in economic development, consumer purchasing power, and consumption preferences across regions, maintaining identical pricing in both township areas and first- and second-tier cities increases the difficulty of achieving profitability in higher-tier urban markets, thereby impeding Mixue Ice Cream & Tea's expansion into the mid-to-high-end market.

2.3. Weaknesses of Place Strategy

Mixue Ice Cream & Tea operates under a business model that is predominantly franchise-based, complemented by directly operated stores, with the number of its stores nationwide currently exceeding 40,000. The rapid proliferation of franchise stores over a short period presents a significant challenge to the company's operational capabilities. In recent years, recurring reports of food safety and store sanitation issues concerning Mixue Ice Cream & Tea suggest that its existing management model has introduced certain risks and potential liabilities for its long-term development.^[3] Second, the in-store experience is suboptimal. Many outlets are cramped in size, lacking dine-in facilities or seating areas for customers. Consumers frequently face long queues when making purchases, and the prolonged waiting times, coupled with the absence of rest areas, substantially diminish their purchase intention. Second, the integration of online channels requires further enhancement. Although a proprietary mobile application has been launched, user engagement is low and ratings remain poor, with online sales continuing to depend heavily on third-party platforms such as Meituan and JD.com.

2.4. Weaknesses of Promotion Strategy

Mixue Ice Cream & Tea's marketing efforts center around the "Snow King" IP. While this strategy has yielded the intended results in the short term, it is characterized by high brand awareness yet low consumer brand loyalty, and its promotional methods remain deficient in innovation. In the current "traffic-driven" era, consumer purchasing decisions are shaped not only by the taste of tea beverages but also by brand perceptions, with the key factor being the enhancement of brand exposure and communication breadth to influence purchase behavior. In terms of brand communication, cultural innovation is lacking, with an over-reliance on trending topics. Although the marketing approach is highly entertaining, it lacks deeper cultural resonance, resulting in low consumer loyalty and rendering the brand easily forgettable, which ultimately hinders its long-term development.

3. Advantages of Mixue Ice Cream & Tea's 4P Marketing Strategy

3.1. Product Strategy Advantage

Mixue Ice Cream & Tea's core advantage on the product side does not lie in product innovation or packaging design, but is rooted in its full-chain supply chain management capability. By constructing a comprehensive system covering raw material procurement, production and processing, and warehousing and logistics, the brand achieves dual control over product quality and cost. This capability enables Mixue Ice Cream & Tea to maintain low prices while ensuring product consistency across tens of thousands of stores nationwide. Mixue Ice Cream & Tea's core competitiveness lies in its role as a leading player in the affordable ready-made tea market; it has built core barriers through an end-to-end, full-process supply chain system, shaped its brand image through IP-based brand marketing, deeply cultivated the mass market through a franchising model, advanced its brand internationally, and continuously consolidated its industry position.^[4] This assessment accurately reveals the essence of Mixue Ice Cream & Tea's product strategy – its competitiveness stems not from a single hit product, but from

systematic supply chain and operational capabilities. It is precisely this capability that allows the brand, after accumulating a vast consumer base, to potentially implement product tier upgrades. Should it aim to launch higher-quality product lines in the premium market in the future, the existing supply chain system can serve as a foundation for quality assurance, avoiding the risk of quality loss due to OEM or external procurement.

3.2. Price Strategy Advantage

Mixue Ice Cream & Tea's pricing strategy is often simply perceived by the outside world as "low-price competition," but in fact, its price advantage is built upon economies of scale and enhanced efficiency. From a cost structure perspective, Mixue Ice Cream & Tea's economies of scale are evident in the raw material procurement stage. Through large-scale procurement and production activities, Mixue Ice Cream & Tea achieves economies of scale in raw material supply. A direct manifestation of this advantage is its ability to maintain stable end-product pricing, thereby retaining its appeal to price-sensitive consumers, even amidst industry-wide pressures such as rising labor costs and fluctuating raw material prices. More critically, the bargaining power derived from large-scale procurement, combined with cost control enabled by in-house production, collectively forms the brand's price moat. Simultaneously, Mixue Ice Cream & Tea targets a young demographic, represented by young people and students in third- and fourth-tier cities. Although this group has limited purchasing power, they pursue trendy styles and value personal expression. Consequently, Mixue Ice Cream & Tea's flagship new-style tea products, which offer exceptional value for money, perfectly meet the needs of its target customer base.^[5]

