

Strategic orientation for franchise brands in Vietnam

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Abstract: *This study analyzes the factors influencing customer purchase intention, with a focus on clarifying the determinants of consumer behavior and decision-making regarding a Mixue store in Hanoi, thereby drawing lessons for future franchise stores. The research identifies key influencing factors and surveys 310 customers who have experienced products and services at Mixue stores in Hanoi. The analysis reveals that price, product quality, marketing, staff, and location all impact store selection intention, with product quality, staff, and marketing exerting the most potent effects. Based on these findings, the author proposes several solutions to help franchise stores establish appropriate strategic orientations, better meet customer needs, and enhance business performance in the future.*

Keywords: *Consumer behavior; Mixue store; influencing factors; purchase decision.*

1. Introduction

In recent years, Vietnam's food and beverage (F&B) industry, particularly in central provinces and cities, has experienced rapid growth. Several prominent brands, such as Dingtea, Gongcha, TocoToco, Royal Tea, Taster's Choice, and The Coffee House, nearly "dominated" the domestic beverage market during the 2014 - 2020 period, before the market entered a saturation stage and was heavily impacted by the Covid-19 pandemic.

Amidst these challenges, Mixue created a new wave among young consumers by offering quality products at highly competitive prices. As a result, within a short period, by

2025, Vietnam had more than 1,300 Mixue stores, with over 140 outlets in Hanoi alone as of April 19, 2023 (Misa Cuk Cuk, 2023), and this figure has continued to fluctuate in subsequent years. The rapid increase in outlets within a limited geographic area has generated intense competition, while also influencing customer purchase decisions in a context where consumers face an abundance of choices.

Recognizing the importance of studying customer behavior and decision-making for the sustainable development of enterprises and individual stores, the author selected the topic: "Strategic orientation for franchise brands in Vietnam" for research.

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2. Theoretical framework and research model

2.1. Theoretical framework

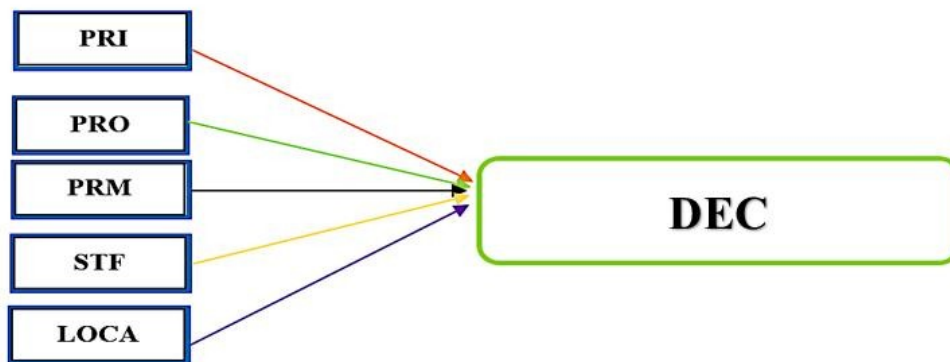
Several international studies have shown that multiple factors influence purchase decisions at Mixue stores. Specifically, Oktavian and Wahyudi (2022) investigated the influence of product quality and price on purchasing decisions at Mixue outlets in Bandung, Indonesia. Their results indicated that product quality and price strongly affected customers' purchase decisions. Meanwhile, Nursalim and Setianingsih (2023) investigated how marketing activities, advertising, and brand awareness affect customers' decisions to purchase Mixue products in Jakarta. The study confirmed that these factors positively and significantly

impacted consumers' purchase intentions, thereby suggesting solutions to strengthen communication campaigns, enhance brand awareness, build trust, and promote customer purchasing behavior.

2.2. Research model and hypotheses

The research model was developed by synthesizing findings from previous studies on food and beverage (F&B) store choice behavior, particularly the models proposed by Oktavian and Wahyudi (2022) and Nursalim and Setianingsih (2023). The model was also adjusted to fit the context of the Hanoi market. On this basis, the model was employed to analyze the interaction between factors influencing customers' purchase decisions at a Mixue store, specifically as follows:

Figure 1. Research model



Source: Synthesized from the models of Oktavian and Wahyudi (2022) and Nursalim and Setianingsih (2023).

