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MINISO's Global Expansion: Organizational Capabilities and Localization Strategies

Qianru Wang

Faculty of Social Sciences, The University of Southampton, Southampton, UK
qw5n25@soton.ac.uk

Abstract. In recent years, an increasing number of Chinese brands have started to go global. However, not all retail enterprises have been successful in going global. As one of the few Chinese retail companies to achieve large-scale overseas profitability, Miniso now has more than 8,000 stores around the world and its global localisation strategy is worth studying. This paper mainly investigates how Miniso has constructed the organisational capabilities for overseas expansion and what localisation adjustments have been made in various countries. A case study method is used, and the main sources are company financial reports and news reports. The findings show that Miniso has employed the following three strategies for overseas expansion by building a Chinese supply chain first. Second, cultivate a talent pool for overseas operations and management. Thirdly, fully utilise the digital system to manage the world's warehouses and inventory in the era of information technology. At the same time, it will also have different products and marketing plans in different areas.

Keywords: Organisational capabilities, globalisation, MINISO

1. Introduction

Chinese brands in all sectors of products, such as electric vehicles and consumer electronics, have attracted the attention of foreign business research through internationalisation. Foreign expansion for retail enterprises is more operationally complex than simple product export because the company needs to change its business model according to different institutional environments, consumer demands and local regulations [1]. Therefore, many retail enterprises have been facing serious adaptation problems since going abroad.

MINISO is an exception to the above empirical problems. In 2015, the company began to go global and has since opened more than 110 retail stores across the world [2]. In the 2025 fiscal year, MINISO's overseas revenue rose by 29.3% year-on-year to 6.86 billion yuan and accounted for 32% of the entire group's revenue, thus increasing at a faster rate than China's growth of 16.8% [2].

This paper mainly aims to explore the organisational capabilities that support the construction and operation of a large-scale global store network by Miniso; investigate how the company maintains its global brand image while implementing localised market adaptation strategies in various foreign countries. Based on the above, this study uses publicly available financial data and other reports.

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2. An overview of MINISO's overseas expansion

MINISO started its go-global plan in late 2015 by opening the first overseas flagship stores in Singapore and Dubai [3]. This listing served as a new starting point for the company, and it was no longer just a domestic Chinese retail chain. Rather than undertaking an extended domestic consolidation, the company sought early access to foreign markets to tap into the global market of value-conscious consumers. By the end of the 2025 financial year, Miniso's world retail network would have reached 8,485 stores in more than 110 countries and regions [2]. Among these networks, 4,902 stores were in mainland China, and Miniso's main brand operated 3,583 stores abroad, showing a net annual increase of 465 overseas stores [2]. During the financial year, more than 70% of the new store openings were in overseas areas, and the company has been expanding abroad [2].

The two operating stages of MINISO's strategic expansion can be divided into those with market-entry methods and objectives. Stage 1: Initial International Expansion and Business-Model Replication (2015-2020): Miniso wishes to enter the market quickly and will replicate the core elements of its domestic value proposition: low-cost product procurement, high-speed inventory turnover and standardised franchise store construction. The company is a typical franchise system that can expand in many areas while keeping the same operating standards [4]. Stage 2: Global Scaling, Local Integration and Dynamic Adaptation (2021-Present): With the increase in network size, MINISO now needs to support many regions simultaneously. The company has increased the scale of direct-store operating models in high-value markets, added localised intellectual property (IP) licensing, and adjusted merchandising mixes according to regional consumer behaviour [3, 5].

3. Organisational capabilities underpinning overseas operations

3.1. Maintained supply chain anchored in mainland China

The supply chain structure of a company's overseas retail operations will affect its competitiveness in those countries. Build a high-responsiveness, low-cost supply system to reduce fluctuations and maintain a good inventory turnover rate.

MINISO's overseas expansion has used the strategy of maintaining the supply chain in mainland China. By building a sourcing network in China's industrial ecosystem, the company has added more than 1,000 direct suppliers and manufacturing clusters [3, 6]. The centralised model can implement MINISO's characteristic "711 philosophy" by releasing seven new product SKUs every seven days from a pool of 10,000 candidate designs [3], and through its IP strategy, rapidly produces co-branded consumer goods at scale within this domestic production ecosystem [5].

The model of the supply chain is high-efficiency and globally flexible. Sourcing from specialised supplier networks in China can reduce the R&D cycle and unit production cost significantly, and shorten the time-to-market compared with decentralised sourcing models [3, 7]. MINISO can offer competitively priced goods in overseas markets and maintain a relatively high gross profit margin to cover shipping and market-entry costs [2, 6]. Competitors with fragmented supply chains have been unable to achieve this density and speed [7].

According to dynamic capabilities theory, MINISO's supply chain can be regarded as an institutionalised ability to integrate resources across borders [4, 8]. MINISO is building a new global retail trend-following supplier network and setting up continuous cross-border functions based on the advantages of regional production [4].

