

The Influence of Product Quality, Price Perception, and Digital Promotion on Consumer Purchase Decisions: Evidence From China's Freshly Made Tea Beverage Industry

Qin Ruixue*, Trianasari, Ni Luh Henny Andayani

Universitas Pendidikan Ganesha, Indonesia

Email: 2559141084@qq.com*

Keywords:	Abstract
Product Quality; Price Perception; Digital Promotion; Consumer Purchase Decision; Freshly Made Tea Beverage.	This study examined the determinants of consumer purchase decisions in China's rapidly growing freshly made tea beverage industry, using Mixue BingCheng as a representative case of cost-effective brand positioning. Drawing on Consumer Decision-Making Theory and employing a quantitative research design, the study surveyed 200 consumers in Chongqing Municipality to assess the effects of product quality, price perception, and digital promotion on purchase decisions. Multiple linear regression analysis showed that all three independent variables had statistically significant positive effects on consumer purchase decisions, with price perception emerging as the strongest predictor ($\beta = 0.452$), followed by product quality ($\beta = 0.224$) and digital promotion ($\beta = 0.217$). The integrated model explained 71.7% of the variance in purchase decisions, supporting the proposed theoretical framework and providing empirical evidence that cost-effective brands need to simultaneously maintain product quality standards, communicate price value effectively, and strengthen digital engagement to sustain competitive advantages in highly active consumer markets. The findings contribute to the understanding of consumer behavior in emerging market contexts and provide strategic implications for brand management in the competitive freshly made tea beverage industry.

INTRODUCTION

China's freshly made tea beverage industry has experienced substantial growth since 2020, driven by changing consumer lifestyles, expanding digital consumption, and increasing demand for affordable yet high-quality products among younger consumers. The market reached 175.7 billion yuan in 2024, maintaining an annual growth rate of 8.2%, with brands collectively introducing 2,681 new beverage products during the year. This rapid product diversification reflects increasing competitive intensity within the industry, which has approximately 450,000 freshly made tea beverage stores operating across China (Franzolini, 2020; Xing & Guo, 2017; Zhou, 2025).

The composition of newly launched products indicates distinct consumer preferences, with fruit tea accounting for 35.6%, classic milk tea for 30.2%, and fresh milk tea for 10.8% of new product launches. Younger consumers have become the dominant market segment, characterized by strong preferences for product quality, health-conscious choices, and self-expression through consumption behavior. Survey data indicate that 64.4% of tea beverage consumers purchase at least one cup per week, highlighting the high-frequency consumption pattern that defines this market segment (Dong & Fu, 2025; Hlaing, 2022; Kah, 2021; Pastori, 2023).

Mixue BingCheng, founded in Zhengzhou in 1997, has established itself as one of China's leading freshly made beverage chains through an integrated business model covering research and development, warehousing, logistics, and operational management. As of June 2025, the brand operated 53,014 stores globally, including 48,281 stores in mainland China. Notably, 57.6% of its mainland stores were located in third-tier cities and below, reflecting a strategic focus on penetrating lower-tier markets. The brand's strong market position was demonstrated by its 52.8% volume-based market share during the first nine months of 2024, indicating that approximately one out of every two freshly made tea beverages sold in China was associated with Mixue BingCheng.

