

Marketing Report: IceCream Franchise - Indonesia

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1. Executive Summary

Indonesia's ice cream and trendy drink franchise market appears to be expanding in line with broader F&B; growth of around 5-7% annually, with growth linked in the literature to urban lifestyles and demand for quick, affordable food and beverages [1]. Within this context, low-price, franchise-driven brands like Mixue are described as having grown rapidly, with studies attributing this to viral marketing, brand image, and the use of structured marketing-mix strategies [1-3,5]. These studies are largely qualitative or literature-review based, so causal claims should be interpreted cautiously.

Evidence from Indonesian and regional studies indicates that:

- Viral and social-media marketing are associated with increased consumer interest and purchase behavior for ice cream/drink franchises; these effects are reported as statistically significant in at least one study [1,5].
- Use of a 7P marketing mix (product, price, place, promotion, people, process, physical evidence) is reported to have a positive association with purchasing decisions in an Indonesian Mixue outlet [2].
- Franchise strategies that emphasize low prices, franchisor support, and efficient operations are described as effective in specific Southeast Asian franchise and Mixue case studies [3,8,10].
- Trust, communication, and perceived support in franchisor-franchisee relationships are consistently linked to franchisee satisfaction and long-term orientation in multiple franchise contexts [4,8-9,14].

This report translates these findings into a proposed marketing strategy for an ice cream franchise in Indonesia. Where the evidence is indirect (e.g., from other F&B; categories, other countries, or non-ice-cream franchises) or does not provide quantified effects, recommendations are explicitly marked as Assumptions or Extrapolations.

2. Target Market and Segmentation Overview

2.1 Market Context: Indonesia F&B; and Trendy Drink Segment

The Indonesian F&B; industry is reported to be expanding at 5-7% annually, with growth linked to urbanization and a preference for quick food and beverages [1]. Mixue's rapid growth in Indonesia and the broader region is documented qualitatively and suggests strong demand for affordable ice cream and tea-based drinks among younger, urban consumers, though detailed Indonesian consumer data are limited in the cited studies [1-3,5,10].

Research on trendy drink consumers (including Mixue) shows that:

- Perceived safety (appearance, taste, smell, certification) and information credibility are key drivers of trust, satisfaction, and recommendations among Muslim consumers in one study [6].
- Viral and turbo marketing are reported to have a favorable and statistically significant impact on consumer interest and purchasing behavior in the Indonesian Mixue context [1].

These findings support the view that an Indonesian ice cream franchise will likely need to combine affordability, perceived safety/halal assurance, and a strong digital presence. However, the exact

strength and relative importance of each factor for ice cream specifically in Indonesia are not fully quantified in the available literature.

2.2 Segmentation

Based on the cited evidence and general knowledge of Indonesian urban F&B; consumption patterns, the following segments are proposed. Segments are partly evidence-based and partly extrapolated:

1. Urban Youth (15-24 years) - Evidence: Social-media-driven viral marketing is highlighted as important in the Mixue context and is generally associated with younger, digitally active consumers [1,5]. - Needs (Assumption): Affordable treats, visually appealing products, social experiences, and trend alignment. - Channels (Assumption): TikTok, Instagram, YouTube, campus and mall locations.
2. Young Professionals (25-35 years) - Evidence: Urban lifestyle shifts toward quick food and beverages are noted [1], but this age band is not explicitly isolated in the cited studies. - Needs (Assumption): Convenient indulgence, consistent quality, quick service, digital payment. - Channels (Assumption): Office-adjacent outlets, delivery platforms, loyalty apps. - Assumption: This group values time-saving and digital convenience more than price alone.
3. Young Families with Children - Evidence: F&B; franchises like Mixue and ChiFry have expanded across Indonesian cities, suggesting broad family appeal, though specific family-segment data are not provided [1-3,4]. - Needs (Extrapolation from [6,8]): Safe, halal-assured, kid-friendly products at low price points; clean, comfortable outlets. - Channels (Assumption): Residential and neighborhood locations, family-oriented promotions. - Assumption: Parents are particularly sensitive to hygiene and certification, consistent with findings on perceived safety among Muslim consumers [6].
4. Mass-Market Value Seekers in Tier-2/3 Cities - Evidence: Mixue's success in sinking markets (lower-tier cities) via low prices and franchising is documented in China and Laos [5,10]. F&B; growth beyond major metros in Indonesia is mentioned but not deeply quantified [1]. - Needs (Assumption): Affordable indulgence, aspirational brand at accessible price, reliable availability. - Channels (Assumption): High-traffic streets, near markets, schools, and transport hubs.

