

## Market Penetration Strategies of Mixue Ice Cream & Tea in Emerging Markets: A Case Study of Laos

Khonexai Kammadam<sup>1</sup>; Khin Myat Thu<sup>2</sup>

<sup>1</sup>Faculty of Economic and Business Management, National University of Laos, Laos

<sup>2</sup>Faculty of Business, Myanmar Business & Technology University, Myanmar

\*email: [khonexai.nul@gmail.com](mailto:khonexai.nul@gmail.com)

### Abstract

This study examines the market penetration strategies of Mixue Ice Cream & Tea in Laos, an emerging market in Southeast Asia. Using a qualitative case study approach, data were collected through semi-structured interviews with key stakeholders, including franchise owners, management representatives, and local distribution partners, supplemented by secondary data from company reports, industry publications, and market research. The findings reveal that Mixue's success in Laos is driven by a combination of low-cost pricing, culturally relevant product adaptations, and an efficient franchise-based distribution model. These strategies have allowed the brand to effectively penetrate the Lao market, overcoming challenges posed by infrastructure limitations and competitive pressures. The study also demonstrates the importance of balancing global brand consistency with local customization, as Mixue has successfully adapted its marketing and product offerings to align with the preferences of Lao consumers while maintaining the core elements of its global identity. However, the company's continued growth will depend on its ability to innovate and respond to evolving consumer preferences and increased competition in the market. The findings contribute to the literature on global brand adaptation and market penetration in emerging markets, offering practical insights for other businesses looking to expand in similar contexts.

**Keywords:** market penetration, emerging markets, brand adaptation, Mixue Ice Cream & Tea.



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### 1. Introduction

The expansion of global brands into emerging markets has become a prominent trend in recent years, with many companies seeking to capitalize on the untapped potential of these regions (Kotabe & Kothari, 2016; Schaffmeister & Haller, 2018; Sheth et al., 2016). One such example is Mixue Ice Cream & Tea, a Chinese-born brand that has rapidly expanded its presence across Southeast Asia, including Laos. With its distinctive model of affordable pricing, diverse menu options, and efficient distribution, Mixue has managed to establish a significant foothold in several markets. However, while entering emerging markets can offer substantial growth opportunities, it also presents unique challenges, particularly in adapting to local cultural preferences, economic conditions, and competitive landscapes (Hitt et al., 2016; Kotabe & Kothari, 2016; Marquis & Raynard, 2015; Sakarya et al., 2007; Zhou & Li, 2010). This study aims to explore how Mixue Ice Cream & Tea has tailored its market penetration strategies to navigate these complexities in Laos, a relatively small yet promising market within the broader Southeast Asian context.

Laos, as a landlocked country with a growing middle class and youthful population, offers a fertile environment for businesses (Lintner, 2008; Vorapeth, 2018) like Mixue. The country's economic development, driven by regional integration and foreign investment, has led to increased consumer spending power and a burgeoning appetite for new consumer goods, including food and beverages (Birthal et al., 2019; Hansen, 2018; Kyung-Hoon, 2013). The rapid urbanization and increasing influence of global consumer trends have further fueled demand for affordable, high-quality products that appeal to both local tastes and international standards (Myers & Kent, 2013;

Regmi & Gehlhar, 2005; Rein, 2014; Yu, 2014). However, unlike more developed Southeast Asian markets such as Thailand or Vietnam, Laos presents certain structural challenges. These include a fragmented retail landscape, lower purchasing power among certain demographics, and logistical hurdles due to the country's geography and infrastructure limitations (Altenburg et al., 2016; Kunaka, 2010). To succeed in such an environment, global brands like Mixue must employ a finely tuned mix of marketing, pricing, and distribution strategies that are uniquely suited to local conditions.

