

# ***Analysis of Marketing Strategy Based on Consumer Behavior and Psychology***

## ***—In the Example of Mixue Tea***

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**Abstract:** As the Milk Tea market significantly improved, competition between new Milk Tea brands started to intensify. Humanity's stubborn human nature refuses conscious and blatant advertisement as they do not want to be forced, leading to the more detailed and diverse "side-way" marketing method-- Psychological marketing—one of the best and most efficient categories of subconscious advertisement. The psychological approach to consumers is a wise choice because of its hidden advertising that suits perfectly rebellious human nature. Through analyzing Mixue Tea's current marketing situation in the SWOT method and its psychological marketing in online influences and human subconsciousness categories, the research finds out how Mixue Tea successfully has a stable role in the Milk Tea market by setting the brand's updating path strictly based on Mixue Tea's targeted population's expectations and situation but failed to realize its problem of the brand's root which is its quality. Lastly, additional advice for Mixue Tea is explained in the basics of Mixue Tea's product weakness, inflexibility of the ordering system, and unsuitable brand personality.

**Keywords:** Mixue Tea, SWOT analysis, marketing psychology

## **1. Introduction**

### **1.1. Research Background**

In recent years, the Chinese milk tea market has become fiercely competitive, with numerous milk tea brands using various techniques and strategies to secure a stable role in the market. One of the famous rising milk tea brands in China, Mixue Tea, which has made breakthrough growth in China and foreign countries, has a clear growth curve in terms of propaganda and consumers' consumption amount. Mixue Tea's success can be attributed to its outstanding influence on online social media. Mixue Tea used the catchy theme song and iconic brand visual character to leave a lasting impression on consumers, contributing significantly to its popularity. However, Mixue Tea employs a well-crafted psychological marketing strategy hidden beneath the surface. This strategy has been pivotal in the brand's remarkable growth and success. Its brainwashing theme song and well-known brand visual character have made a beautiful blow in the milk tea market. There are hidden special-designed psychological marketing strategies under the surface. Here are some research results on the issue of

profitability and products in China. Moreover, in recent years, Chinese scholars have gradually paid attention to Mixue Tea.

## 1.2. Literature Review

Wang Xian et al. (2015) found out that the location of Mixue often locates along streets and schools in second, third, and fourth-tier cities. However, besides Mixue Tea's shops, there are more market competitors, such as Happy Lemon and ChaBaiDao [1]. Typically, to win against competitors, one should try to have more attractive products or services, such as a "signature drink" that is nowhere to buy except here. Mixue Tea has no superior or unique products to most Milk Tea brands. Zhang Yan (2022) discovered Mixue Tea products' variety range is comparatively plainer and commoner than other Milk Tea brands [2]. Consumers can buy almost every type of Mixue Tea product in other places, and lots have even better taste in making the same drink, which makes consumers have no reason to buy Mixue Tea except for cheapness. Mei Xiyu (2021) analysis of Mixue Tea product ingredients shows that they use unhealthy and unnatural supplies such as fruit-flavour syrup [3]. The "luxurious Milk Tea brands" follow the path of natural ingredients at higher prices but better quality. As society significantly improves, people's expectations of products grow as their life standards improve. Mixue Tea, in contrast, follows the opposite path—cheapness and low standard. On the surface, this act looks unwise, as many people know that China's economy has risen dramatically nowadays. The problem is that people often ignore those who do not have a high standard of living. The middle and social-class citizens have the ability to live a comfortable life, but not the lower-wage population. Mixue Tea's targeted population is the population with some financial difficulties.

## 1.3. Research Content and Significance

The main research content of this paper is constructed into three main sections to investigate Mixue Tea's marketing strategies comprehensively. Firstly, Mixue Tea delves into the psychological approach to marketing strategies of online advertisement and persuasion theory. Secondly, it assesses the current market situation of Mixue Tea based on the analysis of SWOT, providing insights into Mixue Tea's strengths, weaknesses, opportunities, and threats. Lastly, the paper offers valuable final recommendations for addressing Mixue Tea's additional areas of improvement. By examining Mixue Tea's network marketing and brand image promotion, the researcher can understand how Mixue Tea attracts customers' consumption and trust using a psychological approach subconsciously, reflecting the growth in human knowledge in the economic-psychology area. Through the research in this paper, people can understand how Michelle Ice City uses consumer behaviour to improve its marketing situation, find suggestions for improvements for Mixue Tea's weaknesses, and realize the power and danger behind the psychological method.

