

Enhancing Customer Satisfaction in New-Style Tea Drinks Brands: A Case Study of Brand A

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Abstract

Based on the Customer Perceived Value Theory, this paper takes Brand A as research object, which is a Chinese new-style tea drinks brand, and constructs a customer satisfaction evaluation system, then employs the Revised Importance-Performance Analysis (IPA-Revised Analysis) to carry empirical investigation. According to the survey results, the following strategies should be prioritized to enhance satisfaction: firstly, product diversification and innovation; secondly, service efficiency and quality improvement; thirdly, innovative promotion strategies; fourthly, strengthening emotional connections with customers; and last, preserving and passing social tea culture to bolster brand competitiveness.

Keywords

New-style Tea Drinks; Customer Perceived Value; Customer Satisfaction; IPA-revised Analysis.

1. Introduction

Since its launch in 2012, *Brand A*-a new-style tea drinks chain subsidiary of a Chinese catering conglomerate-has maintained its market position through a low-price strategy. It established a stronghold in lower-tier markets. However, beginning in 2022, a number of head brands, such as *HEYTEA* and *AUNTEA JENNY*, slashed prices and aggressively expanded into these regions. Consequently, *Brand A* faced severe market erosion: its market share declined sharply, severe customer attrition occurred, annual sales plummeted, and multiple outlets closed in Kai Feng City (hereafter referred to as 'K City') alone. To counter this crisis, the brand needed to transition from a product-oriented to a customer-oriented strategy. This required comprehensively analyzing customer demands through the customer perceived value theory and redesigning products and services to align with these insights. By anchoring decisions in customers' perceived value, the business could enhance satisfaction and secure sustainable competitive advantages.

2. Research Design

2.1. Research Method

The IPA-revised analysis, an optimized and improved version of the classic IPA analysis, was used in this study to measure customer satisfaction. This method serves as a useful tool for evaluating importance and satisfaction dimensions. Because customers' assessments of satisfaction and importance in empirical research are largely subjective, it is impossible to ensure that the two factors are completely independent of one another, which may cause errors in the research results [1]. To control for the influence of other satisfaction variables on the relationship between a particular variable and overall satisfaction, the IPA-revised analysis

employed the partial correlation coefficients between a single satisfaction factor and overall satisfaction as the customer importance score. This method captured the net correlation between each variable and overall satisfaction while providing a more accurate measure of customers' importance evaluation [2].

2.2. Design of Customer Satisfaction Evaluation Indicators

To provide a comprehensive and specific measurement of customer satisfaction with the new-style tea drinks brand, this study employed the customer perceived value theory as a theoretical guide to develop the customer satisfaction evaluation index system. The first-level indexes included the six dimensions of product value, service value, environmental value, economic value, emotional value, and social value [3,7]. These dimensions were further operationalized into 27 second-level measurable indicators through a combination of literature research and *brand A* characteristics. The complete hierarchical structure of the index system is presented in Table 1.

2.3. Survey Implementation

This research was primarily conducted in K City, implemented face-to-face surveys, randomly conducted offline research on numerous offline stores in the urban core, suburban county centers, and rural townships, and adopted a convenience sampling technique to select survey samples and distribute questionnaires. The survey distributed 617 questionnaires; after rigorous screening, 24 invalid questionnaires were excluded, leaving 593 valid questionnaires, yielding a 96.11% valid response rate.

3. Customer Satisfaction IPA-Revised Analysis

3.1. IPA Amendment Analysis

To operationalize the IPA-revised analysis, we first applied natural logarithm transformations ($\ln$) to all element-level satisfaction scores, addressing potential non-normality in the raw data. These transformed values were then designated as independent variables, with the overall customer satisfaction score serving as the dependent variable. Multiple regression analysis was used to calculate the partial correlation coefficient between the two variables in place of the customers' self-stated importance score. The results are shown in Table 1.