3.3. Place Strategy Advantage

Mixue Ice Cream & Tea's place advantage is reflected in two aspects: the density of its terminal outlets and the degree of standardization in its operational management. In terms of store scale, Mixue Ice Cream & Tea has established a global terminal network. With over 46,000 stores, the brand possesses unparalleled convenience in reaching consumers. Simultaneously, through strict franchisee management and standardized operational procedures, Mixue Ice Cream & Tea maintains basic service and product consistency during rapid expansion. This "high-density + standardization" place model provides a crucial offline vehicle for premium market expansion. In the future, the brand can implement a store tiering strategy, creating flagship stores or experience stores in core commercial areas to differentiate them from existing standard stores. This approach would cater to the consumption environment needs of premium consumers without affecting the price-sensitive customer base in its original mass market.

3.4. Promotion Strategy Advantage

Mixue Ice Cream & Tea's promotion strategy centers on the "Snow King" IP, forming a low-cost, highly disseminable, and highly interactive marketing ecosystem. In terms of IP communication, Mixue Ice Cream & Tea has built a systematic online content matrix around "Snow King." The "Snow King" IP has transcended its role as a mere brand mascot to become a cultural symbol with independent communicative value. Centered on this IP, Mixue Ice Cream & Tea continuously generates buzz through cross-brand

collaborations, themed animations, offline interactions, and more, stimulating spontaneous user-generated dissemination. This lightweight promotion model avoids the cost pressures associated with high advertising expenditure while achieving high-frequency brand exposure. From the perspective of premium market transformation, the vast fan base and emotional connection cultivated by the "Snow King" IP inject youthful and engaging assets into the brand. When targeting the premium market in the future, the brand can build upon the core elements of "Snow King" to achieve an upward extension of the IP image. This could involve collaborations with premium brands, launching limited-edition merchandise, creating themed pop-up stores, and other methods, gradually elevating it from a "relatable symbol" to a "trendy symbol" imbued with cultural connotations.

4. The 4P Strategies of Mixue Ice Cream & Tea's Penetration into the Mid-to-High-end Market

4.1. Optimization of Product Strategy

The core competitiveness of the new-style tea beverage industry lies in product innovation and differentiation. New product launches are crucial for brand iteration and upgrading, and high-quality new products can easily gain viral popularity across the internet in the information era. Nevertheless, the new-style tea beverage market currently suffers from prominent homogenization and low product recognizability. To successfully enter the mid-to-high-end market, Mixue must prioritize product innovation and differentiation as its core leverage, consolidate quality barriers relying on its inherent supply chain advantages, and further deepen the layout of health-oriented and localized product development.

First, establish regional R&D centers to launch region-exclusive products integrated with local ingredient cultures, create signature items through frequent new product rollouts, focus on functional tea beverages such as sugar-controlled, low-calorie, low-caffeine tea bases and a "Goodnight Tea" series, and strengthen public awareness of healthy tea beverages via popular science content on Douyin to break market homogenization. Second, adopt AI algorithms to analyze consumer preferences for customized new product development, improve the consumer feedback mechanism, and precisely align with the demands of the mid-to-high-end market. Third, upgrade supply chain management by strictly controlling raw material quality from self-owned tea gardens and premium suppliers, implementing full-process cold chain logistics and batch inspection, constructing a quality traceability system, promoting supply chain visualization and producing corresponding promotional content to enhance consumers' trust in product quality. Fourth, integrate innovative achievements hierarchically into high-end products to fit the mid-to-high-end price range, dispel the stereotype of low pricing through stable and high-quality outputs, and build a differentiated competitive advantage featuring "health, uniqueness and quality" that caters to the core needs of mid-to-high-end consumers.

4.2. Optimization of Price Strategy

For Mixue's expansion into the mid-to-high-end market, its pricing strategy should leverage supply chain and scale advantages, take low pricing as the foundation and flexible pricing as the core, and adopt scenario-based and culture-