2.3 Targeting Strategy

Primary Target (Assumption): Urban youth and young professionals in major and secondary cities.

Secondary Target (Assumption): Young families and value seekers in tier-2/3 cities.

Rationale:

- Viral marketing and social media are reported to influence purchase behavior in this category [1,5], which aligns with younger, digitally active segments (Assumption). - Low-cost, franchise-based models are described as effective in penetrating emerging markets and lower-tier cities in Mixue and other franchise case studies [5,8,10]. - Muslim consumers trust and safety concerns can be addressed via strong halal and quality signaling, as suggested by the trendy drink study [6], though specific elasticities or market-share impacts are not provided.

3. Positioning, Value Proposition, and Channels

3.1 Positioning

Drawing on Mixue's documented low-price, quality-oriented positioning [1-3,5,10] and the identified trust drivers among Muslim trendy drink consumers [6], a proposed positioning is:

- > The halal-safe, high-quality ice cream and drink franchise that makes everyday indulgence fun and affordable for everyone in Indonesia.

This is a strategic recommendation, not a direct empirical finding.

Key positioning pillars:

- Affordable pricing as a core differentiator in emerging markets is repeatedly emphasized in Mixue case studies [1-3,5,10]. - Perceived safety and halal assurance are central to Muslim consumer trust and recommendations in at least one study [6]; applying this specifically to ice cream is an extrapolation.
- Viral, fun brand image is associated with Mixue's awareness and trial, particularly via social media [1,5], though the exact contribution relative to other factors is not quantified.

3.2 Value Proposition

For consumers (mix of evidence and assumptions):

- Product: - Consistently tasty, visually appealing ice cream and drinks are consistent with product-quality emphasis in Mixue and other F&B franchise studies [2,5,10]. - Periodic limited-time flavors to maintain novelty are recommended based on general franchise innovation findings [3,5,10] (Assumption for this specific concept).
- Price: - Everyday low prices that undercut premium caf brands align with Mixue's low price, high value model [1-3,5,10]. The exact price gap is not specified in the literature.
- Experience: - Fast service, clean and comfortable outlets, and social-media-friendly aesthetics are consistent with 7P and franchise success factors (service quality, hygiene, physical evidence) [2,5,8]. - Digital ordering and payment are recommended based on general QSR practice (Assumption; not directly evidenced in the cited Mixue studies).

For franchisees (largely evidence-based but generalized):

- Brand & Marketing Support: - Viral marketing playbooks, national campaigns, and influencer collaborations are consistent with descriptions of Mixue's social-media and influencer activities [1,3,5]. The term proven should be read as reported as effective rather than rigorously quantified.
- Operational Support: - Training, operational guidelines, and continuous innovation are explicitly mentioned as part of Mixue's franchise strategy [3] and as critical success factors in other franchise contexts [8].
- Mutual Relationship: - Commitment, communication, and trust are identified as important for franchisee satisfaction and loyalty in Indonesian and regional franchise research [4,8-9,14]. Applying these principles here is a reasonable extrapolation.

3.3 Channel Strategy

3.3.1 Physical Locations (Place)

Evidence from Mixue and other franchises highlights:

- Strategic location selection as a critical success factor in franchise performance [2,3,8,10]. - Rapid expansion via franchising into multiple cities for Mixue and other brands [1-3,4,10].

Recommended physical channel approach (Assumption, informed by these findings):

- Phase 1: Flagship outlets in high-traffic urban locations (malls, transit hubs, campuses). - Phase 2: Expansion into tier-2/3 cities and neighborhood locations using a franchise model, prioritizing proximity to schools, markets, and residential clusters [8,10] (location types are partly extrapolated). - Standardized layout and signage to reinforce brand consistency and recognition, consistent with franchise best practices [3,5,8].

3.3.2 Digital and Social Channels

Studies show that:

- Viral marketing significantly influences consumer interest and purchasing behavior for Mixue in Indonesia [1]. - Mixue's social-media marketing and influencer collaborations are described as successful in attracting new consumers [3,5].

Recommended digital mix (Assumptions, aligned with these findings):

- TikTok & Instagram: Short-form videos, challenges, and user-generated content to drive virality, reflecting the platforms commonly associated with viral content [1,5]. - Influencer Collaborations: Local micro-influencers to localize the brand and drive trial, extrapolating from Mixue's influencer use [3,5]. - Delivery Platforms: Integration with GoFood, GrabFood, etc., is recommended based on general Indonesian QSR norms (Assumption; not directly evidenced in the cited papers). - Brand-Owned App or Mini-Program (medium term): For loyalty, promotions, and data capture (Assumption; not directly supported by the Mixue literature but consistent with broader QSR trends).

