# Factors Affecting Buying Decision of Milk Tea Consumers 

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#### Abstract

The rising popularity of milk tea shops/cafes in the Philippines, particularly in Baguio City, has led to intensified competition among businesses. Understanding the factors influencing consumer purchasing decisions becomes crucial for the enduring success of milk tea establishments. This study aims to explore influential factors affecting the decisions of milk tea consumers and drivers behind their recurring purchases of milk tea products. The research, conducted during the academic year 2022-2023, seeks to answer specific questions regarding the level of influence of personal, cultural, social, and psychological factors on buying decisions, factors affecting repeat purchases, and strategies implemented by milk tea companies to attract consumers.


Keywords: milk tea, bubble tea, marketing strategy, consumer behavior, decision-making

## 1. Introduction:

In today's dynamic business environment, innovation has become a prerequisite for the survival and success of small enterprises. Recent research underscores the pivotal role of innovation in enabling businesses to seize opportunities, enhance competitiveness, and deliver value to customers ("Tips for Small Retailers to Survive and Thrive," 2009b). Within this context, the milk tea industry stands out as a vibrant and rapidly expanding sector, characterized by its unique blend of tea, milk, and tapioca pearls.

Originating in Taiwan in the 1980s, bubble tea, also known as pearl milk tea or Boba Tea, has emerged as a global sensation, symbolizing Taiwan's culinary creativity and entrepreneurial spirit. With annual consumption surpassing 1 billion cups in Taiwan alone, bubble tea has become a cultural phenomenon with significant market potential (Matsubayashi, 2021).

The Philippines has witnessed a similar surge in milk tea consumption in recent years, reflecting a broader trend of evolving consumer preferences and culinary diversity. In the picturesque city of Baguio, nestled in the scenic Cordillera Mountains, the milk tea craze has taken root, with numerous establishments dotting its bustling streets.

As milk tea establishments proliferate across Baguio City, understanding the factors driving consumer behavior becomes imperative for businesses seeking to thrive in this competitive landscape. This study delves into the intricacies of milk tea consumption behavior within the unique setting of Baguio City, aiming to unravel the underlying determinants that shape consumer choices and inform strategic decision-making.

This research aims to investigate the factors influencing the buying decisions of milk tea consumers in Baguio City. By exploring the impact of personal, cultural, social, and psychological factors on consumer behavior, the study seeks to provide valuable insights for milk tea businesses, policymakers, and academics. Through a comprehensive analysis of these factors within the Baguio setting, the research endeavors to contribute to a deeper understanding of consumer behavior in the context of evolving food and beverage trends.

## 2. Review of Related Literature:

The study explores the multifaceted influences shaping the purchasing decisions of milk tea consumers, drawing from established theories and empirical research. Anchored in seminal works by Howard and Sheth (1969) and Du Plessis et al. (1991), consumer behavior theory elucidates the intricate interplay of personal, cultural, social, and psychological determinants driving consumer preferences and behaviors.

Cultural dynamics emerge as pivotal forces steering milk tea consumption patterns, exemplified by Taiwan's central role as the birthplace of bubble tea and its cultural assimilation and culinary innovation (Matsubayashi, 2021). Similarly, the rising popularity of milk tea in the Philippines reflects broader sociocultural trends, indicating an increasing appetite for diverse gastronomic experiences and social phenomena (Bastasa et al., 2022).

In marketing discourse, there is a recognition of the paramount importance of innovative strategies in capturing and retaining consumers amidst fierce market competition. Tactics such as social media marketing, influencer collaborations, and loyalty programs are acknowledged as effective tools utilized
by milk tea enterprises to engage consumers and enhance sales (Grab Food, 2019). Notably, small and medium-scale milk tea ventures in Baguio City have adeptly leveraged these strategies to establish a foothold in the local market landscape (Bastasa et al., 2022).

In summary, this literature synthesis offers valuable insights into the nuanced interplay of personal, cultural, and marketing factors influencing consumer behaviors within the milk tea sector. By synthesizing existing knowledge, scholars are equipped with a robust foundation for further empirical inquiry and strategic deliberations, contributing to the advancement of scholarship and industry practices in this dynamic domain.

