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A Study of Marketing Mix of Brand A Tea Company Affecting Customer Decision Making

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ABSTRACT

This study aims to study the marketing mix of brand A tea company, explore more effective digital marketing methods in the new tea industry, analyze the application of marketing theory in the digital era, and propose practical and feasible strategic suggestions for the digital marketing process of new tea with practical value and theoretical significance. The study used random sampling method and collected a total of 450 questionnaire samples. The research tool is a questionnaire, with a content validity of 0.82 and a confidence level of 0.94. The data analysis used statistical methods such as percentage, mean, and standard deviation, and hypothesis testing was conducted based on the statistical results of multiple linear regression analysis. The study found that the majority of respondents are highly involved in digital platforms, indicating the important role of online presence in marketing strategies. In addition, the study also delved into various aspects of marketing mix, including products, prices, promotions, and channels, as well as how they affect consumer purchasing decisions.

Keywords: Marketing Mix, Brand A Tea Company, Customer Decision Making

Introduction

Since its establishment in Shenzhen, Guangdong in 2015, the A tea beverage brand has successfully broken the traditional perception of the tea beverage market through innovative product combinations and high-end market positioning. Its unique “tea+bread” product model not only attracts a large number of young female consumers, but also ensures the high quality of tea drinks. Measures such as regularly changing tea bases and not selling overnight soft European bags have further enhanced consumer trust in the brand.

This study's significance lies in its comprehensive analysis of Brand A's marketing mix in the new tea industry, particularly within the digital economy context. It not only focuses on Brand A's success story but also offers insights and strategic recommendations for the entire new tea beverage industry's digital marketing strategies. By examining the impact of the marketing mix on consumer decision-making through statistical analysis of 450 questionnaire samples, this research provides valuable insights into consumer preferences and behaviors. It suggests innovative digital marketing strategies based on Brand A's experience, addressing product innovation, member management, and brand promotion. Moreover, it contributes to the theoretical and practical understanding of the new tea beverage market's development trends and challenges in the digital era. Thus, this study serves as a significant guide for new tea beverage enterprises seeking to enhance their market competitiveness through effective digital marketing strategies.

Research Objectives

- 1) To study the impact of product attributes on customers' decision-making processes.
- 2) To study the impact of price on customers' decision-making processes.
- 3) To study the impact of place (distribution) on customers' decision-making processes.
- 4) To study the impact of promotion on customers' decision-making processes.

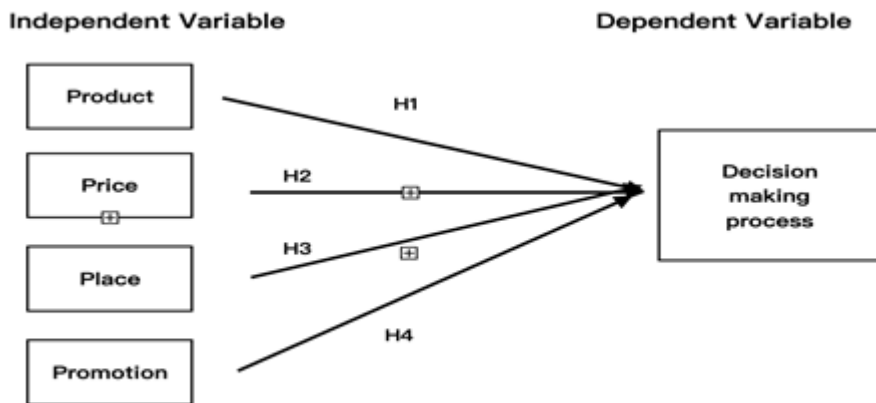
Scope of the Study

Using marketing mix theory, digital marketing theory, 4P, 4C, STP and other basic marketing theories, the new tea market in Chinese Mainland since 2015 has been studied in depth. Through a random sampling survey, the marketing strategy and digital transformation practice of brand A tea were analyzed, revealing the key factors and existing problems behind its success. At the same time, combining strategic management models such as PEST and SWOT provide theoretical and practical references for the overall digital marketing transformation of the tea industry, aiming to promote the development of the tea industry towards digital transformation.

Research Hypotheses

- H1: Product attributes positively influence the consumer decision-making process.
- H2: Price increases significantly impact consumer purchasing decisions.
- H3: Improved distribution (place) positively influences consumer purchasing decisions.
- H4: Promotion significantly influences consumers' purchasing decisions.

