

FACTORS INFLUENCING THE PURCHASE INTENTION OF THE BUBBLE MILK TEA CUSTOMERS IN BANGKOK, THAILAND

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Abstract

Bubble milk tea is a popular drink originally from Taiwan. This beloved beverage has become widely popular in Thailand. Nowadays, bubble milk tea shops can be found almost everywhere, whether in big cities or even small towns in rural areas. However, there are various types of bubble milk tea, some of which are very affordable, while others are as expensive as premium coffee brands. This research employed structural equation modeling (SEM) to analyze the relationships among key factors contributing to the success of the bubble milk tea business, namely price awareness, customer attitude, customer experience, purchasing intention, and buying behavior. A sample group in this study was 546 bubble milk tea customers in Bangkok who agreed to answer the questionnaire. A purposive sampling method was applied to select and screen respondents. The results showed that price awareness and customer experience significantly influenced both purchasing intention and buying behavior. Customer attitude also affected purchasing intention and buying behavior in the lower level. Finally, this study suggests that business owners enhance their price awareness strategies and offer richer experiences to customers, while also fostering a positive customer attitude toward the brand, as this can create greater opportunities for long-term success.

Keywords: Price Awareness, Customer Attitude, Intention to Purchase, Buying Behavior, Bubble Milk Tea

Introduction

Even bubble milk tea is originally not a Thai beverage. It came from Taiwan where most people prefer to drink bubble milk tea and very famous in this country (Xuân, 2022). However, bubble milk tea came to Thailand several years ago and it was very welcoming to Thai customers. Nowadays we can find bubble milk tea almost everywhere in Thailand, especially in places that have young people for example



schools, universities, department stores, shopping malls, and so on. Bubble milk tea is a famous drink originally from Taiwan but this favorite drink of several people was very famous in Thailand. Tea is commonly used as a beverage to refresh people from feeling sleepy and exhausted. Nowadays, tea has become a very popular beverage among consumers around the world as coffee. There are 3 main types of tea that are popularly drunk today: black tea, green tea, and oolong tea. Currently, the bubble milk tea business has very high competition, whether it is in terms of more variety of products to create novelty and help to attract customers, for example, there is an increase in types of tea, including black tea, red tea, green tea, and au tea. Many bubble milk teashop has various flavors and choices to serve their customers such as taro milk tea, cantaloupe milk tea, cocoa milk tea, coffee milk tea, and strawberry milk tea, as well as adding many toppings to choose from such as jelly, grass jelly, and pudding from what was originally available. Some shops try to serve the needs of their consumers who like a variety of sweetness, some brands have different levels of sweetness. Consumers have chosen their bubble milk tea according to their preferences. According to previous information, this research would like to study the factors that influence the buying behavior of the customer in order to purchase bubble milk tea.

Research objective

This research aims to analyze the association of each factor, which are price awareness, customer attitude, customer experience, intention to purchase, and buying behavior by using structural equation modeling (SEM). Another objective of this research is to find the relationship between each variable and present the conceptual framework according to the topic.

Literature review

Price Awareness

Price awareness is the knowledge about the price that customers perceive (Kensei & Todd, 2003). It is a complex subject but it is very famous among several researchers to study (Alhaddad, 2014). Murthi and Rao (2012) found that in the past most customers might have decided to purchase their products by using customer price expectations especially when they face the marketing promotion technique from the marketing but nowadays customers are aware more of the pricing. Customers would like to perceive more information about the price because it could reflect their worthiness before they spend money. Price awareness in this research focuses on the truly reliable price of bubble milk tea that customers perceive and understand before they purchase.

Customer Attitude

Attitude is the subjective emotion of the customer towards products and services. Customer attitude is the details of the motives, feelings, and sentiments of customers toward a certain brand, product, or customer experience (Nambisan & Watt, 2008). Clarita and Setiowati (2020) researched the variable that impacts customer attitude to purchase Halal Cosmetics and found that there are more factors influencing and helping to increase the level of customer attitude such as knowledge of the customer, customer involvement, and even religiosity. Customer attitude in this research is the thoughts, feelings, and experiences of customers towards products and services that they would like to purchase.

