Disruption Model of Mixue’s Marketing Business

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Abstract

Mixue's Ice Cream and Tea became famous in Indonesia through the spread of their branches. They're predicted to surpass McDonald’s in a few years. Their fast growth drives the reaction that they’re Ruko Kosong hunters, or the hunters of empty shop buildings. With its quick spread, Mixue becomes an important name to be analyzed with SWOT analysis, which would detail how Mixue stands on its own. The name immortality or collective branches has two different sides ever since the existence of Mixue. Mixue is a method whose name in a franchise doesn’t matter.
INTRODUCTION

Mixue Ice Cream and Tea is a popular dessert and beverage shop that specializes in providing customers with a variety of tasty and refreshing treats. The company is based in China and has gained a reputation for its high-quality ingredients, unique flavour combinations, and friendly customer service. Mixue Ice Cream and Tea offers a range of ice cream flavours, including traditional favorites like vanilla and chocolate, as well as more innovative options like taro and green tea. The ice cream is made using fresh, locally sourced ingredients and is carefully crafted to ensure a creamy, smooth texture and rich, satisfying flavour.

In addition to ice cream, Mixue also offers a variety of refreshing teas and fruit drinks. These beverages are made using high-quality loose-leaf teas and fresh fruits, resulting in a flavoursful and healthy drink that customers can enjoy at any time of day. Some of the most popular tea flavours include jasmine, oolong, and green tea, while fruit drinks come in a variety of flavours, such as passionfruit, lemon, and mango. One of the things that sets Mixue Ice Cream and Tea apart from other dessert shops is its commitment to using natural, healthy ingredients. The company avoids using artificial flavours, preservatives, and colors in its products, ensuring that customers can enjoy their treats without worrying about any harmful chemicals or additives.

Another factor that contributes to Mixue's popularity is its friendly and welcoming atmosphere. The company's staff are knowledgeable about their products and are always happy to offer recommendations or answer any questions that customers may have. The shop itself is also designed to be warm and inviting, with comfortable seating and a bright, cheerful decor that makes it a great place to relax and enjoy a sweet treat with friends or family. Overall, Mixue Ice Cream and Tea is a great choice for anyone looking for a delicious, refreshing dessert or beverage. With its high-quality ingredients, unique flavours, and friendly service, this dessert shop has quickly become a favorite among locals and tourists alike. Whether you're in the mood for a creamy scoop of ice cream or a refreshing cup of tea, Mixue has something to satisfy your sweet tooth.

One of the main reasons for the success of Mixue franchise is its focus on quality. The franchise uses only the finest ingredients to make their milk tea, including premium tea leaves and fresh milk. This commitment to quality has helped the franchise build a loyal customer base, as customers know that they can expect a high-quality product every time they visit a Mixue store. Another key factor in the spread of Mixue franchise is its innovative marketing strategies. The franchise has leveraged social media platforms such as WeChat and Douyin to reach a younger, tech-savvy audience. Mixue franchise has also collaborated with popular influencers to promote its products and has even launched its own mobile app to make ordering more convenient for customers.

In addition to its focus on quality and innovative marketing, Mixue franchise has also been able to expand rapidly due to its franchise model. The franchise provides comprehensive training and support to its franchisees, ensuring that each store maintains the same high standards that the franchise is
known for. This has allowed the franchise to quickly expand across Asia, with new stores opening in cities across China and beyond. As Mixue franchise continues to grow, it has also expanded its product offerings beyond just milk tea. The franchise now offers a range of other beverages, including fruit tea, coffee, and smoothies, as well as a selection of snacks and desserts. This has helped the franchise attract a wider customer base, as customers can now enjoy a wider variety of products at Mixue stores.

One of the challenges that Mixue franchise has faced as it has grown is the need to maintain consistency across its many stores. The franchise has worked hard to ensure that each store adheres to the same standards, with training programs and quality control measures in place. However, as the franchise continues to expand, it will be important for it to continue to prioritize consistency and quality to maintain its reputation as a premium milk tea brand. Despite these challenges, the future looks bright for Mixue franchise. The franchise has already established itself as a major player in the milk tea market in Asia, and its continued expansion into new markets such as the United States is likely to bring even more success. With its focus on quality, innovative marketing, and strong franchise model, Mixue franchise is well positioned to continue to grow and thrive in the years to come.