driven pricing concepts to balance premium value perception and its existing foothold in the mass market. A flexible pricing system shall be formulated in response to market dynamics, cost fluctuations and changes in consumer demand. Product prices shall be reasonably adjusted across different sales regions and time periods according to local consumption levels, competitive landscapes and consumer purchasing habits.^[6] Retain nationally uniform pricing of 6–8 yuan for basic products; implement a premium increase of 3–5 yuan for high-end products located in core business districts and scenic areas. Launch combo sets combining tea beverages and light meals, offer affordable sets priced at 9–15 yuan in stores within university towns and residential communities, and roll out time-limited regional exclusive discounts during holidays. Open themed experience stores in cultural and tourism blocks, launch limited-edition co-branded products integrating regional culture and intangible cultural heritage elements priced at 25–30 yuan, and generate cultural premium through cultural packaging, scenario experience and limited distribution. Introduce an Enterprise Resource Planning (ERP) system to maintain original prices for high-end bestsellers during peak hours while offering a 15%–20% discount on fresh fruit-based high-end tea beverages at night, enabling dynamic pricing based on market conditions and cost changes. Establish a three-tier premium membership system categorized by consumption frequency; replace direct price reductions with point redemption, exclusive discounts and cultural experience privileges to bind the entire user lifecycle. The three-tier price ranges are closely linked with store formats and product lines, so as to strengthen consumers' value perception of high-priced products.

4.3. Optimization of Place Strategy

Mixue Ice Cream & Tea should leverage its existing high-density terminal network of over 46,000 stores and standardized operation advantages. On the basis of "store tiering and online integration", it should further take "scenario layering, experience empowerment and full-region synergy" as the core to restructure a new channel ecosystem adapted to the mid-to-high-end market.

On one hand, Mixue will build flagship stores of the "Mixue Ice Cream & Tea Space" brand in core business districts, high-end office building clusters and cultural tourism landmarks in first- and second-tier cities, to serve high-end customer groups with large space, immersive scenarios and customized services. Meanwhile, it will retain the affordable pricing of standard convenience stores in sinking markets, achieving complementary positioning between high-end and low-end channels.

On the other hand, Mixue will iterate its official APP and mini-programs, adding functions such as pre-order for high-end products, raw material traceability and exclusive member services to boost user activity and stickiness, and reduce excessive reliance on third-party platforms. At the same time, it will deploy emerging channels such as live-stream e-commerce and private-domain communities to expand brand touchpoints.

In addition, Mixue will deepen the full-process management and control of franchisees, establish a regular supervision and training system, unify service standards for stores nationwide, and solve food safety and experience issues caused by rapid expansion, so as to consolidate the channel foundation for the brand to enter the mid-to-high-end market.

4.4. Optimization of Promotion Strategy

On the basis of "IP-driven and lightweight communication", Mixue Ice Cream & Tea should break away from the traditional low-price promotion mindset, take "value delivery, IP upgrading and cultural empowerment" as the core to restructure a promotion system adapted to the mid-to-high-end market, and achieve a high-end transformation of brand perception.

First, based on the "Snow King" IP, Mixue will upgrade its image and connotation, launch national trend and light luxury derivative images, and carry out cross-border co-branding with intangible cultural heritage and high-end brands to break consumers' stereotype of the brand as a low-price option. Meanwhile, it will replace simple brainwashing-style communication by live-streaming the supply chain process and popularizing tea beverage knowledge, deepening the brand perception of "affordable price and high quality". This all-round brand communication method not only enhances the brand's popularity and reputation, but also effectively promotes product sales and market expansion, laying a solid foundation for the sustainable development of the enterprise.^[7]

Second, Mixue will shift from traffic marketing to value marketing: shooting supply chain traceability content for high-end products, launching a series of tea culture content, cooperating with lifestyle KOLs and KOCs for scenario-based product recommendations, and accurately reaching mid-to-high-end consumer groups.

Finally, Mixue will build a high-end membership system, replacing direct price cuts with benefits such as priority purchase, customized services and cultural experiences. It will launch products such as business afternoon tea and cultural tourism limited editions for high-end consumption scenarios, and hold offline activities such as tea beverage tastings and tea culture salons to strengthen the brand's high-end image and enhance user stickiness and word-of-mouth communication.

5. Conclusion

With its supply chain advantages, large-scale store network, and well-established IP image, Mixue Ice Cream & Tea has built a solid competitive moat in the lower-tier market.

However, under the dual pressures of consumption upgrading and intensifying industry competition, a low-price strategy alone is no longer sufficient to ensure sustainable growth. Employing the 4P marketing theory as an analytical framework, this paper examines the strengths and weaknesses of Mixue Ice Cream & Tea across the four dimensions of product, price, place, and promotion, and proposes optimization strategies such as differentiated product innovation, flexible pricing, contextual channel restructuring, and IP value enhancement. Moving forward, if Mixue Ice Cream & Tea can continuously enhance product quality and consumer experience while preserving its core competitive strengths, it holds the potential to achieve a meaningful breakthrough in brand value within the mid-to-high-end market.

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