The global ice cream and tea beverage industry is characterized by intense competition, not only from international brands but also from well-established local players. In Laos, consumer preferences are influenced by a blend of traditional cultural practices and the growing influx of global trends. Mixue's ability to penetrate this market is thus contingent on its capacity to blend global marketing approaches with a deep understanding of local consumer behavior. The company's strategy has been to position itself as a brand that delivers high value at affordable prices, a positioning that resonates strongly with middle-income and younger consumers in Laos. In addition, Mixue's use of digital marketing platforms, particularly social media, has allowed it to build brand awareness and connect with the increasingly tech-savvy Lao population. By leveraging localized advertising campaigns that incorporate elements of Lao culture, Mixue has successfully differentiated itself from both international competitors and local offerings. Another critical component of Mixue's market penetration in Laos is its pricing strategy. As a value-driven brand, Mixue offers products at a lower price point than many of its competitors, a factor that has proven essential in appealing to cost-conscious consumers in emerging markets. This pricing strategy is supported by the company's streamlined supply chain and vertically integrated business model, which enables it to maintain lower production costs. Furthermore, Mixue has adapted its menu to suit local tastes by incorporating flavors and ingredients that are familiar to Lao consumers, while still offering the core products that have made the brand popular in other markets. The brand's ability to balance global standardization with local customization is a key aspect of its success in the Lao market.

In addition to pricing and product adaptation, distribution plays a crucial role in Mixue's market penetration strategy. In a country where infrastructure can be a significant barrier to market entry, Mixue has strategically partnered with local distributors to ensure efficient supply chain operations. Moreover, the company's franchise model has allowed it to rapidly expand its physical presence in major cities across Laos. This approach not only accelerates market entry but also minimizes the risks associated with direct investment in a market that is still developing. By empowering local entrepreneurs to operate under the Mixue brand, the company has been able to expand its footprint while fostering a sense of community ownership and brand loyalty. Despite these successes, the company faces ongoing challenges in maintaining its competitive edge in Laos. The growing number of international brands entering the market, combined with the evolving tastes and preferences of Lao consumers, means that Mixue must continuously innovate to stay relevant. Additionally, as the market becomes more saturated, the brand will need to explore ways to sustain its low-cost leadership while maintaining product quality and brand prestige.

This study aims to critically examine the strategies employed by Mixue Ice Cream & Tea to penetrate the Lao market, with a particular focus on how the company has adapted its global business model to local conditions. The research will explore the effectiveness of Mixue's pricing, marketing, and distribution strategies, as well as the challenges the company faces in sustaining its growth in an increasingly competitive environment. By analyzing Mixue's approach to market penetration in Laos, this study seeks to contribute to the broader literature on global brand adaptation and provide insights for other companies looking to enter similar emerging markets.

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## **2. Literature Review**

Market penetration, as one of the four growth strategies in the Ansoff Matrix (Kukartsev et al., 2019), alongside market development, product development, and diversification, has become increasingly relevant in emerging markets. Originally designed for developed economies, this strategic framework has drawn considerable attention for its application in less mature markets (Lin, 2011). Emerging markets, like those found in Southeast Asia, present unique economic, cultural, and regulatory conditions that necessitate adjustments to traditional market penetration strategies (Arnold & Quelch, 1998; Marquis & Raynard, 2015). In these environments, companies face the dual challenge of leveraging high growth potential while addressing lower consumer purchasing power, underdeveloped infrastructure, and fierce competition from both local and global firms. Scholars emphasize that adapting to local cultures and consumer behaviors is critical for successful market penetration in such contexts (Chepkorir, 2023; De Mooij, 2019; Rumapea & Gerardo, 2024). Localization—tailoring a brand’s offerings, services, or marketing approaches to resonate with local values, preferences, and consumption habits—is particularly important in industries like food and beverages, where cultural factors heavily influence consumer choices (Davis et al., 2018). For a brand like Mixue Ice Cream & Tea, which originated in China, successful market penetration in Laos depends on its ability to align its product offerings and marketing strategies with the cultural and economic realities of the local market.