As good as the reception is, the spread of Mixue is incredibly vast in Indonesia. The internet frequently delivers joke that empty shop will be taken over by Mixue retail soon. This is due to Mixue quickly opening new branch in Indonesia while selling cheap ice cream and drinks. The joke indicates that new franchise like Mixue had rapid growth in branches, making it incredible since new franchise expanding their store required consistent budget as well as investment in their franchise that has been spread throughout Asian and probably Europe as well.

LITERATURE REVIEW

As good as its method for expanding Mixue’s franchise, things revolved around Mixue can be categorized as economic disruption through soft gentrification. Gentrification refers to the process of urban renewal and development, often involving the transformation of a working-class or lower-income neighborhood into a more affluent and upscale area. This process typically involves the influx of middle-class or wealthy residents, businesses, and services, and often results in the displacement of long-term residents who can no longer afford to live in the area.

Gentrification is a complex and controversial issue that has been the subject of much debate in recent years. On the one hand, proponents argue that gentrification can bring much-needed investment and revitalization to neglected or abandoned neighborhoods, leading to increased property values, better services, and a higher quality of life for residents. They argue that this process can create jobs, attract new businesses, and generate tax revenue for the city (Jover & Diaz-Parra, 2020; Wilhelmsson et al., 2022). On the other hand, critics argue that gentrification can have negative social and economic consequences, particularly for low-income and minority residents who may be
pushed out of their homes and communities as a result of rising housing costs and displacement. They argue that gentrification can lead to a loss of cultural diversity, as well as social and economic segregation, as affluent newcomers move in and push out existing residents.

One of the main drivers of gentrification is the demand for urban living among middle-class and affluent individuals and families. As cities become more popular and desirable places to live and work, demand for housing in certain areas can outstrip supply, leading to rising property values and rents. This can make it difficult for lower-income residents to afford to live in their neighborhoods, leading to displacement and a loss of community. Another factor that can contribute to gentrification is government policies and incentives that encourage investment and development in certain areas. For example, tax breaks and other incentives for developers can encourage them to invest in low-income neighborhoods, leading to new construction and improvements in housing stock. While this can be beneficial for existing residents, it can also lead to rising property values and displacement (Kim et al., 2022; Quinton et al., 2022).

Gentrification can have a number of different impacts on communities and individuals. For example, it can lead to improved public services and amenities, such as parks, schools, and transportation infrastructure. It can also lead to increased safety and lower crime rates, as well as greater economic opportunities for residents. However, it can also lead to a loss of affordable housing, increased inequality, and social fragmentation. In order to mitigate the negative impacts of gentrification, many cities have implemented policies and programs to promote affordable housing and prevent displacement. These can include rent control measures, inclusionary zoning policies that require developers to set aside a certain percentage of units as affordable housing, and programs to assist low-income residents with rent and mortgage payments. However, these policies are often controversial and can be difficult to implement. Rent control, for example, can lead to a lack of investment in housing stock, as property owners may be reluctant to make improvements or repairs if they are unable to charge higher rents. Inclusionary zoning policies can also be difficult to enforce, as developers may be resistant to setting aside units as affordable housing. Overall, gentrification is a complex issue that requires careful consideration of its social and economic impacts. While it can bring many benefits to urban communities, it can also lead to displacement and a loss of community, particularly for lower-income residents. As cities continue to grow and change, it will be important to implement policies and programs that balance the need for urban development and renewal with the need to maintain social and economic equity and diversity (Cole et al., 2021; Phillips et al., 2021).

Gentrification is a process of urban development where affluent individuals or groups move into low-income neighbourhoods, resulting in the displacement of original residents and the transformation of the area to suit the newcomers' tastes and preferences. In Indonesia, the history of gentrification can be traced back to the colonial era when the Dutch introduced urban
planning and segregation policies that displaced many native Indonesians from their traditional homes. During the colonial period, the Dutch implemented zoning policies that separated Europeans from native Indonesians. The Europeans were allocated the city center, where they lived in modern apartments, while the native Indonesians were confined to the outskirts of the city, in slums and kampungs (traditional villages). These policies continued even after Indonesia gained independence in 1949, and the government continued to allocate urban spaces based on ethnicity and socioeconomic status. The first wave of gentrification in Indonesia occurred in the 1970s, during the New Order regime, when the government implemented policies to attract foreign investment. The influx of foreign capital and expatriates led to the development of high-end residential and commercial areas, such as Kemang in Jakarta and Bali's Kuta Beach. These areas attracted wealthy Indonesians and foreigners, resulting in the displacement of local communities and the transformation of the areas to suit the newcomers' tastes. In the 1990s, the government launched the "kampung improvement program" to address the issue of urban poverty and slums. The program involved the relocation of slum residents to low-cost apartments and the redevelopment of their former homes into middle-class housing. However, the program was criticized for being top-down and not considering the needs and preferences of the communities it was meant to serve. Many of the relocated residents ended up returning to their original neighbourhoods due to a lack of social and economic opportunities in the new areas.