## 3. Materials and Methodology:

### 3.1 Research Design

This study utilized a descriptive-quantitative research approach. Kotler (2012) described descriptive research as a methodical planning, collection, analysis, and reporting of data and findings pertinent to a particular marketing issue the organization is experiencing. Descriptive research is also called as survey research that collected numerical data to answer question about the correct status of the subject of the study (Gay, 2012). It is common knowledge that surveys are conducted to determine the general population's knowledge, beliefs, preferences, and levels of satisfaction.

The study was conducted using a survey method. Surveys are a versatile research method that can provide valuable insights when appropriately designed and executed. Specifically, to identify and determine the level of influence of the personal, cultural, social, and psychological factors affecting the repeat purchase of customers. However, like any research method, they have their limitations, and careful consideration should be given to the design and administration of the survey to ensure the validity and reliability of the findings. Meanwhile, closed-ended questions were integrated in the questionnaire. Closed-ended questions are questions that typically require short and specific answers, usually a "yes" or "no" response or selecting from a limited set of options. These questions are often used to gather specific information efficiently and are less open to interpretation. Kotler \& Keller (2009) posited that closed-ended questions identify all potential responses and offer all options that are simpler to read and tabulate.

In addition, to determine the strategies implemented by the milk tea establishments to attract customers, a semi-structured interview was utilized, which is qualitative in nature. Qualitative interviews are sometimes called intensive or in-depth interviews. These interviews are considered semi-structured because the researcher has a particular topic for the respondent, but questions are open-ended and may not be asked in the exact same way or order to each respondent.

## INPUT



## PROCESS

Analysis of the:
Level of Influence in the
$\begin{aligned} & \text { Buying Decision of Milk } \\ & \text { Tea Consumers: } \\ & -\quad \text { personal, } \\ & -\quad \text { cultural, } \\ & -\quad \text { social, and } \\ & -\quad \text { psychological } \\ & \left.\begin{array}{l}\text { Factors affecting the repeat } \\ \text { purchase of customers. } \\ \begin{array}{l}\text { Strategies that are currently } \\ \text { implemented by milk tea } \\ \text { companies to attract } \\ \text { customers. }\end{array}\end{array}\right)\end{aligned}{ } \quad 1$

## OUTPUT



Figure 1. Research Paradigm

### 3.2 Population and Locale of the Study

The respondents of the study are limited to Baguio customers of milk tea shops. Baguio City, located in the Philippines, was a popular destination known for its cool climate, scenic views, and delicious food options, including milk tea. Given the popularity of milk tea in the Philippines, it's likely that Baguio City, like many other cities in the country, has a significant number of milk tea consumers. Milk tea shops and stalls can be found throughout the city, offering various flavors and toppings to cater to different tastes.

In computing the sample size, the researcher made use of the Slovin' s formula with a confidence level of $95 \%$, margin of error which is 5\%, and Baguio City' s population as of Year 2022 is 385,366 . Using the formula below, the sample size result is $399.56 \approx 400$ respondents.

Putting values in formula,
$\mathrm{n}=\quad \mathrm{N}$
$1+\mathrm{Ne} 2$
$=\quad 385,366$

```
    \(1+(385,366)(0.05) 2\)
\(=\quad\) 385,366
    \(1+(385,366)(0.0025)\)
\(=385,366\)
    \(1+(963.415)\)
\(=385,366\)
    964.415
\(=399.56 \approx 400\)
```

The different participants of the interview were reached using the snowball sampling technique. In studies when people are difficult to reach, researchers will often utilize the non-probability sampling approach known as snowball sampling to find possible participants. The process of snowball sampling is much like asking your subjects to nominate another person with the same trait as your next subject. The researcher then observes the nominated participants and continues in the same way until obtaining enough participants.

The demographic data of the respondents is shown in the following tables. The demographic breakdown of the respondents is shown in Table 1 by age distribution. $41.3 \%$ of respondents, or the majority, fall within the $19-24$ age group. With $33.5 \%$, the 13 to 18 age group came in second. However, people over the age of 50 make up the age group with the lowest percentage of milk tea drinkers ( $1.2 \%$ ).