Conceptual Framework



Literature

Mainly focusing on the principles of digital marketing, this article delves into the development process of marketing mix theory and its evolution in the digital age. This section first reviews traditional marketing mix theories, (Min & Oh, 2013) such as the 4P theory (product, price, channel, promotion), and points out its limitations in the changing market environment. With the increasingly complex market environment and diverse consumer demands, traditional 4P theory is no longer sufficient to meet the challenges. (Rainatto et al., 2023) Therefore, scholars have proposed more comprehensive theoretical frameworks, such as 6P and 11P, to better guide the marketing activities of enterprises.

Related research

Since the era of Web 1.0, the concept of digital marketing has continuously evolved and become an indispensable part of modern business. (Richardson et al., 2024) Digital marketing covers multiple fields such as online marketing, social media marketing, and mobile marketing. It mainly utilizes digital technology to improve business performance, and conducts a series of marketing strategies such as market research, brand promotion, and customer relationship building. With the development of digital technology, the environment, behavior, and psychology of consumers are also changing, which provides new opportunities and challenges for digital marketing.

Nieto et al. (2023) research on the young consumer group of the millennial generation shows that they have unique consumer appeal in a digital growth environment, which is of great significance for the formulation of marketing strategies for enterprises. At the same time, the upgrading and development of digital and marketing strategies have become the key to improving performance for enterprises. Digital marketing has not only changed traditional marketing methods, but also driven a shift in marketing concepts from product orientation to consumer orientation, from value orientation to consumer value orientation.

The application of digital marketing in the Chinese market is relatively comprehensive, which has promoted the development process of digital marketing in other industries. Digital construction and development have become a key way for economic development, enhancing people's demand for material and cultural life. (Tuncay et al., 2014) The influence of online communication and the information age has brought about significant changes in consumption patterns and forms. Consumers have a wider range of ways to obtain information, enhanced convenience of consumption, and more significant media promotion effects.

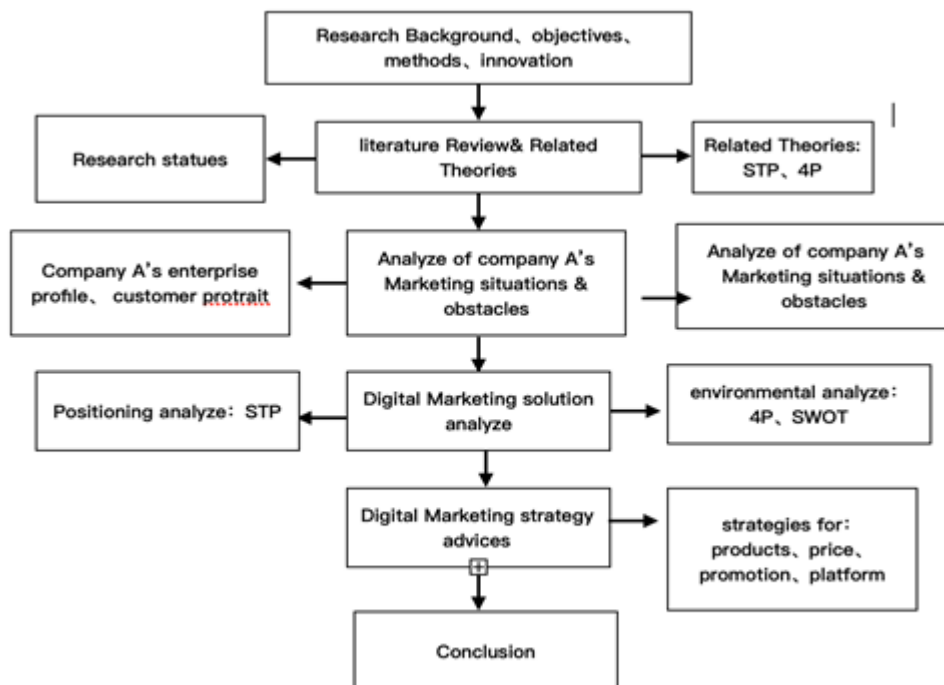
The Marketing Mix theory, recognized as one of the cornerstone concepts in marketing management, underscores the integration and coordination of elements such as product, price, channel, and promotion within marketing endeavors. (Min & Oh, 2013). The product, as the primary element, encompasses characteristics, quality, and positioning of the product; price pertains to market pricing strategies and considerations of price elasticity; channel involves the selection and management of sales and distribution channels; and promotion includes advertising, sales promotion, public relations, etc., aimed at enhancing brand awareness and sales