## 2. Mixue Tea's Psychological Approach in Marketing Strategies

### 2.1. Musical Advertisement on Consumers' Emotion

As technology improves, humans no longer need to use paper advertisements anymore. The rapid and widespread online social media become the best place for advertisement. The online method of advertising companies' products is diverse and unique. This category will explain how Mixue Tea uses music advertisements to attract more customers.

#### 2.1.1. Online Influences

The power of online media is undoubtedly mighty and rapid in transmission and "brainwashing," especially in spreading a company's products and messages [4]. Mixue Tea, in 2021, published a song

called "Mixue Tea" and won many views on the internet. The song even became a trend in TikTok and other social media for a while due to its brainwashing rhythm and lyrics. The sudden increasing popularity was due to voluntary and involuntary attention from Chinese consumers.

### **2.1.2. Attention Leads on to ELM and AMO on the Basic of Emotion**

Online social media sends videos and songs to users and grab their attention. The attention to the product started the consumers' mindset journey based on the Elaboration Likelihood Model (ELM) [5]. In ELM, two routes impact the consumers' decision-making the most: The central and Peripheral routes. The central route is the change that occurs from logical consideration before making a decision, while in contrast, the peripheral route uses irrational consideration based on simple cues. Furthermore, the consumer mindset route would be firstly influenced by ability, motivation, and opportunity (AMO). Ability is a person's knowledge in the area, motivation is the attitude toward the product, and opportunity is the chance of the product being introduced to the consumer.

In this case, the online music advertisement is the main character. After the opportunity of time and accessibility to know the product, the only knowledge(ability) of Mixue Tea is from "Mixue-song." The song only has a few key points and ideas about the mutual love between Mixue Tea and consumers that will make Mixue Tea sweeter and better. The consumer will hold their opinion on Mixue Tea based on their first impression, which follows the peripheral route of the ELM [6]. There will only be two results: yes or no on the product. If they like the song, they follow their feelings and purchase Mixue Tea. If not, they would hesitate.

### **2.2. Brand Personality Correspond to Targeted Population**

A unique personality for a company is a common but one of the most critical marketing strategies. It allows the company to attract the customers they targeted based on "shared characteristics. The company's brand personality and character are important in targeting the population. Humans tend to choose one that matches what they want to see themselves or reflect themselves. Mixue Tea sets up the role of sincerity, which is honest, wholesome, cheerful, and down-to-earth. Mixue Tea is not "expensive looking" or "too-fashion." It is ordinary, honest, and plain but clean-looking. The role gives consumers a feeling of trust that urges them to purchase their products.

The Mixue Tea primary logo is a snowman with a crown on its head and a red cloak hanging behind it. The fictional character makes a huge first impression on customers due to its unique design. The exposure effect caused consumers to remember Mixue Tea, leading to subconscious memory and trust in the Mixue Tea brand [7].

### **2.3. Human's Social Animal Instinct to Mimic- Cialdini's Principles of Persuasion**

The instinct of social animals is to mimic others to increase the chance of survival. Humans are social animals; even if they do not need to worry about survival anymore, they are conscious of their societal role. Unique is not always positive in some ways; being different is sometimes seen as a weird "outsider." In order to fit in society, humans copy other actions. According to Cialdini's principles of persuasion of "consensus," humans follow the lead of similar others. They observe other's behaviour to determine what is an appropriate way to act. As mentioned in the "music advertisement" category, Mixue Tea's songs have made a huge trend. People follow the trend on social media and even in real life, such as singing along the song or making a short video on social media. The mimicking action of the songs proves that consensus principles would urge humans to remember the songs.

Furthermore, the repeated exposure effect of the songs subconsciously caused consumers to remember Mixue Tea so that they would purchase their products in the future. Consumers who say

others buying or queuing up for Mixue Tea would purchase the product out of curiosity and social validation principles.

### 3. SWOT Analysis of Mixue Tea's Present Market Situation

#### 3.1. Strengths

##### 3.1.1. Targeted Population

The targeted populations of Mixue Tea are students, middle and lower-social-class citizens, and people who want a cheap drink. Mixue Tea designs its products mainly based on its targeted population. They set the average price of Mixue Tea around eight RMB, while other higher level-milk tea's average price is around 15 [1]. This cheap price with poor product quality attracts students and lower-wage populations who want affordable drinks [8].

Table 1: Mixue Tea Products' Prices in Compare to Alittle Tea and Hey Tea.