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3.2. Managing global operations through digital systems

Expanding the overseas network to cover many countries has created operational inefficiencies, such as inventory displacement and non-uniform standards. Build a digital system for the retail enterprise to collect real-time data and centralise management. MINISO manages operations across 110+ countries through an integrated ERP system and digital platforms [5, 9]. A centralised IT architecture connects store-level POS terminals directly to headquarters supply chains [9]. This infrastructure shows real-time inventory, sales speed and turnover at various places [7]. Big data analytics will automate replenishment and optimise product display according to consumption trends [5, 9].

This digital ability will help maintain the stability of operations and optimise inventory in a dispersed network. Real-time data integration reduces the risk of stockouts and overstocking in overseas warehouses and lowers holding costs directly [9]. Automation will be introduced to coordinate the performance of all stores and adjust inventory distribution promptly from the head office [7]. Construction of MINISO's digital platform suggests that dynamic capabilities are required for organisational coordination and capability reconfiguration [4]. MINISO's centralised system serves as a digital nerve centre to collect real-time data on changes in the market and promptly adjust operations across overseas subsidiaries [8, 9].

3.3. International talent development mechanisms

The long-term development of a foreign-owned retail system requires a good human-resource system and the ability to train managers who can work well in different countries. Foreign-invested enterprises require personnel who can implement the company's plans and understand the differences in the local market. To support the overseas stores, MINISO has established a talent development system for cultivating international management talents [10, 11]. Organised in-house training, such as a company academy and cross-border rotation programmes, will be used to standardise operating norms [11]. It will also connect experienced head office managers with local teams in key areas to establish a dual-management system of corporate discipline and local implementation [10].

This robust talent development capability enables MINISO to rapidly assemble high-performing management teams in new overseas markets while sustaining organizational cohesion. A standardized leadership pipeline will facilitate the seamless operation of new overseas stores and accelerate their path to profitability [10]. Concurrently, integrating local personnel into regional management structures enhances host-market legitimacy and minimises regulatory friction.

In terms of dynamic capabilities theory, MINISO's talent strategy is required for organisational learning and capability renewal [4, 8]. MINISO's talent development practices promote the continuous sharing of knowledge among the domestic head office and overseas branches, integrate host-country knowledge into corporate culture, and spread core operating standards globally [11].

4. How to approach localisation

4.1. Product adaptation to host markets

Foreign countries have various consumers with different cultures and purchasing power for multi-national retailers. Standardised product portfolios fail to gain market share because they do not meet the demands of local consumers. MINISO has reduced the "liability of foreignness" by adopting a

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product-adaptation model that combines a global brand system with local responsiveness. SKUs, product sizes and IP co-branding are not uniform across the board but are adapted according to the specific conditions in different areas [2, 3]. For example, in the West, localised IP collaborations such as regional pop-culture franchises have been carried out to maintain an affordable-lifestyle image [5, 10]. Thus, it will be more popular and sell faster [6]. In terms of the theory of local responsiveness, a foreign subsidiary will perform better if the product system meets the institutional and market demands of the host country. MINISO is changing the composition of its goods dynamically to create new business opportunities in different parts of the world and maintain the core global brand [4].

4.2. Marketing resonance with local communities

To expand overseas, many foreign brands need to win the hearts of local people through cultural adaptation and emotion. Centralised marketing campaigns are often not culturally appropriate and therefore less effective. MINISO has launched some local marketing initiatives, such as area-specific social media accounts, community activities and culturally adapted IP promotions [3, 5]. In North America and Europe, the company has worked with local influencers to carry out social media marketing and build brand awareness for new stores and flagship stores [6, 10]. Localised participation can increase brand awareness by showing that MINISO is close to the local people and culture in that area, and thus is not viewed as a foreign retailer [7, 11]. Adapt local communication to address consumer skepticism and build relationships with them in the host country, thus strengthening relational assets. Therefore, Marketing localisation is required to promote social integration and help MINISO maintain its global brand power in the development of local markets [8].

4.3. Managing local affairs with local personnel

Due to the complexity of the overseas operating environment, centralised head office management cannot address all the differences in regulations, labour and culture easily. Too many expatriate managers are causing a slow-response system and institutional inertia. MINISO has appointed local management staff and store staff in all overseas branches to address this problem [10, 11]. Employing local managers can help MINISO better understand the host country's labour laws, commercial real estate environment and consumer culture [7]. The local staff have the authority to make prompt, situation-appropriate decisions about daily store operations for the overseas team [2]. Local Responsiveness Theory suggests that the host country's human capital can help foreign subsidiaries reduce institutional distance and adapt to different environments. Connect local managers with a world-class operating model to boost the acceptance of the local population and reduce regulatory risks, thereby supporting the long-term development abroad [4, 8].