4. Customer Adoption, Conversion, and Retention Drivers

4.1 Adoption Drivers (Awareness and Trial)

Evidence:

- Viral and turbo marketing are reported to have a significant positive impact on consumer interest and purchase behavior for Mixue in Indonesia [1]. - Social-media-based 4P strategies are described as effective in attracting large numbers of consumers to Mixue [5]. - Low-price positioning and franchising are associated with rapid market penetration in Mixue's expansion into emerging markets [5,10].

Implications (Assumptions, derived from these findings):

- Viral Campaigns: Use of memes, jingles, and challenges to create shareable content mirrors Mixue's reported viral success [1,5], though specific creative formats are not prescribed in the literature. - Grand Opening Activations: Free samples, limited-time discounts, and local influencer visits at new outlets are standard marketing tactics; their inclusion here is an extrapolation from the importance of trial and social proof [1,3]. - Price-Led Promotions: Everyday low price plus occasional bundle offers are consistent with low-price positioning [2,5,10], but the exact promotion mechanics are assumptions.

4.2 Conversion Drivers (From Interest to Purchase)

Evidence:

- A comprehensive 7P marketing mix is reported to positively influence purchasing decisions in an Indonesian Mixue outlet [2]. - Perceived safety, taste, and certification are key to trust and satisfaction for trendy drink consumers in one study [6].

Key conversion levers (partly evidenced, partly extrapolated):

- Product: - Consistent taste and quality; visually appealing presentation are aligned with product and physical evidence elements of the 7P mix [2,5]. - Clear labeling of halal certification and ingredients to reassure Muslim consumers is a direct application of the safety and certification findings [6].
- Price: - Transparent, simple pricing with visible menu boards and value combos is consistent with the price component of the marketing mix [2,5,10], though specific formats are assumptions.
- Place & Process: - Fast, reliable service; queue management; clear ordering flow are extrapolated from process and service quality factors in franchise success [2,8]. - Clean, hygienic environment to reinforce safety perceptions is consistent with hygiene and safety emphasis in franchise and trendy drink studies [6,8].
- People: - Friendly, well-trained staff; service scripts that emphasize quality and safety are extrapolated from the importance of people and training in franchise success [2,8].
- Physical Evidence: - Modern, bright store design; visible cleanliness; branded uniforms and packaging align with physical evidence elements in the 7P framework [2,8].

4.3 Retention Drivers (Repeat Purchase and Loyalty)

Evidence:

- Consumer trust and satisfaction are linked to recommendations and continued patronage in the trendy drink segment [6]. - In franchising, relational bonding (structural, social, economic) enhances satisfaction, trust, and long-term orientation among franchisees [9]; applying similar principles to consumer relationships is an extrapolation. - Continuous product innovation is described as helping Mixue remain relevant to consumer demand [3,5,10].

Retention strategy (Assumptions, informed by these findings):

- Consistent Quality & Safety: Non-negotiable hygiene standards and regular audits are consistent with safety and hygiene importance [6,8], though specific audit mechanisms are not detailed in the literature.
- Menu Innovation: Seasonal flavors and localized offerings (e.g., Indonesian fruits, local desserts) are extrapolated from the general need for innovation and local adaptation [3,5,10]. - Loyalty Mechanisms: - Simple stamp or app-based loyalty program (e.g., Buy 9, get 1 free) is a common QSR tactic but not directly evidenced in the cited studies (Assumption). - Birthday or seasonal offers are similarly assumed.
- Community & Social Proof: - Encouraging reviews and user-generated content, and featuring customers on brand channels, is consistent with the importance of social media and virality [1,5], though specific tactics are not prescribed. - Local community engagement (school tie-ups, charity events) is an assumption based on general relationship-marketing principles.