Brand	Product Name	Size	Price (RMB)
Mixue Tea	Boba Milk Tea	Medium	7
	Ice Fresh Lemon water	Standard	5
	Grapes with Taro Ball	Standard	9
Alittle Tea	Boba Milk Tea	Medium	13
	Grapes and Pomelo	Medium	15
	Granadilla trio	Medium	14
Hey Tea	Brown-sugar Boba Milk Tea	Standard	19
	Full Grapes Shakes	Standard	18
	Fresh Granadilla	Standard	15

(Information from: Meituan Delivery App)

The Table 1 indicates the prices of similar products between three famous Milk Tea shops in China: Mixue Tea, Alittle Tea, and Hey Tea. Alittle Tea is not a cheap but not expensive brand. On the other hand, Hey Tea is a completely expensive Milk Tea Brand but with high-quality products. Mixue Tea has the lowest price than the other two Milk Tea brands.

##### 3.1.2. Exposure Effect of Location

Secondly, Mixue Tea has a remarkable role in the milk tea market as it is famous among Chinese online social media and is "seen-able" along the streets. Mixue Tea's 2 million and 5 thousand brick-and-mortar shops are essential in attracting the customer's attention and memory due to the repeated exposure effect. The repeated exposure effect, also known as the "mere exposure effect," is a psychological phenomenon that describes people's tendency to prefer repeatedly exposed things. In other words, the more familiar individuals become with an object, person, image, or stimulus, the more they tend to like or feel optimistic about it. Consumers will develop a more favourable attitude toward Mixue Tea as they are exposed to its advertisements multiple times in both online advertising, such as the song, and offline physical shops. Mixue Tea's shop locations are mainly around the school—for example, a Mixue Tea shop near Shanghai High School International Division (SHSID). As one SHSID student, all students are fond of Mixue Tea due to its low price and distance [9]. School meant a large amount of population gathering, which increased exposure to Mixue Tea among students.

### 3.2. Weaknesses

The most obvious weakness of Mixue Tea is its product quality. Mixue Tea's main targeted special-areas, apart from other Milk Tea, is cheapness. Cheapness is attractive to consumers as they could spend less money on the more expensive products in other milk tea brands, but cheapness is the cause that leads to one of the severe problems: poor quality. Due to the cheap selling price, Mixue Tea could only buy lower-quality supplies, or else they would have no profit. In comparison, other higher-level milk tea shops have higher prices, but their product's ingredients and quality correspond to their high price.

In addition, Mixue Tea has a plain range on the menu that decreases consumers' expectations and desire to purchase. The reason is that consumers can buy the same products elsewhere, and others can have an even better flavour, which leads the consumer to have no reason to purchase the products in Mixue Tea. Furthermore, in the ingredients menu of Mixue Tea, there are no single extra choices in additional ingredients such as extra boba1 or increase or decrease in sweet percentages. The lack of choices showed Mixue Tea's weakness in the product's flexibility. This leads to a decrease in customers' desire to purchase in the future as there are other better shops, such as Alittle Tea, that can add free ingredients to their drinks.

### 3.3. Opportunities

As mentioned in the "Weakness" section above, Mixue Tea has poor quality and low product flexibility. However, even if there is such an evident and unsuccessful situation in the Mixue Tea brand, it still has massive popularity in China. The "secret" behind Mixue Tea is their clever decision in the locations of their physical shops, besides schools. Mixue Tea has a stable targeted population, which is a student. According to the "Strength" category, a lot of Mixue Tea set up shop around the school so that a student can easily purchase their product. Students are a group of the population with no income, which causes the students to desire to save their money, but students, like many consumers, like to purchase food. In this case, they would want to buy milk tea while spending less money. SHSID is an excellent example of students' loyalty to Mixue Tea. The Mixue Tea near SHSID is beside the school; students will purchase Mixue Tea during lunchtime. The low prices and quick travel distance of Mixue Tea successfully attracted the targeted population of students. In addition, Mixue Tea is located chiefly in fourth and fifth-tier cities. This would lead to stable customer amounts and lower rent compared to first and second-tier cities with more robust competitors.

### 3.4. Threats

As time passed by, the prices of supplies in China began to increase dramatically. During COVID-19, the supply of food in China decreased while the demand of Chinese citizens remained the same; this led to an increase in the prices of products. Even after COVID-19, which is in 2023, the prices of goods remain high in first and second-tier cities. The increasing prices of ingredients and supplies make Mixue Tea maintain its low price because purchasing high-priced ingredients while still having low selling prices means a sharp decrease in Mixue Tea's profits. Furthermore, supply prices were only one of the things to worry about. The rent near school would be much more expensive than in other places such as a random street. Mixue Tea was a "huge fan" to set up their shops near the schools, which increased the financial stress of Mixue Tea. In addition, threats from other competitors were one of the severe problems for Mixue Tea. Other milk tea brands have newer and more creative ideas than Mixue Tea. The risk of being less attractive increased as more fashionable or popular milk tea companies started appearing in the market. Mixue Tea's central attraction for consumers was centred around cheapness, which is hard to maintain in a high-supplies but low-selling price system.