Global branding strategies, which focus on maintaining a consistent brand identity across markets, must also be balanced with local adaptation. The debate between standardization and adaptation has been central to international marketing discourse for decades (Botzem & Dobusch, 2012; Poulis, 2024). Standardization involves maintaining uniformity in product offerings and marketing strategies across markets, benefiting from economies of scale and brand consistency. In contrast, adaptation requires modifying these strategies to fit local contexts, which can enhance market acceptance but at the cost of efficiency. This debate has evolved into the concept of "glocalization" (Khondker, 2004), a blend of global standardization and local adaptation. In fast-moving consumer goods (FMCG) industries such as ice cream and tea, this approach is particularly important, as brands must cater to local tastes and cultural nuances while preserving their core global identity (Pedroza, 2020). For instance, multinational brands like McDonald’s and Starbucks have localized their menus in various countries to include regionally popular flavors and ingredients (Kolhe, 2023). Similarly, Mixue’s strategy in Laos reflects a glocalization effort, where the company maintains its low-cost, value-driven model while introducing flavors and marketing campaigns that resonate with Lao consumers.

Pricing strategies play a pivotal role in market penetration, especially in emerging markets where consumers are price-sensitive (Purboyo et al., 2021; Sari et al., 2021; Silitonga et al., 2020). Simon (1992) argue that competitive pricing can be a decisive factor in penetrating markets with lower income levels. This is particularly true in industries like ice cream and tea, where products are often viewed as discretionary purchases. Consumers in emerging markets tend to prioritize affordability over brand prestige, as long as the product quality meets acceptable standards (Sheth, 2011). Many companies, therefore, adopt a low-cost leadership strategy in these markets, allowing them to capture a larger share of price-conscious consumers (Ryans, 2009). This approach has been successfully implemented by global fast-food chains like KFC and Pizza Hut in India and Indonesia (Pradani, 2024). Mixue’s pricing strategy in Laos follows a similar approach, focusing on delivering high-quality products at lower prices than its competitors. This low-cost model is supported by Mixue’s vertical integration, which helps reduce costs along the supply chain, allowing the brand to maintain a price advantage in the Lao market.

Another critical factor in market penetration is the distribution network, particularly in emerging markets where infrastructure challenges can impede access to consumers (Arnold & Quelch, 1998). Efficient distribution systems enable companies to reach a broader customer base, even in regions with logistical difficulties. Research has shown that strategic alliances with local distributors and leveraging local networks are essential for ensuring product availability in emerging markets (Oyedele & Firat, 2020). Franchising has also proven to be an effective strategy for market entry and expansion in these markets, particularly in the food and beverage industry (Abd Aziz et al., 2021). By partnering with local entrepreneurs, companies can quickly scale operations while minimizing financial risks associated with direct investment. Mixue's franchise model in Laos has enabled rapid expansion, establishing multiple outlets in key urban centers. This approach not only accelerates market penetration but also fosters local ownership and engagement, which strengthens brand loyalty and enhances cultural alignment.

Despite the promising growth opportunities, market penetration in emerging markets presents unique challenges. Weak regulatory frameworks, underdeveloped infrastructure, and political instability can create significant barriers to entry and expansion (Ianchovichina & Lundström, 2009). Additionally, consumer preferences in these markets are often highly diverse, requiring companies to implement flexible strategies that cater to various market segments (Sanchez, 1995). For Mixue in Laos, these challenges manifest in the form of a fragmented retail landscape, competition from local and regional players, and the need to continuously innovate to meet shifting consumer preferences. Successfully navigating these challenges requires a careful balance of global efficiencies and local adaptation strategies.

### **3. Method**

This research employs a qualitative case study approach to explore the market penetration strategies of Mixue Ice Cream & Tea in Laos. The case study methodology is particularly well-suited for this inquiry, as it allows for an in-depth examination of the company's strategies within the specific context of the Lao market. The focus of the study is on Mixue's marketing, pricing, and distribution strategies, with an emphasis on how these elements have been adapted to local conditions and how effective they are in achieving market penetration. The methodology used in this research is designed to comprehensively analyze these strategies and their outcomes (Hasan & Sangadji, 2024; Hennink et al., 2020; Supriatin et al., 2022). The research design is qualitative and exploratory, providing a detailed analysis of Mixue's strategies within the Lao market. This qualitative approach is chosen to delve deeply into the underlying factors that influence the company's decision-making processes and to better understand the contextual challenges and opportunities it faces. Unlike quantitative studies that seek generalizability, this research aims to offer a nuanced understanding of Mixue's specific market penetration efforts in Laos.