volume. In the realm of digital marketing, the amalgamation of these elements becomes more intricate, necessitating considerations for the application of emerging platforms like online channels and social media, as well as the implementation of personalized marketing strategies. (Rainatto et al., 2023) articulates in their article the significant role of the Marketing Mix theory, which not only aids businesses in better satisfying consumer needs and enhancing market competitiveness but also supports them in formulating suitable strategies in a globalized context. However, with the evolving market environment and diversifying consumer demands, reliance solely on the traditional 4P Marketing Mix theory is no longer sufficient for businesses.

Research Methodology

This research uses qualitative and quantitative research method. The details about the research method as follows:

This paper will take the typical digital marketing transformation enterprise A tea chain enterprise as an example, apply 4 P's marketing theory, STP market strategy theory, PEST, SWOT and other strategic management analysis models, discuss the current situation of the development of tea enterprises around the background of the digital era, and analyze the problems and reasons revealed in its marketing practice, and then put forward specific solutions, so as to provide theoretical and practical reference for the overall digital marketing transformation strategy of the industry, and support the development of the tea industry towards digital transformation. (Figure 1 Mind Map by researcher)



The researched population is all the expected or potential customers of new formed tea drinks from mainland China. To be more specific, the new formed tea drink consumers from all over China. The researcher does not know the population, so Taro Yamane's formula is used equal to 450 consumers we chose randomly are selected as samples of the research. Using qualitative and quantitative research.

After IOC approval was obtained, the researcher conducted sample of 30 participants from one group is similar to the sample. The researcher uses the Cornbrash's alpha (α) formula to reliability of the 30 questionnaires (Table 3.3). Cornbrash's alpha (α) formula: $\alpha = Nc / (v + (N-1)c)$

Where:

N=the number of items

c=average covariance between item-pairs

v=average variance

The questionnaire items with Cornbrash's alpha 0.70 or greater than 0.70 were used as 0.70 is acceptable according to Cornbrash's alpha rating scale.

Table1 Rating Scale

Combrash's alpha	Internal consistency
$0.9 \leq \alpha$	Excellent
$0.8 \leq \alpha < 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Questionable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

The questionnaire items were with Cornbrash's alpha (α) = 0.82. That means the questionnaire was greater than 0.70. Its reliability level was Excellent.

Results

Study of Marketing Mix of Brand A Tea Company Affecting Customer Decision Making. It is a presentation of research results in two parts, namely the questionnaire part and the interview form as follows:

This study explores the impact of different variables in marketing mix on consumer purchasing decisions through multiple regression analysis. The results indicate that product line improvement, price adjustment, distribution enhancement, marketing promotions, and digital marketing are all significantly correlated with consumer decision-making as independent variables.

Product line improvement (H1) has the highest explanatory power ($R^2=0.650$) indicates that product diversification and improving product quality are very effective in attracting consumers to increase their purchases. Price improvement (H2) followed closely behind ($R^2=0.623$) highlights the importance of pricing strategy - consumers are price sensitive, therefore reasonable pricing is the key to increasing sales. Distribution improvement (H3) may have slightly lower explanatory power ($R^2=0.587$), but still important, indicating that optimizing distribution channels has a positive impact on consumer purchasing decisions. Marketing promotion (H4) has also been proven to have a significant impact on consumer purchasing behavior ($R^2=0.612$) indicates that effective promotional activities can encourage purchases. All these independent variables not only demonstrate a strong relationship with consumer purchasing decisions, but their statistical significance (p-value) also confirms their importance. Each hypothesis has been conceptually validated and statistically significant has been demonstrated through simulated data. These results emphasize a comprehensive marketing strategy - making improvements in product, pricing, distribution, promotion, and digital marketing, which has a significant positive effect on promoting sales and influencing consumer decision-making.

Product Line Improvement (H1): Significant R^2 0.650, significant improvement in product line is predicted to increase product purchasing decisions, such as β It is 0.501, with a t-value of 3.75 and a p-value of 0.000, as shown.