5. Key Marketing Risks and Opportunities

5.1 Key Risks

1. Price Competition and Margin Pressure - Low-price strategies are central to Mixue-style positioning and are associated with rapid expansion [1-3,5,10]. - The risk that such strategies trigger price wars and thin margins is a logical concern but not directly quantified in the cited studies (Assumption). - Over-reliance on low prices without operational efficiency potentially eroding profitability is also an assumption.
2. Franchisee Dissatisfaction and Relationship Breakdown - Research on Indonesian and regional franchises shows that franchisee satisfaction depends on perceived support, communication, and fair treatment [4,8-9,14]. - Agency problems (control, transparency, trust) are documented in Saudi franchise contexts [7]; applying these concerns to Indonesia is an extrapolation. - Weak relationship strategies increasing the risk of contract termination and brand inconsistency is consistent with relationship-marketing theory but not directly quantified in the cited works [4,7,9].
3. Quality and Food Safety Incidents - Consumer trust in trendy drinks is highly sensitive to perceived safety, appearance, taste, smell, and certification [6]. - The assertion that any hygiene or safety incident can quickly spread via social media and damage brand equity is plausible given viral dynamics [1,5] but not empirically quantified in the cited studies (Assumption).
4. Regulatory and Halal Compliance - Muslim consumers in the trendy drink study rely heavily on certification and credible information for trust [6]. - The potential for non-compliance or perceived ambiguity around halal status to significantly reduce demand is an extrapolation from this finding (Assumption).
5. Brand Fatigue and Loss of Novelty - The need for ongoing innovation is mentioned in Mixue and other franchise studies [3,5,10]. - The specific risk of becoming yesterday's trend without innovation is an assumption, albeit consistent with general marketing theory.

5.2 Key Opportunities

1. Expansion into Tier-2/3 Cities and Sinking Markets - Mixue's success in lower-tier markets via low prices and franchising in China and Laos is documented [5,10]. - The expectation of similar potential in Indonesia is an extrapolation, though Indonesia shares some characteristics as an emerging market [1]. - Strategic location selection and franchising as levers to unlock under-served demand are supported by franchise success factor studies [8,10].
2. Leveraging Muslim Consumer Trust - Strong halal certification, transparent sourcing, and communication are consistent with drivers of trust, satisfaction, and recommendations in the trendy drink study [6]. - Positioning as a halal-safe, family-friendly treat aligns with these findings, but its exact market impact is not quantified (Assumption).
3. Data-Driven Marketing and Personalization - The potential to use loyalty apps and delivery platforms for data-driven optimization is inferred from broader QSR and franchise literature [12,15] rather than the Mixue-specific studies (Assumption). - Entrepreneurial franchisees using local insights to tailor promotions and menus is consistent with findings on franchisee resources and performance differences [12].
4. Strengthening Franchisee Relationships as a Competitive Advantage - Structural, social, and economic bonding strategies are shown to increase franchisee satisfaction, trust, and long-term orientation in South Korea's food service industry [9] and are supported by other franchise studies [8,14]. - Building a reputation as a franchisee-friendly system to attract higher-quality partners is a strategic inference rather than a directly measured outcome [3,8-9].

6. Marketing Scenario Analysis

Evidence directly quantifying financial or operational outcomes for Indonesian ice cream franchises is limited. The following scenarios are illustrative assumptions, informed qualitatively by the success factors and risks identified in the literature [1-3,5,8-10,12], and should not be interpreted as forecasts.

6.1 Scenario Definitions

- Conservative: Slow adoption, limited virality, cautious franchise expansion, average execution of the 7P mix. - Base: Moderate viral traction, disciplined franchise growth, solid execution of the 7P mix and franchisee support. - Aggressive: Strong viral success, rapid franchise rollout, highly effective 7P mix and strong franchisor-franchisee relationships.

These scenario labels and descriptions are conceptual tools, not empirically validated categories.

6.2 Illustrative 3-Year Marketing Outcomes (Assumptions)

All figures below are hypothetical and provided solely to illustrate relative differences between scenarios:

Metric (Year 3)	Conservative	Base	Aggressive
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Active outlets (franchised + owned)	40	80	150
Avg. daily transactions per outlet	180	250	320
Repeat purchase rate (share of visits from returning customers)	45%	60%	70%
Share of sales driven by digital/viral campaigns	20%	35%	50%

Interpretation (linked to evidence, but still assumptions):

- Higher outlet counts and transactions in the base/aggressive scenarios assume effective use of low-price franchising and strategic locations, as described in Mixue and other franchise case studies [2-3,5,8,10]. The specific numbers are not drawn from the literature. - Higher repeat rates in base/aggressive scenarios assume strong product quality, safety perception, and loyalty mechanisms, consistent with trust and satisfaction findings [2,6,8-9], but the percentages are illustrative. - Greater digital/viral contribution in the aggressive scenario assumes sustained viral marketing and influencer collaborations [1,3,5]; again, the percentages are hypothetical.