Data collection for this research will be conducted using both primary and secondary sources, ensuring a comprehensive analysis. Primary data will be gathered through semi-structured interviews with key stakeholders involved in Mixue's operations in Laos. These stakeholders include local franchise owners, regional or local management representatives, and marketing and distribution partners. Interviews with franchise owners will shed light on how Mixue's strategies are implemented at the local level, particularly in relation to pricing, product adaptation, and customer engagement. Discussions with management representatives will focus on the company's broader marketing, pricing, and distribution strategies, along with the challenges faced in the Lao market. Marketing and distribution partners will provide insights into how Mixue collaborates with local entities to enhance its market presence and overcome logistical challenges. These interviews will follow a semi-structured format, allowing flexibility to explore relevant topics while ensuring

that the core areas of inquiry—marketing, pricing, distribution, and cultural adaptation—are fully covered. The interviews will be recorded (with participant consent) and transcribed for later analysis.

Secondary data will be collected from a variety of sources, including company reports and press releases that provide information on Mixue’s performance and growth strategies in Laos and other emerging markets. Industry reports from market research firms and publications will offer insights into the food and beverage sector in Laos and the competitive dynamics within this industry. Academic journals and books will be reviewed to situate the findings within existing literature on global brand adaptation, market penetration in emerging markets, and consumer behavior in Southeast Asia. Additionally, news articles and social media content related to Mixue’s marketing campaigns and consumer reception will be analyzed to assess the effectiveness of the brand’s digital marketing and overall positioning in the Lao market.

The sampling strategy for primary data collection will follow a purposive approach, selecting key stakeholders based on their direct involvement with Mixue’s market activities in Laos. This approach ensures that the participants chosen for interviews have relevant knowledge and experience to provide valuable insights into the research questions. A sample size of approximately 8-10 participants is expected to achieve sufficient data saturation, given the focused scope of the study. Data from the interviews will be analyzed using thematic analysis, a method well-suited for identifying, analyzing, and reporting patterns within qualitative data. Thematic analysis will begin with familiarization, where interview transcripts will be read multiple times to gain a thorough understanding of the content. Key concepts and recurring themes will then be systematically identified and coded across the dataset. These codes will focus on the main topics of marketing strategies, pricing models, distribution challenges, and local adaptations. Once coded, the data will be grouped into broader themes that reflect the key components of Mixue’s market penetration strategies. The analysis will then interpret these themes in relation to the research questions, drawing on relevant theories from the literature on market penetration and brand localization.

## **4. Result and Discussion**

### **4.1 Market Penetration Strategy Overview**

Based on the analysis of data collected from primary and secondary sources, Mixue Ice Cream & Tea has successfully penetrated the Lao market by adopting a combination of pricing, marketing, and distribution strategies tailored to local market conditions. This section discusses the results of the study, structured around three key dimensions of Mixue’s market penetration strategy: (1) pricing and product adaptation, (2) marketing and brand positioning, and (3) distribution and franchise expansion. These results are further contextualized within the broader theoretical framework of market penetration in emerging markets.

#### ***a. Pricing and Product Adaptation***

The results indicate that Mixue’s pricing strategy has been one of the primary factors behind its success in Laos. As part of its global strategy, Mixue is known for its affordable pricing, a factor that has been strategically maintained in Laos. Interviews with local franchise owners revealed that the company’s value proposition—high-quality products at a low price—resonates well with middle-income consumers and the younger demographic, which constitutes a large segment of the Lao population. The affordability of Mixue’s offerings has been essential in penetrating a market where consumer spending power is relatively low compared to more developed Southeast Asian countries like Thailand and Vietnam.

In addition to competitive pricing, product adaptation has also played a crucial role in ensuring the brand’s acceptance among Lao consumers. According to data from the interviews, Mixue has



incorporated locally preferred flavors and ingredients into its menu. For example, the company has introduced variations of its ice cream and tea products that include ingredients familiar to Lao consumers, such as tropical fruits and local teas. This localization of the product line, while still retaining the core products that define the brand globally, has helped Mixue appeal to local tastes while maintaining its brand identity. This balance between global consistency and local adaptation is consistent with theories of successful global brand penetration in emerging markets, which emphasize the importance of local relevance in product offerings.