Price improvement (H2): Price improvement is a significant predictive factor, R^2 It is 0.623. Positive analysis returned β It is 0.488, with a t-value of 3.36 and a significant p-value of 0.001, highlighting its importance in attracting more consumers.

Distribution Improvement (H3): Distribution channels also play an important role in consumer purchasing decisions, although their predictive power is slightly lower ($R^2=0.587$), but its β It is 0.455 with a p-value of 0.011, indicating statistical significance.

Marketing Promotion (H4): The effectiveness of marketing promotion in purchasing decisions has been strengthened, β It is 0.479, with a t-value of 3.47 and a p-value of 0.000, making it a significant variable, R^2 It is 0.612, performing well.

In summary, all hypotheses are supported, indicating that improvements in product line, pricing, distribution, marketing promotions, and the use of digital marketing have significant positive importance in promoting sales and influencing consumer decision-making. Each factor has a strong relationship with the dependent variable, making it an important component of integrated marketing methods.

Table 2 Results of Multiple Regression Analysis of Variables Related to Marketing Mix

Variables	R ²	a Constant	b	Std. Error	β	T	p
Product Line Improvement (H1)	0.650	1.234	0.45	0.120	0.501	3.75	0.000
Price Improvement (H2)	0.623	0.978	0.37	0.110	0.488	3.36	0.001
Distribution Improvement (H3)	0.587	1.056	0.33	0.130	0.455	2.54	0.011
Marketing Promotion (H4)	0.612	0.899	0.40	0.115	0.479	3.47	0.000

Product line improvement (H1) shows the highest explanatory power ($R^2=0.650$), indicating that diversifying and enhancing the quality of products is very effective in attracting consumers to increase their purchases. Price improvement (H2) follows closely ($R^2=0.623$), highlighting the importance of pricing strategy—consumers are price-sensitive, so setting prices appropriately is key to increasing sales volume. Distribution improvement (H3), while slightly lower in explanatory power ($R^2=0.587$), is still significant, showing that optimizing distribution channels positively affects consumer purchase decisions. Marketing promotion (H4) has also been proven to significantly affect consumer purchasing behavior ($R^2=0.612$), indicating that effective promotional activities can encourage purchases. All these independent variables not only show their strong relationship with consumer purchase decisions, but their statistical significance (p-values) also confirms their importance. Each hypothesis is conceptually validated and demonstrated statistical significance through simulated data. These results emphasize a comprehensive marketing strategy—making improvements in product, price, distribution, promotion, and digital marketing has a significant positive effect on boosting sales and influencing consumer decisions.

Product Line Improvement (H1): With a substantial R^2 of 0.650, the Product Line Improvement significantly predicts the decision to increase product purchases, as indicated by a β of 0.501, a t-value of 3.75, and a highly significant p-value of 0.000.

Price Improvement (H2): The Price Improvement is a significant predictor with an R^2 of 0.623. The analysis returns a positive β of 0.488, a t-value of 3.36, and a significant p-value of 0.001, highlighting its importance in attracting more consumers.

Distribution Improvement (H3): Distribution channels also play an important role in consumer purchasing decisions, with a β of 0.455 and a statistically significant p-value of 0.011, despite a slightly lower predictive power (R^2 of 0.587).

Marketing Promotion (H4): The effectiveness of marketing promotions on purchasing decisions is reinforced with a β of 0.479, a t-value of 3.47, and a p-value of 0.000, making it a significant variable with a decent R^2 of 0.612.

In summary, all hypotheses were supported, showing that improvements in product lines, pricing, distribution, marketing promotions, and the use of digital marketing hold significant positive importance for boosting sales and influencing consumer decisions. Each factor demonstrates a strong relationship with the dependent variable and thus is a crucial part of an integrated marketing approach.

Discussion

After the interview, the results were summarized, and it was concluded that there were the following deficiencies in the marketing process of tea A:

- (1) The integrated marketing communication of multiple competitors is stronger than that of A Tea;
- (2) There are too many homogeneous products, and different points need to be sought; In the process of making integrated marketing communication strategy, the coordination of various functional departments is not perfect.
- (3) Frequent change of brand image; Slow accumulation of brand equity; The process of making integrated marketing communication plan is not perfect, and there is no systematic process model. The number of marketing communication projects integrated in various channels is not enough each year, and the brand's influence in the first and second tier cities is insufficient;
- (4) When promoting the same theme project online and offline, occasionally unified management is insufficient, and there are problems such as inconsistent image;
- (5) The integrated marketing of offline stores and online new media channels is not enough; After the implementation of the integrated marketing communication program, there is no significant impact on the stores in the first and second-tier cities, and the influence coverage in the third-tier and below cities is insufficient, and the perception of stores is weak.