The 2000s saw a new wave of gentrification in Indonesia, driven by the growth of the creative economy and the rise of middle-class consumers (Li, 2022; Rosmayanti, 2023). This wave was characterized by the conversion of industrial buildings and heritage sites into trendy cafes, galleries, and co-working spaces. Areas like Bandung's Braga Street and Jakarta's Menteng and Kemang became popular among young urbanites, who were attracted to the areas' historic charm and vibrant cultural scene. However, the gentrification of these areas has resulted in the displacement of long-time residents and the loss of cultural heritage (Fernando et al., 2022; Silva & Mamede, 2022). Many of the original buildings have been demolished or renovated beyond recognition, erasing the history and identity of the neighbourhoods. The high rents and property prices in these areas have also made it difficult for low-income residents to afford housing, leading to the marginalization of the less privileged.

In recent years, there has been a growing awareness of the negative impacts of gentrification in Indonesia. Community-based initiatives have emerged to resist gentrification and promote more inclusive and sustainable urban development. The Kota Tua Creative Festival, for example, aims to revitalize Jakarta's historic old town while preserving its cultural heritage and promoting the participation of local communities. The festival features art exhibitions, music performances, and workshops that highlight the area's unique history and identity. In conclusion, the history of gentrification in Indonesia is intertwined with the country's colonial and post-colonial legacy, as
well as its economic and social development. While gentrification has brought economic growth and urban revitalization, it has also resulted in the displacement of local communities and the erasure of cultural heritage. As Indonesia continues to urbanize and modernize, it is crucial to adopt more inclusive and participatory approaches to urban development that prioritize the needs and aspirations of all residents, regardless of their socioeconomic status or cultural background.

And this is why gentrification is connected in Mixue’s expansion that its spread is being made into meme of Ruko Kosong or empty shop building before getting bought for the retail of Mixue. By finding about the gentrification within Mixue retails, we can identify about theory of disruption spread by Mixue in Indonesia (Gunawan, 2023; Oktavian & Wahyudi, 2022). The theory of economic disruption is a concept that describes a sudden and significant change in the economic landscape of a region, industry, or society. This disruption is often caused by a technological innovation, an external shock, or a shift in the market dynamics, and it can lead to significant shifts in employment, income distribution, and productivity. One of the key factors that contribute to economic disruption is technological innovation. In the modern era, technology has played an increasingly important role in shaping the economic landscape of countries around the world. The advent of the internet, for example, has disrupted a number of industries, such as print media, music, and retail. The rise of e-commerce platforms like Amazon has fundamentally changed the way consumers shop for goods and services, leading to the closure of many traditional brick-and-mortar stores.

Another factor that contributes to economic disruption is external shocks. This could be anything from a natural disaster to a terrorist attack or a pandemic. The sudden shock to the system can lead to a significant shift in economic activity, as businesses and consumers are forced to adapt to the new conditions. The COVID-19 pandemic, for example, has caused a significant disruption to the global economy, leading to widespread job losses, supply chain disruptions, and changes in consumer behaviour. A shift in market dynamics is another factor that can cause economic disruption. This could be the emergence of a new competitor, changes in consumer preferences, or a change in government policy. For example, the rise of renewable energy sources like solar and wind power has disrupted the traditional energy industry, leading to the closure of many coal-fired power plants and the decline of the coal mining industry (Droege et al., 2023; Grzybowska & Stachowiak, 2022).

One of the key consequences of economic disruption is a shift in employment patterns. As industries are disrupted, workers may be displaced and forced to seek new employment opportunities. This can lead to significant shifts in the labour market, as workers with specific skills become more in demand while others are left struggling to find work. It can also lead to a widening income gap, as some workers are able to adapt and thrive in the new economic landscape while others are left behind. Another consequence of economic disruption is a shift in the distribution of wealth. As some industries
become more profitable and others decline, the distribution of wealth within a society may shift. This can lead to increased inequality and social unrest, as those who are left behind by the disruption may feel marginalized and disadvantaged.