#### **b. Marketing and Brand Positioning**

The findings from both primary and secondary data sources highlight that Mixue's marketing strategy in Laos is heavily focused on digital platforms, particularly social media. Given the increasing use of social media among younger Lao consumers, Mixue has effectively leveraged platforms such as Facebook and Instagram to build brand awareness and engage with its target audience. Interviews with marketing representatives revealed that Mixue has localized its advertising campaigns to include references to Lao culture, language, and customs, further strengthening the brand's connection with local consumers.

Social media analysis and content reviews showed that Mixue's digital marketing campaigns often highlight promotional offers, new product launches, and customer testimonials, all of which are key drivers of consumer engagement. The use of localized content, including culturally relevant imagery and messaging, has differentiated Mixue from other global competitors who may adopt a more standardized approach to marketing in Laos. This aligns with the literature on market penetration in emerging markets, which underscores the importance of cultural adaptation in marketing to build consumer trust and loyalty.

However, despite its success in digital marketing, some franchise owners noted that traditional marketing methods, such as in-store promotions and word-of-mouth, remain important in Laos, particularly outside urban centers where internet penetration is lower. This suggests that Mixue may need to balance its digital marketing efforts with more traditional forms of consumer engagement as it continues to expand its presence in rural areas.

#### **c. Distribution and Franchise Expansion**

Another key factor in Mixue's market penetration strategy is its distribution model. The results show that Mixue has adopted a franchise-based expansion strategy in Laos, which has enabled rapid growth while minimizing the risks and costs associated with direct market entry. Interviews with franchise owners and local distributors revealed that Mixue's franchise model has empowered local entrepreneurs, giving them the opportunity to operate under an established global brand while allowing Mixue to quickly scale its operations across different regions of the country.

Moreover, the company's collaboration with local distribution partners has been crucial in overcoming logistical challenges, particularly in more remote areas where infrastructure may be underdeveloped. By working closely with local partners, Mixue has been able to ensure that its supply chain remains efficient and cost-effective, even in areas that are difficult to reach. This aligns with findings from the literature on market entry in emerging markets, which emphasize the importance of local partnerships in navigating infrastructure challenges and maintaining operational efficiency.

The franchise model has also contributed to the brand's strong local presence and customer loyalty. Interviews with franchisees revealed that local entrepreneurs view Mixue as not only a profitable business opportunity but also as a brand that appeals to local consumer preferences. The sense of local ownership has fostered stronger community ties and brand loyalty, contributing to the brand's sustained market presence in Laos. However, challenges remain, particularly with

regard to ensuring consistent product quality across different franchise locations, as noted by some franchise owners.

#### **4.2 Challenges in Sustaining Market Penetration**

Mixue, despite its initial success in penetrating the Lao market, faces substantial challenges in maintaining its market position. The competitive landscape in Laos is evolving, with more brands entering the ice cream and tea market, directly challenging Mixue's dominant position. While the company's affordability has been its key selling point, this unique value proposition is at risk of being eroded as similar low-cost brands increasingly enter the market. The interviews conducted with franchise owners reveal that maintaining Mixue's distinct edge will require constant innovation, particularly in product differentiation and customer engagement strategies. In a market where consumers are becoming more price-sensitive yet discerning in their preferences, the pressure to stand out will only intensify.

One of the primary concerns raised is the saturation of the affordable ice cream and tea market. As more competitors adopt a similar pricing model, Mixue could face a commoditization of its products, where price alone is no longer a distinguishing factor. The affordability that once gave Mixue a competitive advantage might no longer suffice if competitors can offer similar quality at comparable prices. The challenge for Mixue lies in how it can sustain profitability without significantly increasing its prices, which might alienate its core customer base that has come to rely on the brand for budget-friendly indulgences. Franchise owners are also worried about the rising operational costs, which could threaten the profitability of their stores. As Mixue expands, the cost of doing business in Laos is expected to rise, whether through increased rent, labor costs, or supply chain expenses. These rising costs could pressure franchisees to raise prices, which could potentially drive away cost-conscious customers. The tension between maintaining the low-cost brand identity and ensuring the sustainability of franchises in the face of rising costs is a critical issue that Mixue will need to navigate carefully.