Customer Experience

Customer experience is an issue that is very famous among researchers and marketers around the world for a long time. It is a topic that deals with emotion and expectation (Johnston & Kong, 2011). Customers who have a good experience tend to be more satisfied and have a higher chance of returning and becoming loyal customers in the future. On the other hand, the bad experience that customers receive after using products or services will lead to a feeling of non-satisfaction and the customers not coming back to use them again. For this research customer experience means the emotions and expectations of the bubble milk tea customers based on their previous time of purchasing or from other sources.

Intention to Purchase

Attitude is a word that has been famous in behavior studies for a long time. It is about the willingness and incline of the customer to purchase products or services. Intention. Febrian and Vinahapsari (2020) stated that following the theory of planned behavior, there are three important factors that could be able to increase the level of intention to purchase the customer namely awareness, attitude, and subjective norm. In this research, the intention to purchase is the willingness to pay to purchase bubble milk tea to serve their need to consume.

Buying Behavior

Buying behavior or purchasing behavior refers to the actions and decision-making processes of those who purchase and utilize goods or services. Customer buying behavior refers to the acts people take to make purchases of goods and services are known as buyer behavior. In this research, the buying behavior is the decision-making process of bubble milk tea to purchase the products that they want and can serve their need.

Conceptual framework

According to the research background and research objective of every factor namely marketing mix 7Ps, customer satisfaction, brand trust, and customer loyalty. The hypothesis and conceptual framework were formed accordingly

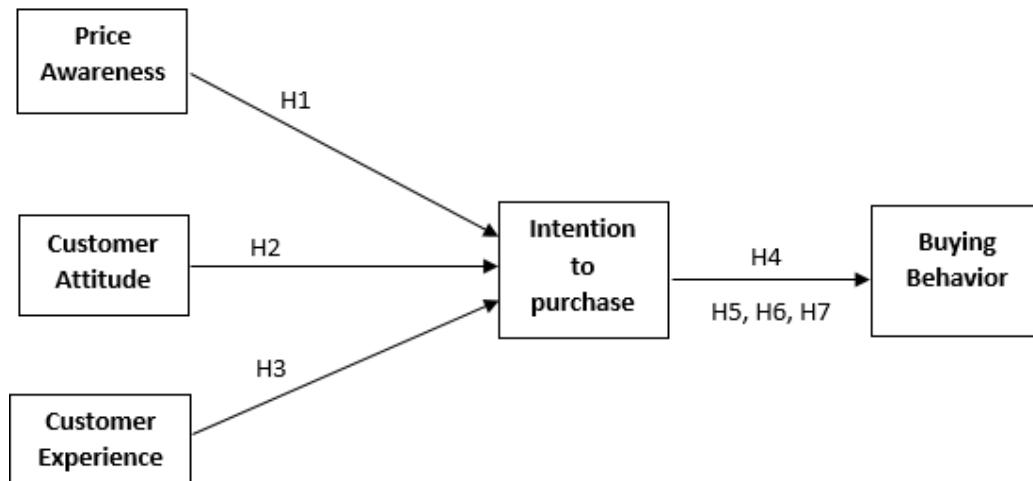


Figure 1: Conceptual Frame Work of the research

Relationship between price awareness and intention to purchase

Pricing is one of the very important factors that customers focus on before buying any products or services. It is the decision that companies make in order to charge their customers for purchasing the product and service (Sammut Bonnici & Channon, 2015). Many companies are very serious about how to set the most suitable price for their products and services because it would be directly affect their customers to aware of their quality. Abdullah et al. (2023) studied price awareness and intention to purchase on Instagram, a social media platform in Indonesia found that price awareness or price perception plays an important role in the potential to affect interest in a way that is both positively and significantly impactful of intention to purchase. According to the literature review. The first hypothesis was proposed:

- H1: There is a positive relationship between price awareness and intention to purchase

Relationship between customer attitude and intention to purchase

Ting and de Run (2015) suggested that there is a parallel relationship between customer attitude and intention to purchase when studying the behavior of the customers (Lim et al. 2017) because both topics are about thought and mental issues which are very subjective and different between every customer. When customers have good and positive

attitude, they tend to increase their level of interest and decrease the level negative of that product and service. Following the literature review, the second hypothesis was presented:

- H2: There is a positive relationship between customer attitude and intention to purchase

Relationship between customer experience and intention to purchase

Customer experience plays an important role in the business because it is the significant factor that can make customers happy and want to return to purchase the products or use the service again. Happy customers who have a good experience will tell other people, and this plays an important role in promoting the brand about their happiness and good experience (Mihardjo et al., 2019). Moreover, they tend to come back again in the future. Jain et al. (2017) stated that the customer experience could help the company to attract, delight and retain its customers. Following the literature review, the third hypothesis was proposed:

- H3: There is a positive relationship between customer experience and intention to purchase

Relationship between intention to purchase and buying behavior

The buying behavior of a customer is the accumulation of several factors such as customer attitude, customer experience, price knowledge, and so on. One of the very important factors that could be able to stimulate customers to decide to buy products and services is the intention to purchase within the customer's thoughts and mind (Palalic et al., 2021). Khoiriyah and Toro (2018) suggested that if the customers are satisfied with the products or services they received, those customers would have the feeling of the willingness to purchase products and services again in the future with their full intention. There are several studies that could insist on the positive impact of intention to purchase on buying behavior. According to the literature review, the fourth hypothesis was presented:

- H4: There is a positive relationship between intention to purchase and buying behavior

Mediating effect

Intention to purchase is the individual feeling and emotions of the customers. It is a very subjective factor, which is quite difficult to measure. However, several researchers and marketers put their effort into studying the intention to purchase of the customer because it is the middle chain of the business, which could lead to the final decision-making to purchase and become the buying behavior. To gain the intention to purchase of the customer. Companies need to integrate several elements for example price awareness, customer attitude, and customer experience. Dangi & George (2020) studied more than 91 researches about the buying behavior of more



than 100, 000 organic food customers from 2001 – 2020 and found the result of the positive impact of customer attitude, knowledge, and awareness, eco-labels, and price the buying behavior via the intention to purchase. Customer experience is another factor that could help to increase the buying behavior. Following the literature reviews the fifth, sixth, and seventh were proposed:

- H5: Intention to purchase mediates the relationship between price awareness and buying behavior
- H6: Intention to purchase mediates the relationship between customer attitude and buying behavior
- H7: Intention to purchase mediates the relationship between customer experience and buying behavior

Research Methodology

Population and sample size

Data for this research was collected from the bubble milk tea customers in Bangkok Thailand. The purposive sampling method was used to test and screen the respondents. Questionnaires both styles of online and paper were delivered by waiting at the bubble milk teashop and asked the customers who bought the bubble milk tea to join the research. Finally, 546 bubble milk tea customers answered the questionnaire.

Descriptive Statistics Result

According to the total number of bubble milk tea customers of 546 responders, they were the number of 325 women (59.5%) and 221 males (40.5%). Furthermore, at 196 (35.9%), the bulk of the mean age was between 21 and 30 years old. This investigation revealed 111 people between the ages of 31 and 40 (20.3%), 93 people above the age of 50 (17.0%),

Structural Equation Model (SEM Report)