Table 1. Derived importance and satisfaction mean

Serial number	Level 1 indicators	Level 2 indicators	Derive importance		Satisfaction	
			Numerical value	Arrange in order	Numerical value	Arrange in order
1	Product Value	A1.Product taste and flavor	0.451	2	3.462	3
2		A2.Product freshness and hygiene	0.358	9	3.449	7
3		A3.Diversity of product categories	0.356	10	3.317	15
4		A4.Product appearance and packaging	0.373	5	3.349	13
5		A5.Degree of product innovation	0.370	6	3.292	17
6		A6.Ease of purchase	0.352	11	3.115	27
7	Service Value	B1.Quality of staff services	0.345	13	3.452	6
8		B2.Staff service attitude	0.317	18	3.459	4
9		B3.Efficiency of staff services	0.369	7	3.315	16
10		B4.Perfect and effective after-sales service	0.337	14	3.290	18
11	Environmental Value	C1.Store decoration and design	0.257	25	3.373	12
12		C2.Store hygienic and environmental conditions	0.453	1	3.428	9
13		C3.Dining area comfort	0.330	17	3.433	8
14		C4.Store shopping atmosphere	0.308	21	3.457	5
15	Economic Value	D1.Product price reasonableness	0.447	4	3.482	2
16		D2.Promotions offer strength	0.450	3	3.322	14
17		D3.Product price volatility	0.336	15	3.418	10
18		D4.Perceived product value for money	0.207	26	3.497	1
19		D5.Product price transparency	0.144	27	3.410	11
20	Sentimental Value	E1.Conveys the emotion of enjoyment and pleasure	0.350	12	3.120	26
21		E2.Offers ways to relax and de-stress	0.261	24	3.275	19
22		E3.Customer engagement	0.300	23	3.229	20
23		E4.Resonates with emotions and values	0.313	20	3.206	21
24	Social Value	F1.Expresses individuality and taste	0.369	7	3.185	22
25		F2.Enhanced socialization and interaction	0.305	22	3.130	25
26		F3.Gaining a sense of belonging to a group	0.332	16	3.142	24
27		F4.Inheriting Chinese Tea Culture	0.317	18	3.150	23

Based on the derived importance values and satisfaction means from Table 1, the IPA-revised quadrant was plotted with the 27 evaluation dimension means (0.337, 3.324) used as the coordinate origin, derived importance used as the horizontal coordinate, and satisfaction as the vertical coordinate. Each of the 27 evaluation dimensions was plotted according to its standardized importance-satisfaction coordinates, with the resulting quadrants categorizing attributes into (1) Advantageous Area, (2) Maintenance Area, (3) Opportunity Area, and (4) Repair Area. Results are given in Figure 1.

