

# ***An In-depth Analysis of Role Positioning in Cross-border Marketing and Its Impact on Revenue --Taking the Cross-border Cooperation of Luckin Coffee & Maotai as an Example***

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**Abstract:** The cross-border cooperation between Luckin Coffee and Maotai is a typical case of this strategy. By constructing a theoretical model including cross-border marketing, dynamic capabilities and conditional variables, and adopting the case study method, this study investigates the role of positioning in cross-border marketing and its impact on corporate earnings through business model analysis, consumer behaviour survey and marketing effect evaluation. This paper also provides an in-depth analysis of the role of cross-border marketing in promoting organizational change, product innovation and market expansion. This study concludes that Maotai, as a leader in China's liquor industry, has brought Luckin an increase in brand trust, and Maotai has also realized the win-win effect of expanding its consumer base as a result of Luckin's rejuvenation marketing strategy. Meanwhile, consumer questionnaires showed that consumers were more receptive to the dual-branded co-branded products, which, combined with the accurate market positioning strategies of both parties, resulted in a significant increase in sales. The analysis of the cooperation model between Maotai and Luckin reflects the importance of cross-border cooperation in service innovation and brand building. In addition, by constructing a theoretical model including cross-border marketing, dynamic capabilities and conditional variables, it provides a theoretical basis and practical guidance on how enterprises can improve their earnings through cross-border marketing.

**Keywords:** Cross-border marketing, role positioning, corporate revenue, brand cooperation, market strategy.

## **1. Introduction**

The popularization of the Internet has changed consumers' shopping habits and the way of obtaining information, and enterprises need to constantly innovate marketing strategies to meet market demand. Cross-border marketing realizes the sharing of brands, resources and channels through cooperation between different industries, bringing new growth points for enterprises. The cross-border cooperation between Luckin Coffee and Maotai Wine is one of the typical cases. Maotai (the initiator) brought its brand strength in the traditional Chinese liquor sector, while Luckin Coffee (the invited party) contributed its expertise in the coffee sector. This deep collaboration links the two industries (wine and coffee) to create a unique product that appeals to younger consumers. As a result, the

initiator (Maotai) is expected to enhance its modern brand appeal and increase revenue through diversification. Meanwhile, the invitee (Luckin Coffee) is expected to benefit from the premium association with Maotai, gain market differentiation and increase sales [1]. Due to the increased market penetration and consumer interest in the innovative crossover product, the collaboration generated a tremendous response, with more than 5.42 million cups of Maotai-flavored coffee sold on the day of its launch, generating revenues of more than 100 million RMB. Thus, this collaboration demonstrates how crossover marketing can capitalize on the unique brand strengths of both the initiator and the invitee, and use these combined effects to influence corporate revenues by expanding market reach and stimulating consumer curiosity, which illustrates how complementary brand identities can lead to both immediate sales growth and long-term repositioning of the brand [2].

This study will enrich the theory of cross-border marketing and provide practical guidance for companies. It demonstrates the roles of initiators and invitees in cross-border marketing and their impact on revenue by constructing a theoretical model and combining it with graphical analysis, which helps enterprises optimize resource allocation and enhance market competitiveness.

### **1.1. Independent Variable: Initiators and Invitees of Cross-Border Marketing**

Cross-border marketing refers to a marketing strategy in which different industries and brands cooperate in depth to jointly launch new products or services to meet diversified consumer needs. In this study, the initiators and invitees of cross-border marketing as independent variables are the key factors driving the changes in corporate earnings [3].

### **1.2. Intermediate Variable: Dynamic Capabilities**

Dynamic capability refers to an enterprise's ability to respond to market changes and gain competitive advantages by integrating, constructing and reconfiguring internal and external resources in a rapidly changing market environment. In cross-border marketing, dynamic capability, as a mediating variable, influences the efficiency of resource integration, market response speed and innovation ability of enterprises, which in turn indirectly affects their earnings. In this study, dominance in cross-border marketing serves as a mediating variable that positively contributes to the sales growth and market share of brand association [4].

### **1.3. Conditional Variables**

Considering the differences in resources, brand influence and market position of different enterprises, this study introduces conditional variables to analyze the effects of cross-border marketing more comprehensively. Conditional variables may include enterprise size, brand awareness, market positioning, etc. However, in view of the specificity of the study case, this report will focus on the listing status (listed or unlisted company) as a conditional variable to explore its moderating effect on the effectiveness of cross-border marketing [5].