### 3.3 Data Collection

### 3.3.1 Data Gathering Tool

This study utilized a survey checklist questionnaire that was adapted from a research study published by Natasha Nicole Lee and April Therese Vega in 2014. The questionnaire was distributed to 20 respondents and had a reliability score of 0.86 under Cronbach's Alpha Reliability Test.

The survey questionnaire consisted of three parts. Part I contains the profile of the respondents, which includes age, sex, occupation, income, and educational background; Part II consists of questions related to the cultural, social, and psychological factors affecting the decision making of respondents in buying milk tea; and Part III consists of the factors that affect greatly the repeated consumption of tea products by the respondents.

Furthermore, an interview guide was utilized to gather data from the milk tea shop owners, managers, or supervisors-participants with regards to their milk tea marketing strategies.

### 3.3.2 Data Gathering Procedure

For pre-testing, the survey questionnaire was distributed to 20 respondents who are consumers of milk tea products. The questionnaire was distributed in person.

The researcher obtained permission from the essential respondents in the study in order to grasp the principle of the phenomenon under investigation. Printed questionnaires were administered face to face to selected respondents, and online survey was facilitated to respondents who are not onsite but are milk tea consumers. Meanwhile, interview was conducted simultaneously to referred participants during their convenience time.

All respondents were told the purpose of the study, the topic that would be collected, and the extent of their involvement in accordance with the data privacy laws. They were told that their right to privacy and confidentiality in the research applied to each individual. Further, consent forms were provided to the main sources especially in the face-to-face data gathering. The consent process ensured that individuals are voluntarily participating in the research with full knowledge of relevant risks and benefits. In an addition, Covid-19 preventive measures were observed during the face-to-face data gathering. Data gathering was carried out from May 15, 2023 until June 24, 2023.

### 3.3.3 Treatment of Data

Fundamentally, the gathered data from the survey questionnaires was tallied, tabulated, and analyzed statistically. The study utilized frequency counts, percentages, and weighted mean to answer the questions previously stated.

The level of influence was obtained through a frequency ranking and mean. The formula in computing the mean is as follows:

$$
\bar{X}=\frac{\sum f x}{\sum f}
$$

Where,

$$
\begin{aligned}
& \text { = Mean of the given set of data } \\
& f=\text { Frequency of each class }
\end{aligned}
$$

## $\mathrm{x}=$ Mid-interval value of each class

The level of influence as described by the respondents was determined using the 4-point Likert Scale.

## 4. Findings and Discussion:

The findings and discussions shed light on the multitude of factors influencing the purchasing decisions of milk tea consumers, encompassing social, psychological, cultural, and personal dimensions.

Beginning with social factors, Table 7 delineates the influence levels of various social factors on milk tea purchasing decisions. Social factors encompass influences from peers, advertising channels, and the presence of companions during milk tea consumption. Notably, the reference group, comprising friends, family, schoolmates, and colleagues, exhibited a significant influence on purchasing decisions, with friends exerting the strongest influence. This underscores the psychological concept of "social proof," wherein individuals are inclined to emulate the behaviors of others, particularly those within their social circles.

Table 7. Level of Influence of Social Factors to the buying decision of the respondents

| Social Factors | Mean | Description |
| :---: | :---: | :---: |
| 1. Reference group on milk tea: | 2.75 | Influential |
| a. I drink milk tea with my friends. | 2.84 | Influential |
| b. I drink milk tea with my family. | 2.48 | Moderately Influential |
| c. I drink milk tea with my schoolmates. | 2.38 | Moderately Influential |
| d. I drink milk tea with my colleagues. | 2.29 | Moderately Influential |
| 2. Companion when drinking milk tea | 2.44 | Moderately Influential |
| a. I go to milk tea shop with my friends or schoolmates | 2.76 | Influential |
| b. I go to milk tea shop with my family | 2.36 | Moderately Influential |
| c. I go to milk tea shop with my colleagues | 2.21 | Moderately Influential |
| 3. Marketing form of advertisement on milk tea | 2.34 | Moderately Influential |
| a. I learned to drink milk tea from word of mouth | 3.00 | Influential |
| b. I learned to drink milk tea from the internet, blogs, vlogs, and socials medias | 2.69 | Influential |
| c. I learned to drink milk tea from posters and billboards | 2.11 | Moderately Influential |
| d. I learned to drink milk tea from brochures, fliers, \& magazines. | 2.00 | Moderately Influential |
| e. I learned to drink milk tea from the television ads | 1.90 | Moderately Influential |
| Area Mean | 2.51 | Influential |