In which:

- PRI: Price-related factors
- PRO: Product-related factors
- PRM: Promotion and advertising factors
- STF: Staff-related factors
- LOCA: Location and geographical factors
- DEC: Decision of customers

Price (PRI), product quality (PRO), promotion and advertising (PRM), staff (STF), location (LOCA) are crucial factor influencing customer accessibility, choices, experience and also satisfaction. Therefore, the following hypothesis are proposed:

H1: Price (PRI) positively affects customers' intention to choose Mixue stores in Hanoi.

H2: Product quality (PRO) has a positive and the most potent effect on customers' intention

to choose Mixue stores.

H3: Promotion and advertising (PRM) positively affect customers' intention to choose Mixue stores.

H4: Staff (STF) positively affect customers' intention to choose Mixue stores.

H5: Location (LOCA) positively affects customers' intention to choose Mixue stores.

2.3. Research data

Table 1. Summary of research data

Characteristic	Indicator	Number (people)	Percentage (%)
Gender	Female	200	64.51
	Male	106	34.2
Respondent Type	LGBT	4	1.29
	Pupil	21	7.0
	Student	89	29.0
	Working	190	61.0
	Retired	10	3.0
Age	< 18 years old	19	6.1
	18-35 years old	212	68.4
	36-55 years old	69	22.3
	> 55 years old	10	3.2
Customer location	Cau Giay	65	21.0
	Dong Da	56	18.1
	Hoai Duc	4	1.3
	Ba Dinh	34	11.0
	Thanh Tri	2	0.6
	Nam Tu Liem	27	8.7
	Ha Dong	23	7.4
	Thanh Xuan	30	9.7
	Hoan Kiem	11	3.5
	Bac Tu Liem	23	7.4
	Hai Ba Trung	7	2.3
	Phuc Tho	1	0.3
	Long Bien	7	2.3
	Tay Ho	10	3.2
	Hoang Mai	7	2.3
	Thach That	1	0.3
	Soc Son	1	0.3
	Thanh Oai	1	0.3
Average monthly income (million VND)	No income	57	18.0
	< 10	106	34.0
	10-20	110	35.0
	21-40	28	9.0
	41-60	5	2.0
	> 60	4	1.0
Monthly spending on Mixue products	< 100 thousand	165	54.0
	100 - 500 thousand	115	37.0
	500 - 1million	14	3.8
	> 1 million	16	5.2

Source: Author's compilation (2025)

Describing and analyzing the survey sample's characteristics is an important step before testing the research model and hypotheses. This ensures the representativeness and reliability of the input data. The compilation of research data, gathered through a comprehensive process, provides a detailed overview of the demographic and consumption behavior of 310 customers who have experienced products at Mixue stores in Hanoi (Table 1).

Through criteria such as gender, age, occupation, income level, place of residence, and monthly expenditure on Mixue products, the dataset was carefully selected to reflect the characteristics of the target customer group. This selection process ensures that the dataset provides the necessary quantitative foundation for regression analysis in subsequent sections and accurately represents the target customer group. At the same time, the descriptive data help explain the quantitative results in greater depth - for instance, why product and staff factors exert strong effects, or why price and location are not decisive in the current context. The data thus act as an intermediary link between practical realities and the theoretical model, enhancing the systematic and empirical nature of the entire study.

2.4. Model building

After analyzing the survey samples and compiling sufficient information for the variables, the author constructed a simple linear regression model with one dependent variable and one independent variable, where b_0 is the intercept and b is the slope. The regression equation takes the form: $Y = b_0 + bX$, where X represents independent variables, including PRI, PRO, PRM, STF, LOCA, and Y represents the dependent variable DEC.

From this Model, the relationship between variables can be observed through the regression line with intercept b_0 and slope b , presented in the results table. The value of b_0 reflects the level of Y when $X = 0$, while b shows the degree of change in Y as well as the direction of the effect (positive or negative) when X changes by one unit.