### **1.4. Dependent Variable: Corporate Revenue**

As the final dependent variable of this study, corporate earnings are an important indicator of the effectiveness of cross-border marketing. As shown in Figure 1, the listing or not of the partner company in cross-border marketing may have an impact on the dominance in the cooperation, which then affects the status of the cooperation between the two parties, and finally produces a differentiated result on the earnings of each company in the cooperation. Therefore, the effect of positioning in cross-border marketing can be visualized by comparing the changes in firms' earnings before and after cross-border marketing.

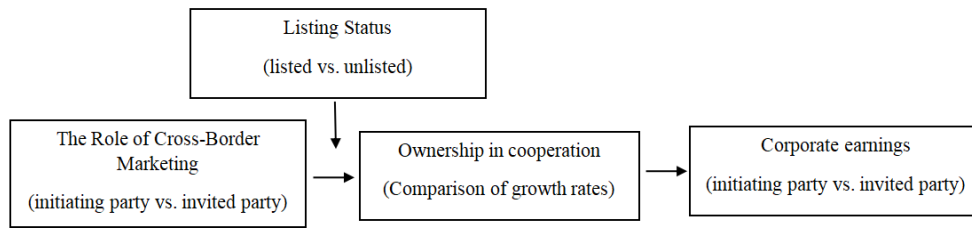


Figure 1: Cross-border marketing effectiveness analysis process

## 2. Research Methodology

### 2.1. Case Study Method

This study adopts case study method, taking the cross-border cooperation between Luckin Coffee and Maotai Wine as a specific case to deeply analyze the role positioning of the active initiator and the passive invited party in the process of cross-border marketing and its impact on the revenue.

### 2.2. Data Sources and Research Methods

Secondary data collection: obtain market performance, financial data and other information before and after the cross-border cooperation between Luckin Coffee and Maotai Wine by reviewing secondary data such as relevant literature, industry reports, company annual reports and news reports.

Market research: Design questionnaires or interview outlines, conduct market research on consumers, and collect first-hand data on the effectiveness of cross-border marketing.

Data analysis: Use data analysis tools, including excel and Tableau, to statistically analyze and compare the collected data to verify the theoretical hypotheses [6].

### 2.3. Hypothesis Construction

H1: In cross-border marketing, compared with the passive invited party, in the process of influencing the effect of cross-border marketing, the initiator can significantly enhance the awareness of the target market, and the enterprise benefit is significantly greater than the invited party.

H2: In cross-border marketing, the active initiator is dominant and dominance plays a key role in influencing the effectiveness of cross-border marketing. The stronger the dominance, the greater the impact on the profitability and effectiveness of the company.

H3: Listing status as a conditional variable has a moderating effect on cross-border marketing effects.

## 3. Case Analysis

### 3.1. Case Background

Luckin Coffee and Maotai Wine cooperated across the border, launching co-branded products such as the “sauce-flavoured latte”, which aroused widespread attention in the market. The two parties have achieved a simultaneous increase in brand exposure, market share and consumer satisfaction through brand lending, resource sharing and channel integration.

## 4. Data and Analysis

### 4.1. Changes in sales volume and market share

The cross-border partnership between Maotai and Luckin Coffee has been a huge success, especially in terms of sales and market share growth. On the first day of the co-branded “Maotai Latte”, Luckin Coffee generated more than 100 million RMB (\$13.7 million) in revenue. The product, which combines the famous Chinese liquor Maotai with coffee, has created a huge buzz on social media and helped both brands expand their reach.

For Luckin Coffee, the partnership significantly boosted market share, further enhancing its position in China's highly competitive coffee market. The fact that Luckin Coffee was able to sell millions of lattes in a matter of hours speaks volumes about the strategic impact of the partnership. The entry-level price of the coffee (19 RMB) is significantly lower than a typical Maotai product and also lowers the barrier for many consumers to try products associated with the premium Maotai brand, further contributing to its success. According to August 2023, Luckin Coffee reported Q2 sales that showed an 88% year-on-year increase in this metric to RMB 6.2 billion (US\$855 million) [7].