6.3 Strategic Levers by Scenario

These levers are recommended actions, not empirically tested bundles:

- Conservative: - Focus on strengthening fundamentals: product quality, safety, and basic social media presence, consistent with 7P and safety findings [2,6]. - Tight control over franchisee selection and support to avoid quality issues, extrapolating from franchise relationship research [3,8-9].

- Base: - Invest in structured viral marketing campaigns and influencer partnerships, reflecting their reported impact in Mixue's case [1,3,5]. - Build a scalable franchise support system (training, audits, marketing toolkits) in line with franchise success factors [3,8-9,14]. - Introduce simple loyalty programs to lift repeat purchase, extrapolating from the role of satisfaction and trust [6].
 - Aggressive: - Accelerate expansion into tier-2/3 cities with robust location analytics and franchisee screening, informed by Mixue's lower-tier market strategies [5,8,10]. - Develop a brand app or mini-program for data-driven personalization (Assumption, based on broader QSR trends). - Institutionalize franchisee relationship management with clear KPIs for support, communication, and satisfaction, consistent with relationship-marketing findings [4,8-9,14].
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7. Conclusion and Recommended Next Steps

7.1 Conclusion

The Indonesian ice cream franchise opportunity appears promising, based on:

- Reported F&B growth and urban demand for quick, affordable treats [1]. - Documented success of low-price, franchise-based brands like Mixue in Indonesia and neighboring markets [1-3,5,10]. - Evidence that viral marketing, structured marketing-mix strategies, and robust franchisor-franchisee relationships are associated with stronger consumer demand and franchise system performance in related contexts [1-3,4,8-9,14].

However, much of the available evidence is qualitative, context-specific (often focused on Mixue or other single brands), and not always Indonesia-wide or ice-cream-specific. Therefore, the recommendations in this report should be treated as evidence-informed but not fully validated for all Indonesian ice cream franchises.

Success will likely depend on:

- Differentiating through affordable, halal-safe, and fun positioning (Assumption, grounded in [1,3,6]). - Executing a disciplined 7P marketing mix tailored to Indonesian consumers, as suggested by Mixue Comal findings [2]. - Building trust-based, supportive relationships with franchisees, consistent with franchise relationship research [4,8-9,14]. - Continuously innovating in products and digital engagement to sustain relevance, as implied by Mixue and other franchise case studies [3,5,10].

7.2 Recommended Next Steps

The following steps are practical recommendations derived from the literature and general industry practice; they are not directly tested as a package in the cited studies:

1. Market Validation and Concept Testing - Conduct focused consumer research in 2-3 target cities to validate positioning, price points, and menu concepts (Assumption). - Include Muslim consumer panels to test perceptions of safety, halal assurance, and information credibility, building on findings from the trendy drink study [6].
2. Define the Franchise and Relationship Model - Design a franchise package emphasizing training, operational guidelines, and marketing support, reflecting practices identified in Mixue and other franchises [3,8]. - Establish relationship management processes (communication routines, feedback channels, support SLAs) to build trust and loyalty among franchisees, consistent with relationship-marketing findings [4,8-9,14].

3. Develop a Viral-Ready Brand and Content Strategy - Create a distinctive brand identity (name, logo, mascot, jingle) optimized for social media virality (Assumption, informed by the importance of viral marketing [1,5]). - Plan a 12-month content calendar with TikTok/Instagram campaigns and influencer collaborations, extrapolating from Mixue's social-media strategies [1,3,5].
4. Pilot Outlets and Refine the 7P Mix - Launch a small number of company-owned or tightly controlled pilot outlets in high-traffic urban locations [2,8]. - Systematically test and refine product assortment, pricing, promotions, and service processes, using customer feedback and operational data, in line with 7P and safety findings [2,6,8].
5. Build Quality, Safety, and Halal Governance - Secure halal certification and implement visible in-store communication about safety and quality standards, directly applying insights from [6]. - Set up regular audits and training to maintain hygiene and service quality across outlets, consistent with franchise success factors [6,8].
6. Plan Phased Franchise Expansion - After successful pilots, roll out franchising in waves, prioritizing strategic locations and high-quality franchisees, as suggested by franchise and Mixue case studies [3,8,10]. - Provide standardized marketing toolkits and localized adaptation guidelines to balance brand consistency with local relevance, extrapolating from global brand adaptation findings [5,8,10].

By grounding strategy in the available Indonesian and regional franchise research, while clearly distinguishing between evidence-based insights and assumptions, an ice cream franchise in Indonesia can design a more transparent, testable path toward scalable growth and market penetration.

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Illustrative Active Outlet Counts by Scenario (Year 3)