Based on the general model, the multiple linear regression model is constructed as follows:

$$Y_DEC = \beta_0 + \beta_1PRI + \beta_2PRO + \beta_3PRM + \beta_4STF + \beta_5LOCA + \epsilon$$

Where:

* β_0 : Intercept.

* $\beta_1 \rightarrow \beta_5$: Regression coefficients of the independent variables.

* ϵ : Random error term.

Variable Explanation:

* PRI: Customer assessment of price.

* PRO: Assessment of product quality (safety, variety, appeal).

* PRM: Extent of communication, promotion, brand awareness.

* STF: Assessment of service staff (attitude, skill, speed, etc.).

* LOCA: Convenience and geographical location of the store. Y_DEC : Customers' intention to choose the store (Likert scale 1 - 5).

3. Research findings

3.1. Model estimation results

After analyzing the collected samples and synthesizing complete information for the variables, a linear regression model was constructed with one dependent variable and one independent variable. Here, b_0 represents the intercept, while B denotes the slope. The linear regression function takes the form:

$$Y = b_0 + bX$$

In this model, X refers to the independent variables (PRI, PRO, PRM, STF, LOCA), and Y is the dependent variable (DEC).

From this, it can be observed that the research group established the relationships through a linear line characterized by the intercept (b_0) and slope (b) as shown in the table. The value of b_0 indicates the state of Y when X does not exist, while the value of b reflects whether Y changes significantly or slightly, and whether it is positively or negatively correlated with the changes in X .

Based on the statistical results, it can be concluded that all groups demonstrate a positive or directly proportional relationship ($b > 0$). Specifically, the value of b_0 ranges from 0.635 to 1.1089, while the slope b ranges from 0.6657 to 0.8192 (Table 2).

Table 2. Correlation between survey value

	DEC	
	b_0	b
Price (PRI)	1.0589	0.6657
Product (PRO)	0.635	0.8192
Promotion/Media (PRM)	1.1089	0.6889
Staff (STF)	1.0516	0.7038
Location (LOCA)	0.7278	0.7556

Source: Compiled by author, based on survey data and linear regression analysis (2025).

Table 3. Multiple regression model of factors affecting customer choice*Model fit*

Multiple R	0.8519
R Square	0.7257
Adjusted R Square	0.7212
Standard Error	0.3971
Observations	310

ANOVA Test - Analysis of variance

Source of variable	df	SS	MS	F	Significance F
Regression	5	126.8377	25.3674	160.8790	3.55175×10^{-83}
Residual	304	47.9346	0.1577		
Total	309	174.7714			

Analysis results of individual independent variables

Variable	β	Standard error	t-Stat	P-value	Conclusion
Intercept (β_0)	0.2422	0.1372	1.7647	0.0787	Not significant
Price (PRI)	0.0975	0.0499	1.9531	0.0517	Not substantial
Product (PRO)	0.3737	0.0636	5.8730	1.12×10^{-8}	Highly significant
Promotion/Media (PRM)	0.1449	0.0477	3.0706	0.0026	Significant
Staff (STF)	0.2468	0.0512	4.8165	2.31×10^{-6}	Highly significant
Location (LOCA)	0.0514	0.0576	0.8924	0.3730	Not significant

Source: Author's compilation and processing using Microsoft Excel (2025).

Table 3 presents regression coefficients, standard errors, t-values, and p-values for each independent variable in the Model. Independent variables with a p-value < 0.05 are considered to have a statistically significant effect on customers' store choice intention.

Specific Model (with estimated coefficients):

$$Y_DEC = 0.2422 + 0.0975 \cdot PRI + 0.3737 \cdot PRO + 0.1449 \cdot PRM + 0.2468 \cdot STF + 0.0514 \cdot LOCA + \epsilon$$

3.2. Interpretation of regression parameters

Survey data from 310 customers were compiled and processed using Microsoft Excel. Based on this, the multiple linear regression model was estimated, and the regression coefficients are interpreted as follows:

(1) Intercept ($\beta_0 = 0.2422$): When all independent variables (PRI, PRO, PRM, STF, LOCA) equal zero, the intention to choose a store (Y_DEC) starts at 0.2422. However, since the variables were measured on a Likert scale (typically from 1 to 5), the intercept primarily has a technical meaning in the model and does not reflect practical value.