### 4.2. Consumer Feedback

In order to understand consumer feedback in more detail, in-depth research can also be conducted by designing market survey questionnaires. For example, it is possible to investigate consumers' attitudes towards the cross-border cooperation between Luckin Coffee and Maotai, their recognition of the co-branded products, as well as their goodwill and loyalty to the brand. A total of 100 responses were collected from this questionnaire, and the data will help to develop the hypotheses and analysis later.

### 4.3. Dynamic Capacity Assessment

In order to empirically analyze the impact of “the sauce-flavored latte” as a cross-border marketing invitee, a regression model can be used to assess the relationship between marketing positioning and the resulting key performance indicators (KPIs) of user growth, loyalty, and brand influence. By using real-world data on marketing investments, expected revenue growth rates, actual revenue growth rates, and revenue growth variances, it is possible to summarize the role that Luckin Coffee played in driving these results. Below is a multiple linear regression model based on a variety of factors that may have an impact on profit; this requires internal data from the company, so it is only a guiding framework discussion and not an actual computational analysis.

#### 4.3.1. Regression Modeling

(1) Dependent variable: user growth, user loyalty, brand influence.

(2) Independent Variables: marketing investment, marketing positioning (which can be categorized as “innovation pioneer”, “unique experience provider” and “market leader”, these can be dummy variables used to test the effectiveness of each positioning), expected revenue growth rate, actual revenue growth rate.

(3) Control Variables: market saturation, competitor activity, economic factors.

Regression modelling:

Multiple linear regression models can be used to estimate the relationship:

$$Y = \beta_0 + \beta_1(\text{marketing investment}) + \beta_2(\text{expected growth}) + \beta_3(\text{actual growth}) + \beta_4(\text{revenue growth differenc} + \sum_{i=5}^n \beta_i(\text{marketing positioning dummy variable}) + \epsilon \quad (1)$$

Where:

- Y is an indication of the outcome variable, such as subscriber growth, loyalty, or brand impact.
- $\beta_0$  is the intercept and  $\beta_1, \beta_2, \dots, \beta_i$  denote the coefficients of the independent variables.
- $\epsilon$  is the error term to account for unobserved factors.

## 5. Hypothesis validation

### 5.1. Data Analysis of the Questionnaire

Starting with the demographic section, the age distribution of the audience tends to be younger, with the majority of respondents aged between 18-24 and 25-34, as shown in Figure 2. This phenomenon highlights a younger target audience, which may be related to the innovative product pairing of wine and coffee in this case, as young people would be more inclined to try this novelty product.

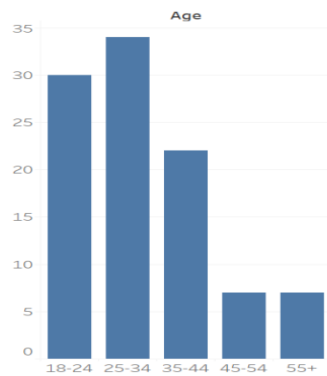


Figure 2: Age distribution

Moreover, in terms of brand loyalty and recognition, for the change of perception of the brand, the young group tends to be positive. According to Figure 3, more people have a favourable perception of Luckin Coffee than of Maotai. Thus, consumers with positive attitudes towards the partnership have improved their impressions of both brands, but still have a higher impression of Luckin Coffee. Meanwhile, in terms of perceived brand benefits, according to Figure 4, it can be seen that there are still more respondents who believe that Luckin Coffee has benefited more from this cooperation, probably because the brand is more attractive to young consumers and the promotion of this product launch was more led by Luckin Coffee.