(3.25-4.00=Highly Influential (HI), 2.50-3.24=Influential (I), 1.75-2.49= Moderately Influential (MI), 1.00-1.75= Less Influential (LI))

Moreover, the data unveils the pivotal role of digital media in shaping consumer preferences, with online platforms like social media and blogs emerging as influential channels for discovering milk tea. Conversely, traditional advertising methods such as television ads demonstrated relatively lower impact, signaling a shift towards digital marketing strategies within the milk tea industry.

Furthermore, the presence of companions during milk tea consumption emerged as a moderately influential factor, particularly when accompanied by friends or schoolmates. This phenomenon reflects the Fear of Missing Out (FOMO) effect, wherein individuals are driven to participate in social activities to avoid feelings of exclusion.

Overall, social factors collectively exerted a moderate to influential influence on milk tea purchasing decisions, emphasizing the importance of social dynamics in consumer behavior within the milk tea market. By leveraging social proof, digital marketing channels, and the social nature of milk tea consumption, businesses can effectively influence consumer choices and enhance their market presence.

Table 8. Level of Influence of Psychological Factors to the Buying Decision of the Respondents

| Psychological Factors | Mean | Description |
| :---: | :---: | :---: |
| 1. Importance of the Following Factors in Purchasing Milk Tea: | 2.88 | Influential |
| a. I buy MT depending on the overall quality | 3.40 | Highly Influential |
| b. I buy MT depending on its flavors and taste | 3.39 | Highly Influential |
| c. I buy MT depending on varieties | 3.10 | Influential |
| d. I buy MT depending on the price | 3.05 | Influential |
| e. I buy MT depending on the serving size | 2.95 | Influential |
| f. I buy MT depending on its availability | 2.79 | Influential |
| g. I buy MT depending on the visual packaging | 2.50 | Influential |
| h. I buy MT depending on the promotion | 2.40 | Moderately Influential |
| i. I buy MT depending on the nutritional value | 2.38 | Moderately Influential |
| 2. Reasons that Influenced in the Consumption of Milk Tea: | 2.75 | Influential |
| a. I buy MT for refreshment | 3.03 | Influential |
| b. I buy MT because it tastes good | 3.00 | Influential |
| c. I buy MT because it satisfies basic thirst and its filling | 2.68 | Influential |
| d. I buy MT for social occasion or entertainment | 2.27 | Moderately Influential |
| 3. Amount of Money Willing to Spend on Milk Tea: | 2.43 | Moderately Influential |
| a. I spend 50.00 to 100.00 for MT | 2.65 | Influential |
| b. I spend 100.00 and above for MT | 2.65 | Influential |
| c. I spend 50.00 and below for MT | 2.00 | Moderately Influential |
| 3. Regularity of visiting the milk tea shop/cafe: | 1.88 | Moderately Influential |
| a. I visit the MT shop rarely | 2.74 | Influential |
| b. I visit MT shop once/twice a week | 1.97 | Moderately Influential |
| c. I visit the MT shop once a day | 1.51 | Less Influential |
| d. I visit the MT shop more than once a day | 1.31 | Less Influential |
| Total Mean | 2.50 |  |

(3.25-4.00=Highly Influential (HI), 2.50-3.24=Influential (I), 1.75-2.49= Moderately Influential (MI), 1.00-1.75= Less Influential (LI))

Table 8 reveals insights into the psychological factors shaping milk tea purchasing decisions, rated on a scale from 1 to 4 .
Factors like overall quality, taste, variety, and price significantly influence purchases, with quality and taste rated most highly. Preferences for refreshment, taste satisfaction, and price sensitivity were also influential, indicating that sensory and functional aspects play a key role in consumption decisions.

Moreover, the frequency of milk tea shop visits and spending habits were moderately influential, particularly among those who visit less frequently or spend within specific price ranges.

Studies by Allard \& Griffin (2017), Van Dung HA (2020), De Guzman et al. (2020), and Lee et al. (2021) support the impact of price, location, and quality perceptions on consumer behavior within the milk tea market.