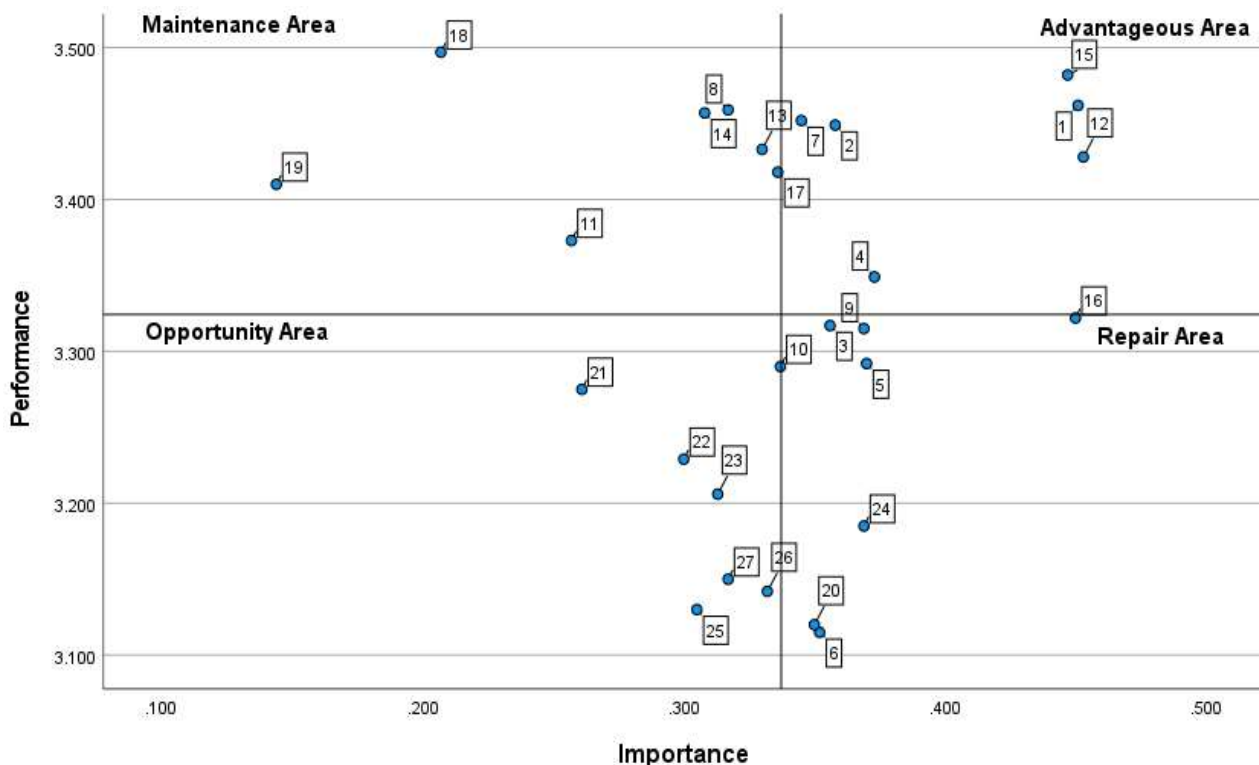


Figure 1. IPA-revised quadrant chart

The first quadrant (Advantageous Area) comprised six secondary indicators demonstrating both high derived importance and superior satisfaction scores: product price reasonableness (D1), product taste and flavor (A1), product freshness and hygiene (A2), staff service quality (B1), store hygiene and environmental conditions (C2), and product appearance and packaging (A4). For the indicators in the area, the brand may maintain its focus on evolving consumer demands and thus continue to sustain a competitive advantage.

The second quadrant (Maintenance Area) included seven secondary indicators with below-average importance yet above-average satisfaction: perceived product value for money (D4), product price transparency (D5), store decoration and design (C1), staff service attitude (B2), comfort in the dining area (C3), store shopping atmosphere (C4), and product price volatility (D3). These were factors that were less valued by customers but had been performed better by companies. Based on the survey data, these variables could serve as the starting point for the new-style tea drink business to reduce its resource investment in them and reallocate limited resources to "key improvement areas" to increase customer satisfaction.

The third quadrant (Opportunity Area) included seven secondary indicators with below-average importance and satisfaction: perfect and effective after-sales service (B4), providing ways to relax and reduce stress (E2), customer engagement (E3), triggering emotional and value resonance (E4), enhancing socialization and interaction (F2), gaining a sense of belonging to the group (F3), and passing on Chinese tea culture (F4). Since customers assigned lower

importance to these factors, they represented secondary priorities for the brand but could serve as strategic opportunities to enhance overall competitiveness.

The fourth quadrant (Repair Area) comprised seven secondary indicators with above-average importance yet below-average satisfaction: product variety (A3), product innovation (A5), purchase method convenience (A6), staff service efficiency (B3), promotional activities strength of the offer (D2), convey enjoyment of pleasant emotions (E1), and show personality and taste (F1). Despite high customer expectations, these elements underperformed in satisfaction ratings. According to the IPA-revised analysis, the brand should prioritize these indicators for immediate improvement.

3.2. Problems and Analysis of Causes

Sorting out the seven key improvement indicators in Quadrant IV (Repair Area) and the seven secondary improvement indicators in Quadrant III (Opportunity Area), it was found that they were categorized under five dimensions: product, service, emotional, economic, and social value, with the following main problems.

3.3. Low Product Diversification and Innovation

There were three critical gaps in product diversification and innovation. First of all, there was a significant absence of distinctive benefits in the product's flavors and components, and it heavily relied on the benchmark product "Fruit Jasmine Milk Tea." Second, there was not enough diversity in the products offered. Many products on the menu had been off the shelves for a long time, and there were only 25 products available, significantly fewer than those of comparable brands, making it difficult to satisfy diversified customer demands. Third, the convenience of purchase needed to be improved. Consumers frequently encountered insufficient store coverage, limited delivery range, and other obstacles during the actual purchase process. Even though the official mini-program to provide "pick-up" and "home delivery" service was often unusable owing to distance limitations. These problems led to consumer dissatisfaction, which further exacerbated customer loss and was not conducive to the brand's sustainable development.