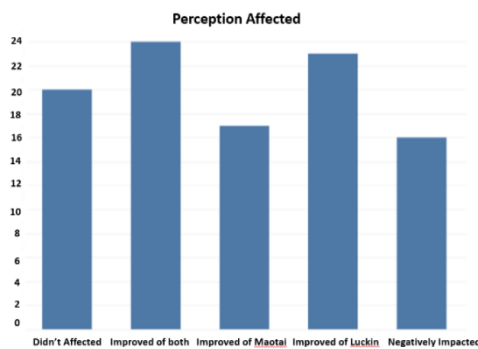


Figure 3: Changes in perception of the brand

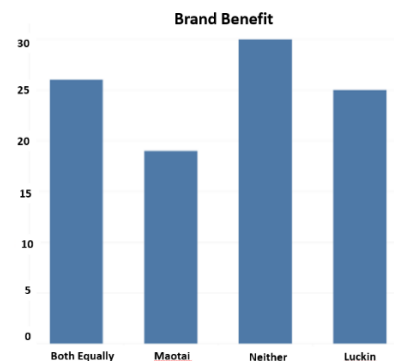


Figure 4: Perceived brand benefits

## 5.2. Results of Hypothesis Verification

By analyzing the data, the following are the results of the validation of the above hypotheses:

H1: Cross-border marketing significantly improves corporate earnings, but in this collaboration, the invited party instead significantly increased its visibility and profitability over the initiating party.

In the cooperation between Luckin Coffee and Maotai, although Luckin Coffee played the role of an invited party, as the main moving party of the campaign, according to the questionnaire data in Figure 3 and Figure 4, its dominant position in the product launch significantly increased the profitability and awareness of the company, which can also be evidenced by the huge sales volume on the day of the launch--5,420,000 cups were sold [8]. Therefore, the dominance of Luckin Coffee in the marketing campaign is more eye-catching than Maotai, especially with its young consumer base, so the H1 hypothesis is not entirely correct, the initiator is not necessarily dominant, and the dominant invitee can also achieve considerable earnings and growth.

H2: Dominance plays a key role in marketing and company profitability.

The dominance factor is crucial in this cross-border marketing. Although Luckin Coffee is not the active initiator, it controls the dominant position, including key aspects such as product distribution, pricing strategy, and digital marketing. Therefore, according to survey data, Luckin Coffee has gained more significant brand benefits, profitability, and support among consumers than Maotai. Luckin Coffee has further strengthened its position through this unique co-branded product, and the marketing execution has helped Luckin Coffee reach more new target consumers [9]. As shown in Figure 2, a large number of younger demographics were attracted, which is the target audience of Luckin Coffee itself.

H3 Partially established: Listing status has some impact on cross-border marketing effectiveness, but is not a decisive factor.

In the case of Luckin Coffee and Maotai, both companies are listed and have significant advantages in terms of access to resources, brand awareness and investor support, which can improve the effectiveness of cross-border marketing. The listing status allows them to utilize more funds for large-scale marketing campaigns and gain better consumer trust due to their established brand reputation [10]. However, while listing status brings these advantages, this is not evident in the data, so listing status only plays a partial role in determining the success or failure of marketing efforts. In this case, the main factors affecting profitability and market share growth are the role of the dominant party and the strength of the marketing strategy, and listing status is only an auxiliary variable, not a determining one.

## 6. Conclusion

This study concludes that cross-border marketing (as exemplified by the partnership between Luckin Coffee and Maotai) is an effective strategy to increase firms' revenues by leveraging complementary brand strengths and innovative marketing approaches. Maotai's premium brand image enhances Luckin Coffee's credibility, while Luckin Coffee's youthful appeal expands Maotai's consumer base, creating a mutually beneficial relationship. Luckin Coffee's dominant position in marketing and distribution played a key role in the success of the partnership, demonstrating that invitees can sometimes exert greater influence than initiators. However, challenges in resource integration and benefit sharing suggest that cross-border collaborations must establish clear agreements and balanced strategies. Ultimately, cross-border marketing offers significant opportunities for market expansion, product innovation and revenue growth, especially when companies optimize their roles and invest in dynamic capabilities to quickly adapt to consumer trends.

To maximize the potential of cross-border marketing, companies should focus on leveraging the strengths of complementary brands to attract new consumer segments, while ensuring that both

parties' roles in the partnership are optimized for maximum impact. Brands must invest in dynamic capabilities to innovate and respond quickly to market trends, which is critical to a successful partnership. In addition, a strong focus on digital marketing and consumer engagement, particularly through social media, will help generate interest and drive sales, especially among the younger demographic. To avoid conflicts, clear agreements on resource integration, benefit sharing and shared responsibility should be reached from the outset. Finally, companies should continue to explore cross-industry collaboration, utilizing data-driven insights to identify potential partners and growth opportunities beyond their core markets.

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