(2) Price ($\beta_1 = 0.0975$): When customers' evaluation of price increases by one point on the Likert scale, the intention to choose a Mixue store increases by an average of 0.0975 points, holding other factors constant. Although the effect is positive, its impact is relatively low and not statistically strong.

(3) Product Quality ($\beta_2 = 0.3737$): This is the strongest influencing factor in the model. When customers evaluate product quality (safety, variety, attractiveness) increases by one point, the intention to choose increases by an average of 0.3737 points. This coefficient underscores the significant impact of product quality, particularly as consumers increasingly prioritize health, hygiene, and brand trust. Even if prices are higher, customers are willing to choose safe, transparent, and reliable products.

(4) Promotion and Advertising ($\beta_3 = 0.1449$): When customers' awareness and impression of promotional and advertising activities increase by one point, the intention to choose rises by an average of 0.145 points. This result demonstrates that effective communication plays a crucial role in enhancing brand recognition and influencing consumer

purchasing behavior.

(5) Staff ($\beta_4 = 0.2468$): the quality of service by staff (skills, attitude, responsiveness) increases by one point, the intention to choose grows by an average of 0.2468 points. This is the second most influential factor in the model. It reflects the critical role of employees in shaping customer experience, leading to satisfaction and repeat patronage.

(6) Store Location ($\beta_5 = 0.0514$): When customers' evaluation of store location increases by one point, the intention to choose rises by an average of only 0.0514 points - a change that is not statistically significant at the 5% level. This outcome reflects the current reality in which online ordering has become widespread, reducing the importance of physical location as a primary decision-making criterion.

3.3. Model Fit - coefficient of determination

In multiple regression analysis, evaluating the model's goodness of fit is essential to determine the explanatory power of the independent variables on the dependent variable.

(1) Multiple Correlation Coefficient (Multiple R = 0.8519): This coefficient indicates the overall linear relationship between the set of independent variables and the dependent variable. With a value of R = 0.8519, the relationship between the variables in the model is relatively strong, approaching 1, indicating a solid linkage between the explanatory factors (price, product, promotion, staff, and location) and customers' intention to choose the store.

(2) Adjusted Coefficient of Determination (Adjusted R² = 0.7212): Adjusted R² reflects the percentage of variance in the dependent variable (purchase intention) explained by the entire model, adjusted for the number of independent variables to avoid overestimation. With an Adjusted R² of 0.7212, the model explains 72.12% of the variance in customer choice behavior at Mixue stores in Hanoi. This is considered a very high level of explanatory power in social science research, indicating that the model is both appropriate and reliable.

3.4. Significance of variables and the overall model

In the multiple regression model built to analyze the factors influencing customers'

choice of Mixue stores in Hanoi, the F-test for the overall model yielded a p-value = 3.55175×10^{-83} , which is far below the 0.05 significance threshold. This result confirms that the model is highly statistically significant, meaning that the independent variables collectively explain the variation in the dependent variable. Therefore, the model is fully valid for both analysis and prediction.

Considering the significance of individual independent variables, the t-test results are as follows: Price (PRI) has a p-value = 0.05172 (> 0.05), indicating that its relationship with customers' store choice is not statistically significant; Product quality (PRO) has a p-value = 1.12×10^{-8} (< 0.05), demonstrating a strong and highly significant impact; Promotion/Advertising (PRM) with a p-value = 0.00259 and STF with a p-value = 2.31×10^{-6} are both statistically significant and exert positive effects on customer store choice; In contrast, LOCA has a p-value = 0.3729 (> 0.05), showing no significant statistical effect on the dependent variable.