5. Challenges encountered

5.1. Financial pressures of high-cost company-owned stores

Multinational retailers have relatively limited funds and rising fixed-operating costs in their overseas expansion via direct investment. Company-owned stores are directly operated by the company but are more susceptible to financial risks in high-cost real estate areas.

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As MINISO expands its main business in first-class shopping areas across the West and North of America, high rent payments, higher staff wages, and store construction costs have all squeezed profit margins [6]. Fluctuations in foot traffic will reduce the profitability of retail stores and extend the payback period; thus, excessive reliance on a capital-intensive direct-store model will create liquidity risks that may restrict future store openings [3]. Although direct ownership increases brand exposure, this model is difficult to maintain unless there is a high-sales-velocity product [7].

5.2. Volatile external macro-environment

Operating in many countries around the world exposes the company to fluctuations in the economy and different regulations. Different environments increase transaction costs and complicate cross-border supply chain logistics. Recently, the overseas development of MINISO has faced an increasing number of external shocks, such as geopolitical tensions, fluctuations in exchange rates, changes in tariffs, and intensified competition from local value retailers [6, 7]. Institutional distance and regulatory compliance are also causes of operational friction and higher administrative costs. The above reasons reduce the stability of operating margins and limit supply chain responsiveness globally [9]. Environmental turbulence reduces a firm's cost advantage under the theory of dynamic capabilities and necessitates changes in asset structure [4, 8].

5.3. Strategic adaptation responses and limitations

Given the systemic capital and environmental risks, the enterprise will need to change its operating model and resource allocation. MINISO has addressed the above problems by adjusting its IP-driven product plan, optimising the franchise-to-direct-store ratio, and upgrading the digital inventory system [5, 9]. Expand high-margin IP collaborations and franchise partnerships in secondary markets to improve unit economics and share capital risks with local partners [3, 10]. Enhanced digital supply chain integration also lowers holding costs and improves demand forecasting [9]. However, the above measures cannot fully address macro-level liabilities such as trade barriers and geopolitical changes [4]. Therefore, the ongoing expansion will need to keep changing with the host country [8, 11].

6. Discussion

This paper collects the ways in which new-era retail multinational enterprises balance global operational alignment and host-country adaptability [4]. By considering MINISO's use of a centralised supply chain, digital systems and talent pools in conjunction with localised products, marketing and staffing, the results extend dynamic capabilities theory [4, 8] and local responsiveness theory. Global efficiency and local responsiveness do not have to be in opposition; rather, dynamic digital and supply chain capabilities can support foreign subsidiaries in restructuring local product portfolios without harming the core brand image [7, 9]. Consequently, this study enriches literature on emerging-market multinational enterprises (EMNEs) by illustrating how firm-specific digital and organisational routines mitigate the liability of foreignness [8].

The results provide some practical references for retail managers and overseas-expanding enterprises. First, a strong digital infrastructure and supply chain integration system need to be built before going abroad; otherwise, centralised operational control will result in inventory inefficiencies in the network of overseas stores [7, 9]. Second, the manager should avoid excessive rigidity in standardisation and grant operational autonomy to the host-country staff to enhance institutional

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legitimacy and responsiveness to local consumer demands [10]. Finally, the retail enterprise should choose between capital-intensive direct store construction and franchise cooperation to limit fixed-cost exposure in high-cost foreign real estate markets [2, 6].

7. Conclusion

Based on the above analysis, the three main conclusions of this paper are presented. First of all, the main reason for MINISO's successful global expansion is a strong domestic supply chain system and the structural manufacturing efficiency of mainland China. In combination with the foundation above, global IP integration can be used to shift from selling low-cost commodities to capturing brand value premiums abroad. Second, organisational capabilities are necessary conditions for internationalisation. Centralised digitalisation supports standardised global operating management and builds a regular talent development system for managers. The above internal structures guarantee continuous operation. Third, effective localisation should include all-encompassing adaptation of the product line, marketing messages and local staff structure, while keeping the core global brand.

MINISO is also relatively financially and environmentally constrained. Pressure on capital expenditure from high-cost company-owned stores in key foreign areas, as well as external competitive and geopolitical risks, have created a vulnerability. The future development of MINISO overseas will depend on whether its dynamic capabilities can adapt to changes in the speed and structure of overseas expansion continuously. This study also has some methodological shortcomings. A single case study design (MINISO) limits generalisability to other retail sectors or emerging-market firms. Based on secondary corporate disclosures, financial reports and industry publications, this study does not include primary interviews with store managers or consumers. Additionally, a cross-sectional design only shows MINISO's strategy at a single time and does not track changes over time. In the future, several representative cases will be selected to collect primary field data and conduct long-term studies of capability changes in multiple large-scale environments.

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