Despite the potential negative consequences of economic disruption, it can also lead to significant benefits for society as a whole. Disruptive innovations can lead to improvements in productivity and efficiency, as well as the emergence of new industries and the creation of new jobs. This can lead to overall economic growth and prosperity, as long as the benefits of the disruption are distributed fairly and equitably. Governments and policymakers can play a role in managing economic disruption and ensuring that the benefits are shared by all members of society. This could involve investing in education and training programs to help workers develop new skills and adapt to the changing economic landscape. It could also involve policies to promote innovation and entrepreneurship, as well as measures to ensure that the benefits of disruptive technologies are shared fairly.

In conclusion, the theory of economic disruption describes a significant and sudden shift in the economic landscape of a region, industry, or society. This disruption can be caused by technological innovation, external shocks, or shifts in market dynamics, and can lead to significant changes in employment patterns, income distribution, and productivity. While economic disruption can have negative consequences, it can also lead to significant benefits for society as a whole, as long as the benefits are distributed fairly and equitably.

METHOD

SWOT analysis is a widely used strategic management tool that helps organizations to identify their strengths, weaknesses, opportunities, and threats. It provides a comprehensive framework for analysing an organization's internal and external environment and helps to develop a strategy that aligns with its goals and objectives (Trojanowski, 2021; Wang & Wang, 2020). In this article, we will discuss SWOT analysis in detail, including its definition, components, and benefits.

SWOT Analysis Definition (Benzaaghta et al., 2021; Wang & Wang, 2020): SWOT analysis is a strategic management tool that is used to evaluate an organization's strengths, weaknesses, opportunities, and threats. It is a simple but effective framework that helps organizations to identify internal and external factors that impact their ability to achieve their goals and objectives. SWOT analysis consists of four components, which are:

1. Strengths: The strengths of an organization are its internal capabilities and resources that give it a competitive advantage over others. It includes things like its skilled workforce, innovative products, strong brand recognition, efficient operations, etc.
2. Weaknesses: The weaknesses of an organization are its internal limitations and deficiencies that hinder its performance and competitiveness. It includes things like poor financial management, outdated technology, inadequate infrastructure, etc.
3. Opportunities: The opportunities are external factors that an organization can leverage to enhance its performance and competitiveness. It includes things like new markets, emerging technologies, changes in consumer behaviour, etc.

4. Threats: The threats are external factors that can negatively impact an organization's performance and competitiveness. It includes things like intense competition, economic downturns, changing regulations, etc.

SWOT analysis provides several benefits to organizations, which are:

1. Helps to identify strengths and weaknesses: SWOT analysis helps organizations to identify their internal strengths and weaknesses, which are critical for developing a strategy that aligns with their goals and objectives.

2. Helps to identify opportunities and threats: SWOT analysis helps organizations to identify external opportunities and threats, which are critical for adapting to changes in the market and developing a competitive edge.

3. Provides a comprehensive framework: SWOT analysis provides a comprehensive framework that helps organizations to evaluate their internal and external environment and develop a strategy that aligns with their goals and objectives.

4. Improves decision-making: SWOT analysis helps organizations to make informed decisions based on a thorough analysis of their internal and external environment.

5. Facilitates communication: SWOT analysis facilitates communication between different stakeholders within an organization and helps to ensure that everyone is on the same page when it comes to the organization's goals and objectives (Hidayat et al., 2023).

Conclusion:

SWOT analysis is a powerful tool that helps organizations to identify their strengths, weaknesses, opportunities, and threats. It provides a comprehensive framework for evaluating an organization's internal and external environment and developing a strategy that aligns with its goals and objectives. By using SWOT analysis, organizations can make informed decisions, adapt to changes in the market, and develop a competitive edge that helps them achieve their goals and objectives.

Analysis Technique:

The technique will be taken from the meme of Mixue’s Ruko Kosong Meme and also news or article which is fundamental to be discussed about its connection to Indonesian business with the proof how they’re acknowledged for their business spread.
RESEARCH RESULTS

**Video**

From the discussion of Raymond Chin video is revealed that Mixue is Supply Chain company instead of actual FnB company.

> Source: Raymond Chin (2023)
> Link: [https://youtu.be/AntUh1yhdde](https://youtu.be/AntUh1yhdde)

Raymond stated that from represented data inside the video, the financial report from selling ice cream is less than 10%; therefore, Mixue’s main strategy is not selling ice cream but selling their ingredients and franchise instead. The technique of selling ingredients occurred when the owner wants to expand Mixue with bigger profit while also producing a product that sells cheap for low and middle class for Indonesia (Putri et al., 2022; Susilo et al., 2022).