Furthermore, the changing preferences of Lao consumers pose another significant challenge for Mixue. As the middle class in Laos grows and consumer tastes shift toward more premium products, Mixue will need to reassess its offerings. Consumers are increasingly seeking not just affordable products but also premium options that deliver more in terms of quality, experience, and customization. This shift in consumer behavior presents both a risk and an opportunity for Mixue. On one hand, failing to adapt could result in Mixue being perceived as a lower-tier option, losing market share to competitors who can meet the demand for higher-end products. On the other hand, by carefully introducing premium products or more customizable options, Mixue could tap into this emerging demand without abandoning its affordable brand identity. However, expanding into premium product offerings would not be without its risks. The core appeal of Mixue has always been its commitment to offering high-quality ice cream and tea at a low price. Introducing higher-end products could confuse the brand's positioning, especially if not executed carefully. Additionally, premium offerings may require new supply chains, additional staff training, and more sophisticated marketing strategies—all of which could increase operational costs and erode profit margins. Thus, while consumer preferences are shifting, Mixue must strike a delicate balance between catering to these new demands and preserving the low-cost model that has fueled its growth.

Another aspect of evolving consumer behavior is the increasing preference for experiential dining. Lao consumers, particularly younger demographics, are placing greater value on the overall experience of eating out, not just the food and drink itself. This includes factors such as ambiance, customer service, and the availability of customizable or unique products. To maintain its

relevance, Mixue might need to invest in improving the in-store experience or offering more interactive, personalized service. For example, creating visually appealing, Instagrammable store designs or offering limited-edition flavors could help Mixue tap into the experiential trend while staying aligned with its youthful and budget-conscious brand image. Ultimately, Mixue's future success in Laos will depend on how well it can adapt to these market dynamics without losing sight of its core strengths. Innovation in product offerings, balancing premium and affordable options, and enhancing the overall customer experience will be crucial for Mixue to continue its growth in an increasingly competitive market. Additionally, the company will need to support its franchisees in managing rising operational costs to ensure that the entire business ecosystem remains profitable. By addressing these challenges head-on, Mixue has the opportunity to not only sustain its market penetration but also deepen its relationship with an evolving consumer base.

### **4.3 Discussion**

The findings of this case study highlight the significant role that pricing, local adaptation, and effective distribution play in the market penetration strategies of global brands in emerging markets. In the case of Mixue Ice Cream & Tea, its approach demonstrates a keen understanding of the economic and cultural dynamics specific to the Lao market. By leveraging both its global brand strengths and localized strategies, Mixue has successfully established a competitive advantage, allowing it to effectively navigate the complexities of entering and expanding within this promising yet challenging market. Mixue's adoption of a low-cost pricing model is one of the cornerstones of its market penetration strategy. This approach aligns well with the findings of previous research that emphasizes the importance of affordability in emerging markets, where consumers often have limited disposable income. By positioning itself as an affordable yet high-quality option, Mixue appeals to the growing middle class in Laos, particularly younger consumers who seek value for their money. This pricing strategy not only enhances accessibility but also fosters customer loyalty, as consumers perceive Mixue as a brand that understands their financial constraints while delivering quality products. The low-cost model is further supported by the company's streamlined supply chain and efficient operational practices, which enable it to keep production costs low without sacrificing product quality.