The overall mean influence score for all psychological factors combined is 2.50 , indicating a moderately influential role in decision-making processes regarding milk tea consumption.

Understanding these psychological factors can guide businesses and marketers in tailoring products and marketing strategies to better meet consumer preferences and drive sales.

Table 9. Level of Influence of Cultural Factors to the Buying Decision of the Respondents

| Cultural Factors | Mean | Description |
| :---: | :---: | :---: |
| 1. Time of drinking milk tea | 2.28 | Moderately Influential |
| a. $\quad$ Snack (217) <br> b. Lunch (167) <br> c. Breakfast (16) <br> d. Dinner (0) |  |  |
| 2. Way of drinking milk tea | 2.15 | Moderately Influential |
| a. Cold (379) <br> b. Hot (21) |  |  |
| 3. Preference of the kind of tea | 3.04 | Influential |
| a. Black Tea (313) <br> b. Green Tea (84) <br> c. Oolong Tea (3) <br> d. White Tea (0) |  |  |

Table 9 shows cultural factors influencing milk tea purchasing decisions, rated on a scale from 1 to 4 .
Consumption time, temperature preference, and tea type were assessed. Snack and lunchtime were moderately influential, with no preference for milk tea at dinner. Cold milk tea was preferred over hot, and black tea was the most influential tea type.

These findings align with cultural meal patterns, such as snacking in France and the Philippines, influencing milk tea consumption habits.
Black tea, widely consumed globally, emerged as the preferred choice among respondents, reflecting broader cultural tea preferences.
Understanding these cultural nuances can help milk tea businesses tailor offerings to align with consumer preferences, potentially boosting sales.
Table 10. Level of Influence of Personal Factors to the Buying Decision of the Respondents

| Personal Factors | Frequency | Percentage | Mean |  |
| :---: | :--- | :--- | :--- | :--- |
| 1. | Age | 400 | $100 \%$ | 0.16 |
| 2. | Sex | 400 | $100 \%$ | 0.51 |
| 3. | Occupation | 400 | $100 \%$ | 0.20 |
| 4. | Income | 400 | $100 \%$ | 0.20 |
| 5. | Educational Attainment | 400 | $100 \%$ | 0.17 |

Table 10 presents personal factors influencing milk tea purchasing decisions, including age, sex, occupation, income, and educational attainment.
The data suggests that younger individuals, particularly those aged 19-24, and females exert more influence over their milk tea purchasing decisions. Students, those with lower incomes or allowances, and those with college-level education also show higher levels of influence.

These findings are consistent with studies indicating that Generation Z, particularly teenagers, are significant consumers of milk tea, with a preference for bubble tea over coffee. This demographic is sensitive to prices, making them a crucial target for milk tea businesses.

Understanding these personal factors can inform effective marketing strategies tailored to meet the preferences of milk tea consumers.
Table 11. Summary on the Level of Influence of the Factors to the buying decision of the respondents

| Factors | Mean | Description |  |
| :---: | :--- | :--- | :--- |
| 1. | Personal | 3.15 | Highly Influential |
| 2. | Psychological | 2.80 | Influential |
| 3. | Cultural | 2.49 | Moderately Influential |

## 4. Social $\quad 2.41 \quad$ Moderately Influential

Table 11 summarizes the mean scores for different factors influencing respondents' buying decisions: Personal, Psychological, Cultural, and Social.
Personal factors have the highest mean score (3.15), indicating their significant influence on buying decisions. Individual preferences, needs, and lifestyle choices play a crucial role. Tailoring products and marketing strategies to meet these preferences can enhance customer satisfaction and loyalty.

Psychological factors have a relatively high mean score (2.80), suggesting emotions, perceptions, and attitudes significantly impact buying decisions. Creating positive associations through storytelling and emotional branding can be effective strategies.

Cultural factors have a moderate mean score (2.49), implying societal norms, values, and beliefs moderately affect buying decisions. Respecting cultural diversity and adapting marketing strategies accordingly can enhance brand perception and credibility.

Social factors have the lowest mean score (2.41) but still influence consumer behavior. Word-of-mouth marketing and social media engagement remain powerful tools for creating social trends and amplifying brand messages.