In summary, the multiple regression results confirm that the overall model is statistically significant and explains a large portion of the variation in customer choice behavior. Among the factors analyzed, product quality, promotional activities, and staff service stand out as significant variables with practical implications for franchise strategies, such as Mixue. On the other hand, price and location were not decisive in the specific context of Hanoi. These findings provide essential evidence for managers to optimize food and beverage (F&B) business strategies in a highly competitive urban market.

3.5. Analysis of the impact of factors on customers' store choice at Mixue

First, regarding price. In practice, Mixue has gained access to a large number of customers primarily due to its affordable pricing, which is relatively lower compared to other established brands in the market. The regression results also show that price has some influence on customer choice. Furthermore, survey question 31, which relates to purchasing decisions based on reasonable price, yielded an average score of 3.8548 across all 310 responses - close to the

"agree" level. However, while price positively influences purchase decisions, the effect is not strong enough to be decisive. This is likely because nearly all Mixue stores set similar listed prices. Thus, although price explains why customers choose Mixue as a brand, it does not significantly determine which specific store they select, especially in areas with a high density of outlets. Therefore, price remains a relevant but insufficient standalone factor in securing customer loyalty.

Second, regarding product quality. This is the most critical factor influencing customer decisions. In Vietnam, the common saying "ngon, bổ, rẻ" ("tasty, nutritious, affordable") highlights how quality and food safety strongly affect consumer psychology. Although 100% of Mixue's ingredients are supplied from a unified source, improper storage, handling errors, or shelf-life issues can create risks for franchise operations, as has occurred in other chains. Franchise stores must focus on training staff and ensuring compliance with food safety standards throughout every production stage. Beyond safety, customers also care about product availability, perceived benefits, and fit with personal preferences. For example, if a store's menu lists a product but it is unavailable, this negatively affects customer perception and may lead them to switch to another store that consistently meets demand.

Third, regarding promotion and brand communication. Marketing and advertising have a significant impact on customer decisions. In today's digital era, most interactions between consumers and businesses occur through online platforms, such as Facebook, Instagram, TikTok, or Zalo, as well as through customer reviews/feedback. Promotional campaigns, discounts, and attractive content on ordering apps also create strong pull factors. For instance, even when base prices are the same, a store offering temporary discounts on certain products (e.g., VND 30,000 reduced to VND 25,000) can quickly draw bulk orders from offices or group events. The author's observations confirm that consumers - particularly students and office workers - tend to capitalize on these promotions when choosing where to order.

Fourth, regarding staff. Employees are indispensable to store operations, and their service quality is crucial. In F&B businesses like Mixue, skilled and professional staff execute technical tasks (such as preparing drinks and handling orders) and act as brand ambassadors, shaping the customer experience and satisfaction. Friendly, efficient service builds trust and encourages repeat visits. Conversely, poor staff attitudes can easily deter customers. In a competitive franchise market, staff quality is often a differentiating factor that enhances the perceived value of a store relative to others.

Finally, regarding the store location. This traditional factor remains relevant for customer accessibility. A well-located Mixue store - on a wide street, near residential or commercial areas, with convenient amenities - provides more than just a beverage; it creates an experiential space. While online delivery has reduced the primacy of location, physical presence still matters for branding and visibility. Stores near universities, offices, or community hubs are more likely to attract walk-in traffic and maintain customer awareness through proximity and direct exposure.

In conclusion, among the five factors, product quality, staff, and promotion exert the most decisive influence on customer decisions. At the same time, location retains a moderate role, and price has a limited impact due to uniformity across outlets. Nevertheless, all five factors collectively shape customer choice, underscoring the need for franchise stores to adopt a balanced strategy that leverages quality, human resources, and digital marketing while ensuring operational consistency.