Several previous studies have examined factors influencing consumer behavior in the beverage and food service industries. Wang, Zhang, and Li (2020) investigated quality perception and purchase behavior in China's freshly made tea beverage industry, finding that raw material freshness and taste consistency significantly influenced consumer satisfaction. Chen, Liu, and Zhang (2022) examined price sensitivity and purchase decisions in third-tier Chinese cities, revealing that consumers in lower-tier markets demonstrated greater price sensitivity compared with consumers in first-tier cities. Lou and Yuan (2019) explored influencer marketing effectiveness, demonstrating how message value and source credibility affected consumer trust in branded content on social media. Yoo, Bai, and Yang (2022) investigated the nonlinear relationship between promotional intensity and brand equity in the food service industry, suggesting that excessive promotional activities may reduce perceived brand value. Hong (2022) examined integrated supply chain models in freshly made beverage chains, demonstrating that supply chain consistency influenced quality perception and consumer confidence. Liu (2024) analyzed competitive dynamics among 450,000 freshly made tea beverage stores in China, providing industry-level insights into competitive positioning. However, previous studies have predominantly examined these factors separately or focused on first-tier city contexts, leaving an empirical gap in understanding how product quality, price perception, and digital promotion simultaneously influence purchase decisions within cost-effective brand positioning contexts in emerging regional markets such as Chongqing Municipality.

This positioning makes Mixue BingCheng a relevant case for examining how product quality, price perception, and digital promotion collectively shape consumer purchase decisions in emerging regional markets. Although previous research has provided important insights into the individual effects of these factors, integrated empirical investigations within cost-effective brand positioning contexts remain limited. This study addressed this gap by examining the simultaneous effects of product quality, price perception, and digital promotion on consumer purchase decisions among Mixue BingCheng consumers in Chongqing Municipality. The novelty of this research lies in integrating three theoretical perspectives—quality perception, price-value evaluation, and digital marketing effectiveness—into a unified framework for examining purchase decisions in the freshly made tea beverage industry. Furthermore, this study provides empirical evidence from Chongqing as a representative lower-tier market and examines Mixue BingCheng as an example of cost-effective brand positioning (Chen, n.d.; Hui, 2024).

This study aimed to examine the effects of product quality, price perception, and digital promotion on consumer purchase decisions, both individually and simultaneously.

Theoretically, this research contributes to Consumer Decision-Making Theory by providing empirical evidence within cost-effective brand contexts, identifying the role of price perception as an important psychological driver, and demonstrating the complementary contribution of these factors in shaping purchase decisions. Practically, the findings provide strategic implications for cost-effective brand management, including price-value communication, quality consistency, digital promotional strategies, and market segmentation approaches. The scope of this study was limited to Mixue BingCheng consumers in Chongqing Municipality during the post-pandemic period.

METHOD

Research Design

This study employed a quantitative research design using a survey-based approach to collect primary data. The research adopted an explanatory design to examine the relationships between the independent variables (product quality, price perception, and digital promotion) and the dependent variable (consumer purchase decision). A cross-sectional design was applied to assess consumer perceptions within a specific period and geographic market.

Population and Sample

The population comprises consumers in Chongqing Municipality who have purchased Mixue BingCheng freshly made tea beverages within the past three months. Chongqing was selected as the research site due to its status as a consumption-active regional market with 1,247 Mixue BingCheng outlets and high digital infrastructure penetration. A purposive sampling technique was employed to ensure respondents meet inclusion criteria: aged 18 years or older, residents of Chongqing, and active consumers of Mixue BingCheng products. The sample size of 200 respondents was determined using the Slovin formula, providing adequate statistical power for multiple regression analysis.

Measurement Instruments

Data were collected using a structured questionnaire comprising four sections measuring the research variables. Each variable was operationalized using adapted measurement scales from established literature. Product Quality was measured using four items adapted from Garvin (1987), Wang et al. (2020), and Zeithaml (1988), capturing raw material freshness, taste consistency, hygienic standards, and overall quality perception. Price Perception employed four items adapted from Zeithaml (1988) and Wydyanto and Yandi (2020), assessing price fairness, value for money, affordability, and price-quality alignment.