Structural equation modeling or SEM was used to test the overall fit of the structural model, which examined the outcome of the hypothesis testing. According to Hair et al. (2010) the criteria of model fit should have $\chi^2/df \leq 3.00$, $GFI \geq 0.90$, $CFI \geq 0.90$, $NFI \geq 0.90$, $AGFI \geq 0.90$, $RMSEA \leq 0.07$, and $RMR \leq 0.08$. This is a criterion of good model fit value that can be statistically accepted (Hair et al., 2017) In Table 1 the model fit indices were demonstrated following; firstly, the initial model showed good fit ($\chi^2 = 7.31$, $\chi^2/df = 2.44$, $p = .000$, $GFI = .1.00$, $CFI = 1.00$, $NFI = .99$, $AGFI = 1.00$, $RMSEA = .17$, $RMR = .04$). The results shown in Table 1 and Figure 2 present the structural equation modeling model results.

Table 1 Absolute Model Fit Indices

Model	Absolute Model Fit Indices							
	χ^2	χ^2/df	GFI	CFI	NFI	AGFI	RMSEA	RMR
Criteria	-	≤ 3.00	≥ 0.90	≥ 0.90	≥ 0.90	≥ 0.90	≤ 0.07	≤ 0.08
	7.31	2.44	1.00	1.00	.99	1.00	.17	.04

Note: χ^2 = chi-square, χ^2/df = relative chi-square, GFI = goodness of fit index, CFI = comparative fit index, NFI = normed fit index, AGFI = adjusted goodness of fit statistic, RMSEA = root mean square error of approximation, RMR = root mean square residual

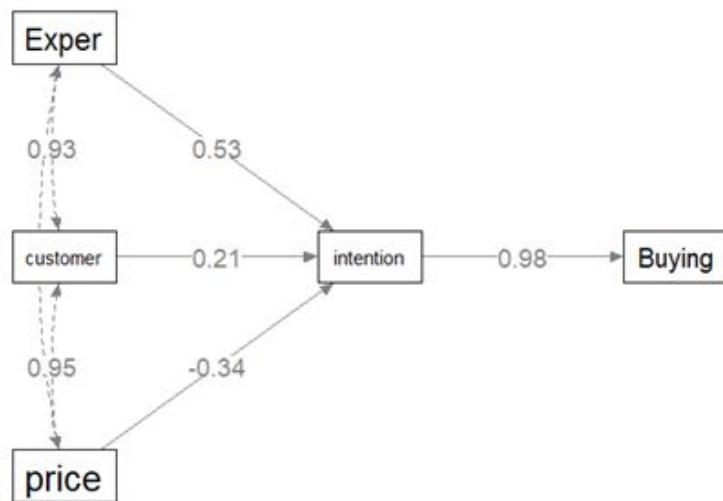


Figure 2 Structural Equation Model Result

Results

There are altogether of 7 hypotheses in this research which are presented in Table 2. According to the result of this study. The majority of hypotheses were supported namely H1, H3, H4, H5, and H7 while H2 and H6 were not supported. The first hypothesis proposed that there is a positive relationship between price awareness and intention to purchase. This hypothesis was supported. This result inclines about the positive impact of price awareness on the intention to purchase and it could help to increase the level of intention to purchase to the bubble milk tea customers. Further, the second hypothesis presented that there is a positive relationship between customer attitude and intention to purchase. This hypothesis was not supported. This result could be a clue that customer attitude does not have a lot of impact on the intention to purchase bubble milk tea. The third hypothesis suggested that there is a positive relationship between customer experience and intention to purchase. This hypothesis was supported. The results indicate the positive impact of customer experience

on the intention to purchase bubble milk tea for Thai customers. The next hypothesis proposed that there is a positive relationship between intention to purchase and buying behavior. This hypothesis was supported. The outcome of this hypothesis displays the positive influence of intention to purchase on the buying behavior of bubble milk tea customers in Bangkok.