3.6. Discussion of hypothesis testing results

The results of the multiple regression analysis indicate that the model is statistically significant, with the F-test yielding a p-value of 3.55×10^{-83} (< 0.05). The adjusted R-squared value of 72.12% confirms that the independent variables explain more than 72% of the variance in the dependent variable - customers' intention to choose Mixue stores in Hanoi. Based on the hypothesis testing of regression coefficients, the findings can be discussed as follows:

Hypothesis H1 (Price - PRI): "Price positively impacts the intention to choose

Mixue stores." The regression coefficient was $\beta_1 = 0.0975$ with a p-value of 0.05172 (> 0.05), meaning H1 was not accepted at the 5% significance level. This implies that although customers perceive Mixue's prices as reasonable, price alone is not strong enough to significantly differentiate store choice in areas where all Mixue outlets have similar price levels.

Hypothesis H2 (Product - PRO): "Product quality has a positive impact on the intention to choose Mixue stores." With $\beta_2 = 0.374$ and a p-value of 1.12×10^{-8} (< 0.05), H2 was accepted and demonstrated the most substantial effect in the model. Product quality - including safety, availability, and appeal - is therefore the most decisive factor in attracting and retaining customers.

Hypothesis H3 (Promotion/Media - PRM): "Communication and promotion positively impact the intention to choose Mixue stores." The results show $\beta_3 = 0.145$ and a p-value of 0.00259 (< 0.05), so H3 was accepted. Effective marketing enhances brand recognition and attracts customers, particularly on social media platforms and online ordering applications.

Hypothesis H4 (Staff - STF): "Staff service positively impacts the intention to choose Mixue stores." With $\beta_4 = 0.2468$ and a p-value of 2.31×10^{-6} (< 0.05), H4 was accepted. Staff emerged as the second most influential factor after product quality. Attentive, professional employees act as "brand ambassadors," creating positive customer experiences.

Hypothesis H5 (Location - LOCA): "Store location positively impacts the intention to choose Mixue stores." The coefficient was $\beta_5 = 0.0514$ with a p-value of 0.3729 (> 0.05), meaning H5 was not accepted. This suggests that in the context of the rapid growth of online ordering, physical location is no longer a decisive factor in customers' purchase intentions.

The results confirm that product quality, staff, and communication are the key statistically significant drivers influencing customer choice. In contrast, although still relevant, price and location do not exert a significant effect in this context.

4. Conclusion and managerial implications

The findings of this study demonstrate that the most influential factors shaping customers' intention to choose Mixue stores in Hanoi are product quality, staff service, and communication activities. Nevertheless, all five factors - price, product, promotion, staff, and location - exert varying degrees of influence on customer decision-making. Recognizing even seemingly minor issues, which franchise owners often overlook, is crucial to avoiding difficulties in attracting and retaining customers. Based on these insights, several managerial implications and recommendations are proposed for Mixue franchise operations in Hanoi:

First, product management. Store managers should closely monitor product sales daily and monthly, comparing revenue and unit sales across product categories. This enables better inventory planning, with greater focus on top-selling products. Attention must also be given to the shelf life and storage standards of ingredients and finished goods, including strict labeling, timely disposal, and adherence to hygiene protocols. Training programs should ensure that staff adhere to standardized preparation methods. Periodic and ad-hoc inspections by store owners can reinforce product consistency and customer satisfaction, whether for dine-in or online orders.

Second, communication and marketing. Three aspects are critical: promotional campaigns, internal communication, and word-of-mouth marketing. Franchise owners should design seasonal or event-based promotions that spark customer interest without undermining brand image or profitability. Leveraging young staff as brand promoters, organizing internal contests with rewards for social media engagement, and encouraging employees to share store updates with their networks can amplify brand visibility. Such initiatives strengthen customer interactions, enhance word-of-mouth effects, and attract new customers through peer influence.

Third, staff management. Recruitment and training require particular emphasis. Franchise stores should create a positive environment that fosters skill development and hands-on practice. Regular training and performance evaluation encourage professionalism and

foster a service-oriented culture. Internal competition, when healthy, can motivate employees to excel. At the same time, systematic monitoring, evaluation, and standardization of staff performance should be implemented to ensure consistent service quality across stores.

In summary, focusing on product quality, innovative communication strategies, and professional staff management provides a solid foundation for Mixue franchise stores to strengthen customer loyalty and compete effectively in Hanoi's increasingly competitive food and beverage (F&B) market.

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