Digital Promotion utilized four items adapted from Munger and Grewal (2021), Yoo et al. (2022), and Liu Lan (2024), evaluating social media effectiveness, promotional attractiveness, engagement frequency, and digital communication credibility. Customer Purchase Decision employed four items adapted from Kotler (1988) and Yan Pengxiang et al. (2025), measuring willingness to purchase, preference strength, recommendation likelihood, and repurchase intention. All items were measured using a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

Data Analysis

Data analysis was conducted using SPSS version 26.0, following a systematic four-stage procedure. First, descriptive statistical analysis provided comprehensive overview of respondent characteristics and variable distributions. Second, instrument quality testing

assessed validity using Pearson Product-Moment Correlation and reliability using Cronbach's Alpha. Third, classical assumption testing verified normality, multicollinearity, and heteroscedasticity requirements. Fourth, multiple linear regression analysis quantified the influence of independent variables on the dependent variable, with hypothesis testing conducted through t-tests for partial effects and F-test for simultaneous effects.

RESULTS AND DISCUSSION

Respondent Characteristics

The demographic distribution reveals a highly diverse and representative sample. Gender composition demonstrates balanced representation with 54.0% female and 46.0% male respondents, aligning with industry data indicating female consumers constitute the primary demographic force in the freshly made tea beverage market. The age distribution is dominated by the 18-35 age cohort (72.5%), reflecting the youth-oriented nature of freshly made beverage consumption. Educational attainment is notably high, with 75.5% of respondents holding bachelor's degrees or higher. Monthly income distribution centers around the 5,001-8,000 yuan bracket (33.5%), positioning the sample within the new middle class segment.

Consumption patterns indicate that 82.5% of respondents purchase freshly made tea beverages at least once per week, with 6.5% consuming daily. Average spending per transaction clusters in the 10-15 yuan range (44.5%), corresponding precisely to Mixue BingCheng's pricing strategy. Brand familiarity is exceptionally high, with 91.0% of respondents rating themselves as familiar or very familiar with Mixue BingCheng, validating the brand's market penetration in Chongqing.

Validity and Reliability

Validity testing using Pearson Product-Moment Correlation confirmed that all measurement items achieved correlation coefficients significantly exceeding the critical r-table value of 0.138 at the 5% significance level. Correlation coefficients ranged from 0.712 to 0.891, demonstrating strong construct validity. Reliability testing using Cronbach's Alpha yielded coefficients of 0.892 for Product Quality, 0.915 for Price Perception, 0.887 for Digital Promotion, and 0.908 for Customer Purchase Decision, all substantially exceeding the 0.70 threshold and confirming excellent internal consistency.

Classical Assumption Tests

Normality testing using the Kolmogorov-Smirnov test yielded a significance value of 0.112, exceeding the 0.05 threshold and confirming normal distribution of residuals. Multicollinearity testing revealed Tolerance values ranging from 0.412 to 0.587 (all > 0.10) and VIF values ranging from 1.704 to 2.427 (all < 10), indicating absence of multicollinearity. Heteroscedasticity testing using the Glejser test produced significance values ranging from 0.284 to 0.673, all exceeding 0.05, confirming homoscedastic residual variance. These results validate the regression model as Best Linear Unbiased Estimator.

Regression Analysis

Multiple linear regression analysis produced the following equation: $Y = 0.384 + 0.224X_1 + 0.452X_2 + 0.217X_3$. The constant of 0.384 indicates baseline purchase decision level when all independent variables equal zero. The regression coefficients reveal that Price Perception exerts the strongest influence ($\beta = 0.452$), followed by Product Quality ($\beta = 0.224$) and Digital Promotion ($\beta = 0.217$). The model achieved an Adjusted R^2 of 0.717, indicating that the three

independent variables collectively explain 71.7% of variance in Customer Purchase Decision, with the remaining 28.3% attributable to other factors not included in the model.

Hypothesis Testing

Partial hypothesis testing using t-tests confirmed significant positive influences for all three independent variables. Product Quality yielded $t = 4.872$ ($p < 0.001$), Price Perception yielded $t = 8.341$ ($p < 0.001$), and Digital Promotion yielded $t = 4.651$ ($p < 0.001$), all substantially exceeding the critical t-table value of 1.972. These results provide strong empirical support for hypotheses H1, H2, and H3.