3.4. Poor-Quality, Inefficient Services

The quality of services was ineffectiveness. First, the service efficiency was low, as its offline stores were equipped with only 1-2 employees, who had to handle ordering, production, packing, and online order processing. The production process was problematic due to the unclear division of labor among employees, and other issues led to serious queuing of customers during peak hours. Second, there was the absence of service specialization. Some employees lacked product knowledge, which resulted in simple mistakes in the creation of cups, sweetness, and other items, triggering significant customer complaints. Third, the brand's reputation was further damaged by the imperfect after-sales system, the absence of food safety management regulations, safety risks in the acquisition and storage of raw materials, and the laborious, ineffective procedure for processing customer complaints.

3.5. Unreasonable Promotional Strategies

The brand's promotional strategy required optimization. The brand had long relied on traditional promotion forms like member-day discounts and stored-value cashback, which resulted in "promotion fatigue" among consumers. Additionally, the promotional strategy converged with those of competing brands, leading to significantly homogenized promotion methods and a failure to meet customers' individualized needs. Second, promotional activities were not appealing. It was challenging to entice customer participation because the promotional activities' themes were ambiguous and lacked creative features. Furthermore, only offline businesses and public number pushes were used to disseminate information about

promotional activities; this resulted in limited coverage and low interactivity, which led to disappointing promotional effects.

3.6. Lack of Emotional Connection

Customers' emotional worth had not been heightened or stimulated by the brand. First, there was insufficient emotional value transfer. Young "self-pleasing" consumers were the target market for this brand, but the experience was primarily restricted to the product's flavor and failed to establish a relaxed shopping environment through music, lighting, and other multi-sensory elements. It is difficult to meet the emotional and social needs of the young consumer groups. This made it difficult to meet the emotional and social needs of the young consumer groups. Second, engagement and communication were absent with customers. The brand's operations were mainly one-way output, with no two-way interactions through online or offline activities, which resulted in a lack of community belongingness. Thirdly, the brand lacked cultural identity. Its social media accounts focused on product descriptions, provided minimal emotional narrative and brand story exploration and failed to create strong value resonance with customers.

3.7. Weak Community Belonging

The brand had failed to convey and strengthen customers' social perceived value. First, there was a lack of social engagement. Insufficient interaction among consumers hindered the creation of a brand-specific social circle, thereby impeding word-of-mouth dissemination. This occurred because the brand placed excessive emphasis on the product transaction process and neglected to enhance the social attributes through scene design or activity planning. Second, there was a low sense of community belonging. Customers could not perceive the identity of the "brand community" due to the absence of a membership system, UGC incentives, and other community operating tactics. As a result, there was no willingness for spontaneous propagation or repurchase. Third, the brand lacked cultural heritage. As a representative brand in lower-tier markets, it had not integrated the essence of Chinese tea culture into product innovation but over-prioritized short-lived trend products, resulting in deficient cultural added value and unique brand cultural identity.

4. Customer Satisfaction Improvement Countermeasures

4.1. Product Diversification and Innovation

Product is the core of customer consumption and experience, and enhancing perceived product value can be achieved through innovation and diversification. To address diverse demands, *brand A* should continue to innovate and expand its product line rather than restrict it to the "fresh fruit + tea" fundamental collocation. Specifically, it should develop new benchmark products and invest in R&D (Research and Development) original beverages with novel flavor profiles. Furthermore, the brand should diversify its product categories. Based on existing offerings, it could focus on consumers' youthful and personalized needs, launching new-style tea drink categories with unique tastes to create a diversified product portfolio to meet different customer taste preferences.