The fifth hypothesis proposed the Intention to purchase mediates the relationship between price awareness and buying behavior. This hypothesis was supported. The result shows a positive relationship between price awareness, intention to purchase, and buying behavior. Price awareness has a positive impact on the intention to purchase which will help to increase the level of buying behavior of the bubble milk tea to make their decision to purchase. The sixth hypothesis was proposed as the intention to purchase mediates the relationship between customer attitude and buying behavior. This hypothesis was not supported. This result indicates the negative impact of the customer attitude to the intention to purchase which could have less impact on the customer buying behavior in the long run. The last hypothesis was presented, which was that the intention to purchase mediates the relationship between customer experience and buying behavior. This hypothesis shows the result of a good relationship between these three variables which are customer experience, intention to purchase, and buying behavior of bubble milk tea customers in Bangkok. The good experience customers pass the positive impact to their intention to purchase which will finally lead to a higher level of positive buying behavior.

Table 2 Hypothesized Relationship Results

Hypothesized relationship	Results	P-Value
H1 :There is a positive relationship between price awareness and intention to purchase	supported	.001
H2 :There is a positive relationship between customer attitude and intention to purchase	not supported	.191
H3 :There is a positive relationship between customer experience and intention to purchase	supported	.000
H4 :There is a positive relationship between intention to purchase and buying behavior	supported	.000
H5 :Intention to purchase mediates the relationship between price awareness and buying behavior	supported	.001
H6 :Intention to purchase mediates the relationship between customer attitude and buying behavior	not supported	.190
H7 :Intention to purchase mediates the relationship between customer experience and buying behavior	supported	.000

Table 3 Total effect, Direct effect and Indirect effect

Path	Path coefficient	SE	t-value	P-value
Total effect				
Experience → Buying	-0.34	0.12	-2.67	0.008
Attitude → Buying	0.21	0.11	1.31	0.190
Price → Buying	0.52	0.07	5.07	< .001
Direct effect				
Experience → Intention	-0.34	0.12	-2.67	0.008
Attitude → Intention	0.21	0.12	1.31	0.190
Price → Intention	0.53	0.07	5.07	< .001
Intention → Buying	0.98	0.01	114.32	< .001
Indirect effect				
Experience → Buying	-0.34	0.12	-2.67	0.008
Attitude → Buying	0.21	0.11	1.31	0.190
Price → Buying	0.52	0.07	5.07	< .001

The result from Table 3 could inform that most of the variables support that hypothesis except the attitude which has a P- value of more than 0.05 which is non-significant. The result of the research will be discussed and concluded following the new chapter

Discussion

According to the result, this research concludes that the bubble milk tea business still has a great chance to be more successful in Thailand. It could be because Thailand is a hot country, therefore cold fresh drinks with a sweet taste like bubble milk tea is a great choice for this case. Rather than having a delicious taste, bubble milk tea could attract more customers by offering more choices of topics such as brown sugar, fruit salad, jelly, and so on. Looking at the drink and decoration is also another issue that attracts Thai customers, especially young people. Moreover, a reasonable price is another significant factor that makes bubble milk tea more interesting because the price of bubble milk tea in the market has a variety range from very cheap to expensive but the average price is almost the same as a drink that customers could purchase in the convenience store. The bubble milk teashops must have a plan to deal with this issue. In an era with very high competition (Red Ocean) or even the COVID-19 disease (Covid-19) that causes the delivery trend to grow uncontrollably. Whether it is in front of the house, in front of the alley, or in various department stores, it is full. Bubble milk teashops, whether it is a small brand or not, are inexpensive to large brands with franchise costs in the hundreds of thousands. It is

all inevitably competing with each other. The bubble milk tea business is still having a great chance to grow in Thailand. Finally, the result received from this research could be able to reflect the wealth of the bubble milk tea business and we should still see this beverage business growing and successful in Thailand again.

Body of Knowledge

Following the results, there is empirical evidence that the three factors namely price awareness, customer attitude, and customer experience mentioned in this research are having an effect on the intention to purchase and buying behavior of bubble milk tea. Actually, each variable in this research is the subjective and intangible variable because we could not know or perceive from seeing outside but we need to find insight into their thought and mind.