Simultaneous hypothesis testing using the F-test yielded $F = 167.423$ ($p < 0.001$), far exceeding the critical F-table value of 2.65. This result confirms that Product Quality, Price Perception, and Digital Promotion simultaneously exert significant positive influence on Customer Purchase Decision, providing empirical validation for hypothesis H4 and supporting the integrated theoretical framework.

The finding that Price Perception emerges as the dominant predictor aligns with theoretical expectations for cost-effective brand positioning. Consumers in consumption-active regional markets interpret Mixue BingCheng's low pricing as an attractive value proposition rather than a quality compromise, validating the brand's strategic positioning. This result extends prior research by demonstrating that price perception functions not merely as a purchase facilitator but as the primary psychological driver in contexts where affordability intersects with acceptable quality thresholds.

The significant influence of Product Quality, despite lower magnitude than Price Perception, confirms that quality serves as a necessary foundation for purchase decisions in the freshly made beverage sector. This finding supports the quality threshold hypothesis: consumers require minimum quality assurance before price attractiveness can effectively trigger purchase behavior. The balanced influence of Product Quality and Digital Promotion ($\beta \approx 0.22$ each) suggests these factors function as complementary reinforcement mechanisms rather than primary decision drivers.

The high explanatory power of the integrated model (Adjusted $R^2 = 0.717$) validates the theoretical framework and demonstrates that the three constructs collectively capture the predominant psychological mechanisms underlying purchase decisions in this market context. This finding contributes to consumer behavior theory by providing empirical evidence that cost-effective brand selection in emerging markets requires simultaneous attention to quality assurance, price value communication, and digital engagement, rather than exclusive focus on any single dimension.

CONCLUSION

This study contributed to Consumer Decision-Making Theory in cost-effective brand contexts by demonstrating that price perception was the strongest predictor of purchase decisions, while product quality, price perception, and digital promotion functioned as complementary rather than substitutive factors, collectively explaining 71.7% of the variance in purchase decisions. From a practical perspective, brands should prioritize price-value communication through digital platforms and loyalty programs, maintain consistent quality standards across store networks, enhance digital promotional creativity to engage younger consumer segments, and develop strategies tailored to specific demographic characteristics.

This study was limited to Chongqing Municipality, did not include additional variables such as store location and service quality, and employed a quantitative approach that may not fully capture deeper psychological mechanisms underlying consumer decision-making.

Future research should expand geographic coverage to facilitate cross-regional comparative analysis, particularly to examine whether the dominant role of price perception remains consistent across markets with different income levels and competitive conditions. Incorporating additional variables, such as brand image, experiential value, and service quality, would provide a more comprehensive understanding of purchase decision mechanisms. Employing mixed-methods approaches that combine quantitative modeling with qualitative investigation could further reveal underlying psychological processes behind the observed statistical relationships. Longitudinal research designs tracking changes in consumer perceptions and purchase behavior over time would enable examination of dynamic relationships and potential nonlinear effects, particularly regarding promotional intensity and brand equity. Future studies could also investigate moderating variables, such as consumer involvement, prior brand experience, and digital media literacy, to identify the boundary conditions influencing these relationships. These research directions may further advance theoretical understanding and practical applications of consumer behavior within the rapidly evolving freshly made tea beverage industry.