## 4. Additional Improvements Suggestions for Mixue Tea

### 4.1. Improvement in Its Brand Personality

Even if the brand personalities are honest, it gives the consumers a feeling of cheapness and low quality. Humans are animals with a sense of pride, the human nature of being better [10].

Mixue Tea should improve its reputation as a cheap but fashion brand. According to Mixue Tea's official website, the standard size of Mixue Tea is more than 20 square meters, but there are no single tables or chairs for customers to relax. This gives the consumer an impression of a quick-food restaurant.

In order to improve its brand plain impression, Mixue Tea should follow the path of a cheap but generous personality. In the Milk Tea market, a luxurious brand personality is not the only solution; a gentle and warm atmosphere is also attractive. For example, the Charles and Keith brand is cheaper than luxury brands like Gucci or Hermes. However, its brand physical shop decorations and design are all fashionable and luxurious. It gives customers a sense of pride even without purchasing a real luxury brand.

In other words, brands should follow the central concept of "atmosphere" of their product characteristic. The central core value of Mixue Tea is love between them and the consumers. They should try to make consumers feel like they are at "home." Cheapness and honesty are not enough for "home"; familiarity and warmth are the additional factors. Mixue Tea could improve their brick-and-mortar shops' physical appearances into cosiness, fashion, and honesty to improve the first impression view and atmosphere for an increase of consumers.

### 4.2. Additional Choices in Ingredients

When consumers have the ability to customize their products' options, it fosters a sense of empowerment. Mixue Tea's limited options might lead consumers to perceive less control over their choices, diminishing their desire to purchase and decreasing their satisfaction. While in contrast, Alittle Tea's diverse ingredients choices allow consumers to modify their drinks precisely to their preferences, creating a personalized and unique experience.

In addition, the amounts of options needed to be controlled. Over-amounts of choices would lead to decision fatigue, where consumers would be overwhelmed by the array of options [11].

However, as in the case of Mixue Tea, having too few choices would lead to different kinds of decision fatigue—consumers would feel uninterested in the limited options available, which reduced the overall desire to purchase the product.

## 5. Conclusion

Mixue Tea's SWOT analysis shows the flaw behind the curtain. Mixue Tea's strengths and opportunities are based on its targeted population of students and lower-class citizens. Their products' prices and qualities perfectly fit the targeted groups: cheapness with acceptable quality and favourable locations for students. The mistake behind the strategy is that Mixue Tea's lack of flexibility in the product leads to a decrease in consumers. They only have standard and straightforward products that can be bought elsewhere. No unique product is sold in Mixue Tea, which leaves the consumer with no desire to buy their drinks in Mixue Tea as they could buy them in other and better Milk Tea brands. In addition, Mixue Tea's personality is more honest and down-to-earth, which does not help attract consumers as it gives consumers a feeling of laziness and low quality rather than trust. This situation threatens Mixue Tea, but it used a unique technique to cover up its flaws—a psychological approach to consumer behavior. Mixue Tea's practical psychological approach toward consumers demonstrated the power and danger of subconsciousness. The psychological marketing method brings positive

results for the Mixue Tea brand. It provided Mixue Tea with great recognition through online advertisements such as brainwashing songs to guide consumer's Emotions and trust to its benefit and the brand's visual character to make a subconscious memory in consumers' minds that set up the base of Cialdini's Persuasion Principles of Consensus that other human would follow the act of nearby consumers. Indeed, the psychological marketing method is advantageous for the Mixue Tea brand, but from the consumer's perspective, they are falling into Mixue Tea's trap. The situation of consumers jumping into the advertising trap emphasizes how consumers can be easily "manipulated" by the hand behind the curtain. Consumers should be careful and thoughtful before purchasing any product.

Mixue Tea is now thriving in the Milk Tea market based on its cheapness and reputation, but time is always the curse for every brand. After the climax of the "career" of Mixue Tea, their reputation is no longer helpful. Only their true strength can lift the stress and pressure. The novelty of consumer will soon wear off, and Mixue Tea must rely heavily on their products.

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