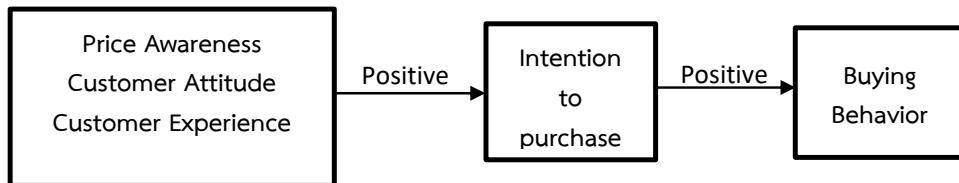


Figure 4 New Body Knowledge of the research

However, every variable is very important, especially about the sales and performances of the organization. The first factor is price awareness; this factor shows its importance in increasing the level of intention to purchase and also links to the higher level of buying behavior in the end. Price awareness is about the true understanding of the price that customers need to pay or spend to receive products or services. In this research, price awareness is hypothesized and it was supported. This informs that the price of bubble tea is not expensive and not complicated. It is an easy pricing technique and especially not expensive.

Customer Attitude is about the thoughts, feelings, and emotions of the customer toward products or services. A positive attitude could have a positive impact on products and services and increase the chance of purchasing intention. Attitude is personalized. It occurs inside the heart and mind including the thoughts of people and customers. This could happen due to several factors such as gender, education, family, and the environment where they live and have been raised. In this research, the customer attitude was hypothesized but it shows a negative result and this hypothesis

is not supported. This could occur from the thinking or feeling of some customers about the bubble milk tea that they were not happy or did not like the taste of this drink. Especially for some customers who focus on health. To solve this problem, bubble milk tea owners need to find a way to change the attitude of this group of customers and provide more positive information about these products.

Customer experience is the emotion and feeling of the customer towards the former products or services that they purchased or received from the company. Customers who receive good quality products as they expect will have a good experience and they will tell other people about how they were satisfied and most of them will return to purchase those products and services again. Conversely, customers who received a bad quality product or poor quality service will have a bad experience and some of them will complain to the company. Moreover, some customers will tell other people about their bad experience and most of them will never come back to buy or use the service again. In this research, the customer experience plays an important role in stimulating the intention to purchase bubble milk tea customers and leads to positive buying behavior.

Intention to purchase is another factor that is very subjective and intangible. It is the feeling, emotion, and planning of the customers to purchase products or services that they thought about good quality and could be able to serve their needs or requirements. The purchasing intention cannot occur by itself but it needs to be stimulated by other factors such as reasonable price, good quality of products and services, shop atmosphere, attractive promotion, etc. Customer attitude does not have an impact a lot for the bubble milk tea business. It might be because this drink is not expensive and customers sometimes purchase it without their attitude. If the bubble milk tea owner could find a way to change the customer attitude towards their product that might be a great chance of having more customers to their business in the future.

The Buying behavior of bubble milk tea customers is influenced by several factors together for example price awareness, customer attitude, and customer good experience before it will lead the customer to the level of having an intention to purchase because they will make a final decision to purchase. In this research, most of the variables were theoretically supported except the customer attitude. Price awareness plays the most significant role in stimulating intention to purchase and buying behavior, for bubble milk tea owner should focus on this issue to attract their customers. At the same time, they need to find a way to improve the positive attitude of their customers to increase the chance of having more customers in their business



Conclusions

This research found valuable information about the bubble milk tea business by applying five variables to represent the needs and trends of this business. The five variables are price awareness, customer attitude, customer experience, intention to purchase, and buying behavior of bubble milk tea. All factors show the impact to influence the buying behavior of Thai customers. These factors especially could be able to help the business owner and executive of Bubble Milk Teashop to find a way to increase their quality and serve the right products to their valued customer and become a great successful business as it used to be now and forever.

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