Overall, understanding these factors is crucial for creating effective marketing strategies and enhancing customer satisfaction. By aligning products, services, and marketing efforts with these factors, businesses can better connect with their target customers and build stronger brand loyalty.

Table 12. Summary on the Analysis of Variance Test for Significant Difference in Influence Levels on Respondents' Buying Decisions Across Factors.

| Groups | Count | Sum | Average | Variance |
| :--- | :--- | :--- | :--- | :--- |
| Cultural factors | 400 | 997 | 2.4925 | 0.570815 |
| Social Factors | 400 | 959.75 | 2.399375 | 0.460209 |
| Psychological Factors | 400 | 1034.2 | 2.5855 | 0.29613 |

Table 12 summarizes the results of a Single Factor Analysis of Variance (ANOVA) test to determine significant differences in influence levels on respondents' buying decisions across different factors: Cultural, Social, and Psychological. The test shows variations in the impact of these factors on purchasing choices.

While, Table 13 presents the ANOVA test results, indicating a significant difference in influence levels across the three factors ( p -value $=0.000418$ ). This rejects the null hypothesis, suggesting substantial variations in the impact of cultural, social, and psychological factors on milk tea consumers' buying decisions.

Table 13. Analysis of Variance Test for Significant Difference in Influence Levels on Respondents' Buying Decisions Across Factors

| Source of Variation | SS | df | MS | F | P-value | F crit |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Between Groups | 6.928504167 | 2 | 3.464252 | 7.830857 | 0.000418 | 3.003242 |
| Within Groups | 529.5346326 | 1197 | 0.442385 |  |  |  |
| Total | 536.4631368 | 1199 |  |  |  |  |

Table 14 presents the results of the post hoc test examining the impact of various factors on milk tea consumers' purchasing decisions after the rejection of the null hypothesis in ANOVA. The test indicates that there is no notable distinction between cultural and social factors, nor between cultural and psychological factors in terms of their influence on purchasing decisions. However, a significant difference emerges between social and psychological factors. In summary, while ANOVA suggests at least one factor significantly affects milk tea purchasing decisions, the post hoc analysis highlights a significant disparity between social and psychological factors.

Table 14. Result of the Post Hoc Test on the Influence Level of the Factors on the Buying Decisions of Milk Tea Consumers

| Groups | P-value | Significant? | Test |
| :--- | :--- | :--- | :--- |
| cultural vs social | 0.066991302 | No | ANOVA |
| cultural vs psychological | 0.046128873 | No | post-hoc <br> corrected) |
| (Bonferroni |  |  |  |
| social vs psychological | $2.10423 E-05$ | Yes |  |

The repeated consumption of milk tea products hinges on various factors, as highlighted in Table 15. Among these, quality, affordability, and self-treat perception stand out as highly influential. Quality $(M=3.37)$ and affordability $(M=3.41)$ are paramount, reflecting consumers' desire for a satisfying and reasonably priced experience. Treating oneself $(\mathrm{M}=2.61)$ also drives repeated consumption, underscoring the product's role as a personal indulgence.

Table 15. Factors Affecting the Repeated Consumption of Consumers on Milk Tea Products.

| Factors | Frequency |  |
| :--- | :--- | :--- |
| 1. | price is affordable \& reasonable for the satisfaction it gives | 341 |
| 2. | quality is good and improved | 338 |
| 3. | milk tea shop has appealing ambiance | 266 |
| 4. | presentation or appearance is pleasing to the eye | 245 |
| 5. | the service in the milk tea shop is pleasing | 234 |
| 6. | it serves as a treat for myself | 168 |
| 7. | it is our bonding drinks with my friends and colleagues | 131 |
| 8. | it has given me enough energy and alertness each day | 107 |
| 9. | it's the trend now in our society | 79 |
| 10. | it's possible to store it for another day's consumption | 53 |
| 11. | it is healthier than soda or soft drinks | 705 |

Factors like ambiance, service quality, and social bonding contribute moderately to repeated consumption, enriching the overall experience. However, aspects such as storage convenience and perceived health benefits hold relatively lower sway over consumer decisions.