In addition to pricing, Mixue's success can also be attributed to its culturally relevant product adaptations. The company has shown a remarkable ability to incorporate local flavors and ingredients into its product offerings, making them more appealing to Lao consumers. This adaptation resonates well with existing literature on consumer behavior, which posits that local tastes and preferences significantly influence purchasing decisions in emerging markets. By offering products that reflect the culinary traditions of Laos, Mixue not only caters to local tastes but also enhances its brand image as a culturally attuned entity. This approach exemplifies the principle of "glocalization," where global brands tailor their offerings to fit local contexts. The successful incorporation of local flavors into Mixue's menu has not only differentiated it from competitors but has also established a deeper emotional connection with consumers, fostering brand loyalty. Another vital aspect of Mixue's market penetration strategy is its emphasis on effective distribution, particularly through its franchise model. By partnering with local entrepreneurs, Mixue has been able to quickly expand its footprint in Laos, overcoming challenges related to logistics and infrastructure. This strategy aligns with the findings of previous studies, which highlight the importance of local partnerships in navigating the complexities of emerging markets. Local franchisees bring valuable market insights, operational knowledge, and community connections, which are crucial for establishing a successful brand presence. Moreover, this model



allows Mixue to reduce risks associated with direct investment while simultaneously promoting local entrepreneurship, thus creating a win-win situation for both the brand and the community.

From a theoretical perspective, Mixue's market penetration in Laos can be understood through the lens of global brand adaptation theory. This theory suggests that successful market entry in emerging markets necessitates a careful balance between global standardization and local customization. Mixue's ability to adapt its marketing and product strategies to align with the specific preferences of Lao consumers, while maintaining the core elements of its global brand identity, has been pivotal to its success. The brand's marketing campaigns often incorporate local cultural elements and themes, allowing it to resonate more deeply with the Lao audience. This strategic alignment not only enhances brand recognition but also fosters a sense of belonging among consumers, further solidifying Mixue's market position. The findings also suggest that while Mixue has effectively penetrated the Lao market, ongoing challenges remain, particularly in terms of competition and consumer preferences that are continually evolving. The increasing number of international brands entering the Lao market heightens the competitive landscape, necessitating that Mixue continuously innovate and refine its strategies. This is critical in maintaining its competitive edge and ensuring long-term sustainability.

## **5. Conclusion**

Mixue Ice Cream & Tea's successful market penetration in Laos demonstrates the effectiveness of a multi-faceted strategy that integrates affordability, local cultural relevance, and efficient distribution. By adopting a low-cost pricing model, the company has positioned itself as an accessible brand for a growing middle-class population, particularly targeting younger, price-sensitive consumers. Mixue's ability to localize its product offerings—incorporating flavors and ingredients that resonate with Lao tastes—has strengthened its market appeal, while its franchise-based distribution model has enabled rapid expansion and operational efficiency in a market with infrastructural challenges. Together, these strategic elements have provided Mixue with a strong competitive advantage in the Lao market. However, as the market continues to evolve, Mixue's future growth will depend on its ability to innovate and adapt to new competitive pressures and changing consumer preferences. The entry of new international brands into Laos, combined with the dynamic nature of consumer tastes, means that Mixue must continuously refine its product portfolio, marketing strategies, and operational models to maintain its market leadership. The company's ongoing success will likely hinge on its capacity to balance global brand consistency with further localization and market-specific innovations.

For managers and business leaders, Mixue's experience in Laos offers several key lessons for successfully entering and expanding in emerging markets. First, the importance of pricing strategy cannot be overstated; offering affordable products that meet local expectations of value is crucial for winning over cost-conscious consumers in markets with relatively lower purchasing power. Additionally, managers should prioritize cultural adaptation, ensuring that their products and marketing resonate with local consumer preferences and practices, which fosters stronger brand loyalty and differentiation from competitors. The case also underscores the value of local partnerships and franchise models in navigating logistical challenges in emerging markets. For businesses looking to expand in regions with underdeveloped infrastructure, partnering with local entrepreneurs can provide not only operational efficiencies but also valuable local market insights that enhance strategic decision-making. Finally, Mixue's success highlights the importance of continuous innovation and responsiveness to market changes. Managers must remain vigilant and proactive in addressing emerging competitive threats and evolving consumer behaviors, ensuring their brands remain relevant and competitive over the long term. Further research could explore

the sustainability of Mixue's current strategies and the broader implications for global brands seeking to penetrate other emerging markets in Southeast Asia and beyond.

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