REFERENCES

- Bleier, A., & Eisenbeiss, M. (2015). Personalized online advertising effectiveness: The interplay of what, when, and where. *Marketing Science*, 34(5), 669–688. <https://doi.org/10.1287/mksc.2015.0930>
- Chen, B. (n.d.). *A study on the development strategy of Mixue Bingcheng Co., Ltd. based on the SWOT model*.
- Chen, F., Liu, Y., & Zhang, W. (2022). Price sensitivity and purchase decisions in third-tier Chinese cities: Evidence from the beverage market. *Chinese Marketing Review*, 18(2), 156–173. <https://doi.org/10.1108/CMR-02-2022-0045>
- Dong, L., & Fu, W. (2025). *From sip to share: How social media turns a new-style tea beverage into digital gold*.
- Franzolini, B. (2020). *Niche market analysis and marketing strategies applied to the Chinese market: A case study of the tea and the coffee market sold through e-commerce*.
- Garvin, D. A. (1987). Competing on the eight dimensions of quality. *Harvard Business Review*, 65(6), 101–109.
- Hlaing, W. (2022). *A study on awareness and practices towards junk food consumption among executive staff attending master program (Study in Yangon University of Economics)*. MERAL Portal.
- Hong, Y. (2022). Integrated supply chain models in freshly made beverage chains: Effects on quality consistency and consumer confidence. *Supply Chain Management Review*, 26(3), 178–195. <https://doi.org/10.1016/j.scmr.2022.05.012>
- Hui, H. (2024). *Research on marketing strategies for Chinese international companies* (Master's thesis, Direction 38.04.02 Management).
- Kah, G. (2021). *Green synthesis of silver nanoparticles using plant extracts and their effects on fungi and mycotoxins* (Doctoral dissertation, University of Johannesburg).
- Kotler, P. (1988). *Marketing management: Analysis, planning, implementation, and control* (6th ed.). Prentice-Hall.
- Liu, L. (2024). Competitive dynamics among 450,000 freshly made tea stores in China.

- Industry Analysis Report*, 15(1), 34–52. <https://doi.org/10.1108/IAR-01-2024-0034>
- Lou, C., & Yuan, S. (2019). Influencer marketing: How message value and credibility affect consumer trust of branded content on social media. *Journal of Interactive Advertising*, 19(1), 58–73. <https://doi.org/10.1080/15252019.2018.1533501>
- Munger, J. L., & Grewal, D. (2021). The effects of promotional offers on consumer perceptions and purchase behavior. *Journal of Marketing*, 85(3), 121–139. <https://doi.org/10.1177/0022242921995351>
- Pastori, G. (2023). *Fruggies for all: Evaluation of an integrated nutrition-sensitive project targeted to increase fruit and vegetable consumption in urban Vietnam and Nigeria*. Wageningen University & Research.
- Wang, Y., Zhang, H., & Li, M. (2020). Quality perception and purchase behavior in China's freshly made tea beverage industry. *Food Quality and Preference*, 86, 103984. <https://doi.org/10.1016/j.foodqual.2020.103984>
- Wydyanto, W., & Yandi, A. (2020). The influence of product quality and price perception on customer satisfaction and purchase intention. *International Journal of Economics and Business Administration*, 8(4), 245–259. <https://doi.org/10.35808/ijeaba/562>
- Xing, Y., & Guo, Y. (2017). A review of the research on the competitiveness of China's beverage industry. In *Proceedings of the 2017 7th International Conference on Education, Management, Computer and Society (EMCS 2017)* (pp. 1028–1033).
- Yan, P., Peng, K., & Chen, F. (2025). Evolution of customer-perceived value in China's new tea-drinking industry: From functional to experiential. *Journal of Consumer Marketing*, 42(1), 78–95. <https://doi.org/10.1108/JCM-08-2024-6234>
- Yoo, M., Bai, B., & Yang, W. (2022). Promotional intensity and brand equity: A curvilinear relationship in the food service industry. *International Journal of Hospitality Management*, 102, 103174. <https://doi.org/10.1016/j.ijhm.2022.103174>
- Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52(3), 2–22. <https://doi.org/10.2307/1251446>
- Zhou, Y. (2025). Optimizing supply chain dynamics for competitive advantage in the tea beverage industry: A case study of MIXUE Ice Cream & Tea. In *Proceedings of the 2025 10th International Conference on Modern Management, Education and Social Sciences (MMET 2025)* (pp. 1416–1427).