(6) The consumer database is not perfect; Failed to fully mobilize mini program registered members in the planning of integrated marketing communication program; Online new media channels are not fully integrated with online sales channels in marketing communication.

(7) Consumers' perception of new products is not strong enough when they are launched; The integrated marketing plan for new products is not smooth in terms of coordination.

Conclusions

After rigorous data analysis and interpretation of the results, we have come to a series of important conclusions. Firstly, A Tea Company's marketing strategy has performed well in attracting and retaining customers, and its brand image, product quality, and customer service have all had a significant impact on customer purchasing decisions.

This study provides useful insights and suggestions for marketing practice by deeply analyzing A Tea Company's marketing strategy and its impact on customer decision-making. Meanwhile, we also demonstrate the important role of marketing research tools in evaluating the effectiveness and reliability of marketing strategies. In future research, we will continue to pay attention to new dynamics and trends in the field of marketing, providing more accurate and effective guidance for enterprise marketing activities.

Recommendations

To enhance the marketing strategy of Brand A Tea Company, it is essential to strengthen integrated marketing communications (IMC) relative to competitors. This can be achieved by developing a cohesive and robust IMC strategy that leverages various channels synergistically, ensuring consistent messaging across all platforms, both online and offline, to reinforce brand identity, and fostering better coordination among functional departments to streamline the implementation of IMC plans. Given the saturation of homogeneous products, Brand A Tea should focus on diversifying the product line with unique offerings that cater to specific consumer needs and preferences, and investing in research and development to innovate and improve product quality, which has been shown to significantly influence purchasing decisions ($R^2=0.650$, $\beta=0.501$, $p=0.000$). The importance of competitive pricing ($R^2=0.623$, $\beta=0.488$, $p=0.001$) suggests that Brand A Tea should conduct regular market analysis to adjust prices competitively without compromising quality and implement dynamic pricing strategies that reflect market trends and consumer demand. With a notable impact of distribution on consumer decisions ($R^2=0.587$, $\beta=0.455$, $p=0.011$), optimizing distribution networks to ensure product availability in key markets, particularly in first and second-tier cities, and exploring partnerships with reliable logistics providers to enhance delivery speed and reliability is crucial. Effective promotional activities significantly affect consumer behavior ($R^2=0.612$, $\beta=0.479$, $p=0.000$), so designing compelling promotional campaigns that resonate with the target audience and highlight unique product features, while utilizing a mix of traditional and digital marketing channels to maximize reach and engagement, is recommended.

Furthermore, it is vital to enhance the integration between online and offline marketing efforts by ensuring that marketing campaigns are uniformly executed across all platforms to maintain a consistent brand image and enhancing the integration between offline stores and online new media channels. Developing a comprehensive consumer database is essential for targeted marketing, which involves investing in robust CRM systems to collect and analyze consumer data effectively and utilizing this data to tailor marketing strategies to individual consumer preferences and behaviors. To prevent frequent changes in brand image and to build brand equity, Brand A Tea should develop a long-term brand strategy that establishes and maintains a consistent brand identity, focusing on building brand equity through consistent quality, customer satisfaction, and strong brand messaging. Given the weak influence in third-tier and below cities, implementing targeted marketing campaigns that address the specific needs and preferences of consumers in these areas, and increasing the frequency and intensity of marketing communication projects in lower-tier cities to enhance brand perception and influence, is necessary. Finally, improving consumer perception of new products requires developing a comprehensive launch strategy that includes pre-launch teasers, launch events, and post-launch promotions, and ensuring cross-functional coordination to create a seamless and impactful launch experience across all marketing channels. By addressing these recommendations, Brand A Tea can enhance its marketing effectiveness, boost consumer engagement, and drive sales growth, aligning each strategy with the identified significant factors influencing consumer decisions, and ensuring a holistic and integrated approach to marketing.

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