These findings align with scholarly perspectives. Pricing's influence on consumer preference, advocated by Ong (2021), and the emphasis on quality, as noted by Stocchi et al. (2020), reinforce the significance of value and trust in driving repeat purchases. Furthermore, Ching (2019) highlights the importance of ambiance in creating positive impressions and encouraging revisits, echoing the survey's insights.

Understanding consumer affective commitment, as discussed by Farid and Niu (2021) and Khraiwish et al. (2022), elucidates the emotional bond consumers form with milk tea products, fostering loyalty and repeat consumption.

In summary, by prioritizing product quality, affordability, and creating inviting environments, milk tea businesses can enhance customer satisfaction and loyalty. Recognizing the emotional connection consumers have with the product and catering to diverse preferences ensure continued success in a competitive market.

Furthermore, the strategies employed by Small and Medium Milk Tea Enterprises (SMEs) to attract customers can be broadly categorized into marketing and innovation techniques, as revealed through interviews with milk tea owners in Baguio City.

Marketing techniques play a pivotal role in driving customer engagement and sales. Leveraging social media platforms like Instagram, Facebook, and TikTok allows milk tea owners to visually showcase their products, engage with their audience, and run promotions to boost brand visibility. Collaborating with social media influencers amplifies brand reach and generates buzz around milk tea products. Limited-time offers, loyalty programs, and partnerships with local businesses are additional strategies to create urgency, incentivize repeat purchases, and expand brand exposure.

Innovation techniques are equally crucial for staying competitive and meeting evolving consumer preferences. Continuous product innovation and introduction of new flavors cater to consumers' adventurous tastes and drive demand. Branding and packaging are essential for creating a memorable impression and communicating the brand's identity. Community involvement, eco-friendly practices, and online ordering and delivery services demonstrate commitment to social responsibility and convenience, further enhancing brand reputation.

Tasting events, user-generated content, and community engagement activities foster brand loyalty and provide opportunities for customer interaction. By implementing these strategies, milk tea businesses can effectively attract and retain customers, ultimately thriving in a competitive market landscape.

## 5. Conclusions and Recommendations:

### 5.1. Conclusions

Based on the findings of the study, the following are the derived conclusions.

1. Cultural sensitivity is important for businesses entering diverse markets, and despite the moderate impact, leveraging social factors through word-of-mouth and digital platforms remains strategically significant for focused marketing, ultimately improving customer satisfaction and loyalty in changing markets.
2. The key drivers of recurrent milk tea consumption are taste, affordability, and the indulgent perception of milk tea as a treat, with secondary factors like aesthetics, service quality, context, and social interactions playing a lesser role; intriguingly, health considerations have a minimal impact, defying expectations of their influence on such consumer behavior.
3. Small and Medium Milk Tea Enterprises (SMEs) in Baguio City use a variety of effective marketing and innovation strategies, including social media, influencer collaborations, promotions, loyalty programs, community engagement, online services, and events, which provide valuable insights for competitive milk tea businesses.

### 5.2. Recommendations

Based on the findings, the following are recommended:

1. Milk tea establishments and proprietors are encouraged to prioritize personalized engagement based on individual preferences and psychological factors, integrate cultural diversity, leverage word-of-mouth and social media, conduct thorough market research, focus on digital channels, and acknowledge the influence of reference groups for effective milk tea marketing.
2. To increase repeated consumption, milk tea entrepreneurs, proprietors, and SMEs are encouraged to emphasize better product quality, affordability, and positioning milk tea as a personal treat; prioritize taste, pricing, and indulgence while also considering secondary factors; explore a balance between health-conscious options and indulgence.
3. For Small and Medium Milk Tea Enterprises (SMEs), adopt a diverse marketing approach encompassing social media, influencer collaborations, promotions, loyalty programs, branding, and attractive packaging; enhance engagement through community involvement, tasting events, and user-generated content; leverage online ordering and delivery services to meet evolving consumer preferences and convenience.
4. Future research avenues could encompass investigating effective personalization strategies, exploring emotional triggers in purchasing decisions, analyzing cultural adaptation's role, delving into social media's influence, examining health-conscious consumption, assessing long-term customer loyalty effects, studying SME success factors, and exploring the impact of emerging online services on the milk tea industry.

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