4.2. Service Efficiency and Quality Improvement

To enhance customers' perceived service value, improvements in service efficiency and quality are critical. Firstly, the service process should be optimized. For drinks that customers frequently purchase, the brand could streamline operations by redesigning workflows, reducing on-site mixing time, and using pre-prepared standardized ingredient packages. To lessen the issue of consumers standing in line for extended periods, the service staff should make effective use of online and offline synchronization procedures, particularly on weekends,

holidays, and other times when there are peak-hour queues. For customers experiencing prolonged waits, service staff should offer tiny gifts or love notes to mitigate customers' perceived time costs. Secondly, service quality should be strengthened through service staff professional training. The brand should establish a systematic staff training framework focusing on production protocols, food safety compliance, and other techniques to ensure that all employees can provide customers with professional and efficient service.

4.3. Innovative Promotion Strategies

Promotional activities are an effective means to attract customers and increase sales. The brand should innovate promotional formats through accurate positioning and creative marketing to enhance the customers' economic value perception. Simultaneously, the brand should be founded on the customers' consumption preferences to explore more creative promotional methods. For instance, the brand could launch "daily flash sales" activities, holiday-themed "group purchase deals," and membership points promotional campaigns to diversify promotional engagement. Furthermore, all available online and offline channels should be utilized to maximize promotional visibility. To increase the exposure of promotional activities and customer participation, promotional posters could be displayed in physical stores, while social media platforms like TikTok and Xiaohongshu should disseminate activity previews and interactive video content.

4.4. Strengthening Emotional Connection

Through the installation of leisure spaces and cozy seating in physical locations, the brand should create an immersive and tranquil consumption environment to provide customers with a relaxing, stress-reducing consumption atmosphere. Second, the customers' perceived emotional value should be enhanced by strengthening the design of emotional experiences. To achieve this, local cultural elements from K City could be integrated with brand culture in product naming, packaging design, and store layout [8]. Third, emotional resonance and consumer involvement should be improved. The brand could engage in customer co-creation activities, such as inviting them to participate in new product development and packaging design. Additionally, establishing a DIY tea-themed store would allow customers to craft personalized beverages, enjoy the production process, and feel emotionally valued.

4.5. Preserving and Passing Social Tea Culture

To start, the customers' perceived social value should be improved by enhancing social and interactive dimensions. Tea is perceived by contemporary young consumers not merely as a beverage but as a platform with significant social attributes. The brand could organize social activities and proactively initiate trending topics such as "tea and health," "first cup of milk tea in autumn," and "tea pairings," thereby creating unique social scenarios to elevate customer engagement and interactive experiences. Second, a membership system should be implemented to strengthen the consumer group's sense of belonging. The key to increasing customer loyalty is fostering a feeling of community. The brand could design a tiered membership framework, assign community-driven nicknames to members and fans, and offer exclusive privileges such as birthday rewards, complimentary cups, and other exclusive privileges. These strategies would bridge emotional gaps and cultivate a shared identity. Thirdly, it preserves and advances the traditional Chinese tea culture to raise society's perceived worth. *Brand A* could incorporate traditional tea culture aspects in product design, marketing campaigns, and brand communication. It could encourage consumers to actively engage in cultural preservation and protection initiatives and help them preserve and advance tea culture to increase the customers' perceived value of society. The above measures should be implemented to strengthen the overall competitiveness of this New-Style Tea Drink Brand, thereby ensuring long-term sustainability.

5. Conclusion

This study adopts a new-style tea drinks as its research object and employs an empirical methodology to investigate customer satisfaction issues. Based on the operational reality of the target brand, the research integrates market survey data with an IPA-revised analysis framework to identify the current state of customer satisfaction. Through the perspective of customer perceived value theory, the analysis reveals five critical problems which affect customer satisfaction, that is low product diversification and innovation, poor-quality and inefficient services, unreasonable promotional strategies, lack of emotional connection, and weak community belonging. To address these problems and improve customer satisfaction of new-style tea drinks, this paper puts forward the following solutions: firstly, making product diversification and innovation to increase perceived value of products; secondly, improving service efficiency and quality to enhance service perceived value; thirdly, innovating promotion strategies to strengthen the perceived value of the economy; fourthly, strengthening emotional connection to enhance emotional perception value; fifthly, preserving and passing social tea culture to enhance the social perceived value. New tea brand A needs to improve customer satisfaction as soon as possible and transforms customer resources into brand assets, which will help enterprise obtain sustainable brand competitive advantage.

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