

Mixue Goes Global: Is Vertical Integration Key to Building a Lasting International Brand?

Benjamin Boeuf

IESEG School of Management, Univ. Lille, CNRS, UMR 9221 - LEM- Lille Economie Management, F-59000 Lille, France

Céline Flipo

IESEG School of Management

Abstract. In 2025, Chinese tea and ice cream brand Mixue surpassed McDonald's to become the world's largest fast-food chain by store count. Built on affordability, virality, and a vertically integrated supply chain, Mixue's ultra-low-cost franchising and meme-driven marketing fueled rapid expansion across emerging markets. Yet, as the brand moves into developed economies, it faces mounting challenges: franchise strain, service inconsistency, cultural misalignment, and reputational risks. This case examines Mixue's logistics-first business model and parasocial branding strategy, raising a central question: can a brand engineered for scale and speed build the trust and relevance needed for long-term global success?

Keywords: global expansion, low-cost franchising, parasocial marketing, logistics-first cost leadership.

Introduction

In early 2025, a Chinese tea and ice cream brand most Western consumers had never heard of became the world's largest fast-food chain, overtaking both McDonald's and Starbucks with over 45,000 stores worldwide¹ (see Appendix 1). Founded in 1997 in Zhengzhou with a borrowed 3,000 RMB (~US\$400) and a homemade shaved ice machine, Mixue Ice Cream & Tea (蜜雪冰城, Mixuě Bīngchéng, or "honey snow ice city") rose to global prominence through an unconventional mix of ultra-low-cost franchising, parasocial branding, and cheerful affordability.² Its signature jingle loops endlessly in stores across Asia,

-
1. <https://www.fastcompany.com/91289668/the-biggest-fast-food-chain-in-the-world-is-one-youve-never-heard-of>
 2. Li, B. (2022). Analyzing the Phenomenon of the Increase of Brand Awareness of Mixue Ice Cream & Tea in Chinese Market through Para-social Interactivity Theory. *BCP Business & Management*, 33, 421-426.

This shortened version of the article is for promotional purposes on publicly accessible databases.

Readers who wish to obtain the full text version of the article can order it via the url

<https://www.neilsonjournals.com/JIBE/abstractjibe20mixue.html>

Any enquiries, please contact the Publishing Editor, Peter Neilson pneilson@neilsonjournals.com

© NeilsonJournals Publishing 2025.

and its mascot has become a meme, a comfort symbol, and, for many, a digital companion.³

Mixue sells drinks for under US\$1 and requires as little as 210,000 RMB (~US\$30,000) to open a franchise, a fraction of the cost demanded by global competitors.⁴ This low barrier to entry, combined with a vertically integrated supply chain spanning from coconut farms in the Philippines and a warehouse in Vietnam, to ice cream factories in Henan, has fueled rapid expansion, particularly across emerging Southeast Asian markets.⁵

Mixue's US\$444 million IPO on the Hong Kong Stock Exchange, the city's largest of the year, propelled its market valuation to US\$14 billion.⁶ Investors praised its evolution from retail brand to vertically integrated logistics platform for thousands of franchisees.⁷

Yet beneath the snow-white brand image, cracks have begun to appear. In 2024 alone, Mixue closed over 1,600 stores, faced viral backlash over food safety incidents, and saw declining per-store revenues despite soaring topline growth.⁸ Analysts have raised concerns over franchise overreach and cannibalization,⁹ weak quality oversight,¹⁰ and the brand's limited appeal in more developed markets.¹¹

With its early success anchored in emerging markets, Mixue has begun cautiously testing expansion into wealthier countries such as Australia in 2024, and analysts suggest the company is eyeing entry into the U.S. and Europe.¹² Notably, this global ambition is not new: since its founding in 1997, Mixue's mission has been to "bring affordable and high-quality products to people all over the world".¹³ The company has adopted a phased globalization strategy, prioritizing Southeast Asia first.

3. <https://www.theworldofchinese.com/2025/03/chinas-jolly-snow-king-protects-his-throne/>

4. <https://equalocean.com/analysis/2025032721446>

5. Kommadam, K., & Thu, K. M. (2024). Market Penetration Strategies of Mixue Ice Cream & Tea in Emerging Markets: A Case Study of Laos. *Aurora: Journal of Emerging Business Paradigms*, 1(2), 48-59.

6. CE Noticias Financieras English. (2025, March 7). They sell freshly brewed tea in 11 countries and already have more than 40 thousand outlets [Financial dispatch]. Factiva.

7. <https://www.breakingviews.com/considered-view/bubble-tea-giant-gives-hong-kong-needed-ipo-jolt/>

8. <https://www.thestandard.com.hk/market/article/71269/Mixues-earnings-growth-slows>

9. Nurwahyuni, D., Maharani, F. E., Ramadhana, S. A., Hidayat, R., & Kusumasari, I. R. (2024). The Effectiveness of Franchise Strategy in Marketing Mixue Products. *Finance: International Journal of Management Finance*, 2(2), 59-68.

10. Chen, S. (2024). Analysis of Marketing Strategy of MIXUE Ice Cream & Tea Company Based on SWOT Model. *Advances in Economics, Management and Political Sciences*, 87, 49-56.

11. <https://equalocean.com/analysis/2025032721446>

12. <https://www.msn.com/en-us/money/companies/analyst-reveals-largest-challenge-for-mixue-after-stellar-market-debut/ar-AA1A9sg6>

13. Sukemi, A. E., Wahyono, S. A., & Widyaningrum, S. (2023). The Effect of Word of Mouth and Place on Brand Aware Mixue in Malang City. *Indonesian Journal of Business Analytics (IJBA)*, 3(4), 1377-1388.