**Meme**

> Source: knowyourmeme
> Source: Sindonews
The Meme of Mixue has been known for pushing narration regarding their branches. It says how Mixue’s shop so close each other similar to Alfamart and Indomaret phenomenon which shop buildings are close each other. Same goes to how they find building to build their Branch HQ. Whenever we see an empty building, Mixue uses that opportunity to buy/rent the building and open Mixue’s new shop there. While this is informative Meme and a joke, it also serves as a tool to raise the trend of Mixue’s awareness and discussion. They’re boasting that Mixue will beat McDonalds in the future with this strategy (Kasih et al., 2023; Zhao, 2022).

DISCUSSION

| Strength | The strength based on gathered data above is that Mixue’s strength in their market is selling their ingredients and changing their FnB focus to Supply Chain focus. The strength of their spread is that they involve more people to be their owner and make their business becomes more communal and more collective (Dwivedi et al., 2023; Mattingly & Yao, 2022). |
| Weakness | Mixue’s weakness lies on price consistency. It is predicted in Raymond’s video that Mixue won’t preserve their low price forever. Thus, it is a proof that Mixue uses low price to boost their retail shop’s spread then use middle and low class to serve as their hype. While it is good for letting middle and low class tasting good ice cream with low price, it can be a weakness due to their fabrication of price and also industry model (Sarlotha Yulliana Purimahua et al., 2020). |
| Opportunity | Mixue’s opportunity lies in middle- and low-class hype. Their way in spreading retail shop within several empty buildings build a hype between |
people that they’re strong and big in numbers. It supports the hype to buy Mixue even more.

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<td>The analysis of their thread is still of that low chance to happen within their industry. However, their real threat lies on gentrification, because they’re foreign franchise, it is difficult for Indonesian business to spread their branch and franchise because Mixue is quicker in gathering the branches around Asia, especially Indonesia. While it is true that global market runs well, means that foreign market can normally promote their product, yet it still can be harmful for local business who barely gets a place on their own.</td>
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**From Name Immortality to Collective Branches**

Most company practiced capital in focus how people of your product including system involved in it to keep your name forever in the product/creation. Put it simple like Elon Musk and Mark Zuckerberg’s company, how their company works to keep things revolved around American Centrist policy, as a result, the company and things working around it only focused on the name of Elon Musk and Mark Zuckerberg instead of the real people who currently holds control of the company. This kind of method can be categorized as the old capital as their business had less collective and communal characteristics unlike Mixue. How industry works later changed to collective branches which is Tencent way in doing that.

Tencent is one of biggest company in the world yet instead of working like Tesla and Metaverse who centers their credit work to Elon Musk and Mark Zuckerberg, Tencent likes to provide basic and early building of a new game, then they make a new company in fabrication of collaboration during the progress of the game. After the game launch, Tencent will back off from the development and service, the collaboration team is released as a new company on its own to handle the new game such as Dragon Raja or Tower of Fantasy.

This alone proves that China’s way of disruption is similar each other and Mixue is happened to be one in FnB sector. Mixue and Tencent worked in equivalent manner to preserve the method of collective branches instead of canonizing their name for a long time. This is no wonder a big franchise has several leaders who take care of their own company branches or shop branches and still part of their connection.
CONCLUSION AND RECOMMENDATION

The conclusion for this research is that Mixue and other China company’s action can be categorized as gentrification due to exploiting connection and spread branches surpassing the locals. However, it can be a good meaning on its own as more people got involved in economic leadership at the level of middle and lower class. It also means that Mixue’s collective branches build a new industry level as capital owners tend to revolve their role as supplier or basic builder instead of entire development. The good benefit from this kind of business is that capital owners don’t need to be overwhelmed by too much publication while continuing to support the good growth of FnB sales withing middle- and low-class range.

The author’s suggestions are to see more research regarding how Mixue is able to expand their development through their propaganda. Because raising collective branches also needs a good union and that means a good propaganda from the Mixue itself (Florina & Hartati, 2017; Mattingly & Yao, 2022). For practical development, Author hopes that local sellers to have equal influence in the development of the franchise, so that the gentrification doesn’t fall too deep.

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Susilo, Harliantara


