

Research on the Business Model and Consumer Decision-Making of “Chagee” from a Behavioral Economics Perspective

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Abstract

This study takes the leading new-style tea beverage brand “Chagee” as its research subject, integrating behavioral economics theory to explore its business model and consumer decision-making behavior. Through a questionnaire survey (133 valid responses) and text analysis of Dianping reviews, the research reveals that consumers are not entirely rational in their purchasing process but are systematically influenced by a series of cognitive biases and psychological mechanisms. The results indicate that loss aversion, anchoring effect, scarcity preference, conformity, and information framing effect significantly affect consumers’ purchase intentions and decision preferences, with these effect being universal across demographic variables. Text analysis further validates consumers’ positive evaluations of product taste, cost-effectiveness, and brand culture, while also reflecting the critical role of social media and scarcity marketing in shaping word-of-mouth and facilitating dissemination. The study concludes that behavioral economics can not only explain and predict irrational decision-making in consumer markets but also provides practical guidance for businesses to optimize choice architecture and develop differentiated marketing strategies. Additionally, this research suggests that future studies could employ experimental methods and longitudinal tracking to further examine the applicability of behavioral economics in diverse consumption contexts. The findings offer a novel perspective for understanding consumer behavior in the new-style tea beverage industry and provide references for enterprises to achieve sustainable development in a highly competitive market.

Keywords

Business Analysis, “Chagee”, Behavioral Economics, Consumer Decision-Making

1. Introduction

The milk tea industry has become one of the fastest-growing segments within China's consumer market. According to iiMedia Research data, the scale of the new-style tea beverage market surpassed 350 billion RMB in 2024 and is projected to reach 368.9 - 374.93 billion RMB in 2025. The long-term growth momentum appears even more robust, with CIC Consulting predicting that terminal retail sales will hit 546.6 billion RMB by 2028. Notably, lower-tier cities (third-tier and below) are expected to contribute 45% of the total order value, with the net increase in store numbers exceeding 300,000 in the next five years and a compound annual growth rate (CAGR) for total order value between 22.8% and 26.4% (CIC Consulting, 2025a). From the demand perspective, the core driver of this growth likely stems from consumer upgrading: customers are demanding higher standards of healthiness, such as low-sugar and functional beverages, and are seeking greater product diversification, including unique fruit flavors and regionally specific tastes. Searches for "less sugar" increased by 901% year-on-year in 2023 (iiMedia Research, 2024), driving the growth rate of health-preserving tea beverages to 2.3 times that of traditional categories. Simultaneously, technological advancements are compelling upstream innovation, exemplified by freeze-drying techniques preserving fruit nutrition and plant-based dairy alternatives replacing non-dairy creamer (CIC Consulting, 2025b). From the supply perspective, drivers include technological progress and the expansion into lower-tier markets. Advanced AI technologies enable the industry to implement digital closed-loop management for raw material procurement, utilize AI for user profiling and predictive targeted marketing, thereby increasing sales per square meter by 30% in single stores (CIC Consulting, 2025c). Store density in third-tier and lower cities is only 57% of that in first-tier cities, indicating significant potential for nearly 300,000 net new stores in the next five years, with a CAGR for total order value of 22.8% - 26.4%. Coupled with the proliferation of the food delivery industry and increased demand for social attributes, these factors have rapidly expanded the milk tea industry within the Chinese market.

However, behind this promising prospect, the industry also faces numerous challenges. A significant issue is homogenization; the average industry profit margin dropped to 14.7% in 2024 (China Business Industry Research Institute, 2025). This is because product innovations are easily replicated—niche ingredients (Indian gooseberry, *Phyllanthus emblica*, wampee) and formulations (cheese foam) are often imitated by competitors within 3 - 6 months of launch, rendering differentiation ineffective (CIC Consulting, 2025d). Additionally, price wars erode profits, with the average industry profit margin declining from 21.4% (2023) to 14.7% (2024), leading to the closure of nearly 15,000 stores due to losses. Mid-range brands (with price points of 15 - 25 RMB per order) are the most squeezed, pressured by premium brands lowering prices and budget brands moving upmarket.

The milk tea brand discussed hereafter is "Chagee", a highly prominent brand and currently the sales leader in the industry. "Chagee" was founded in 2017 in Kunming, Yunnan, by Zhang Junjie, a grassroots entrepreneur born in 1995. The

brand positions itself as a “Modern Oriental Tea” brand, integrating traditional tea culture with modern production techniques. Its core product is “Fresh Milk Tea with Original Leaf Tea”, emphasizing healthiness, youth appeal, and technological integration. Aiming to become the “Eastern Starbucks”, it follows a development path towards standardization and globalization, with 97.4% being franchised outlets and a closure rate of only 1.5% which is lower than the industry average. According to its financial report for Q1 2025 (ending March 31), its global store count reached 6681, with quarterly Gross Merchandise Volume (GMV) hitting 8.23 billion RMB, a year-on-year increase of 38%. Total net revenue for the quarter was 3.39 billion RMB, up 35.4% year-on-year, and net profit was 677 million RMB, up 13.8% year-on-year. Registered members on its mini-program surpassed 190 million, with quarterly active users reaching 44.9 million. The company listed on the NASDAQ on April 17, 2025, with a market capitalization exceeding \$7.5 billion USD. Among its core products, Fresh Milk Tea with Original Leaf Tea accounts for 91% of Gross Merchandise Volume GMV ([Chagee Announces First Quarter 2025 Unaudited Financial Results, 2025](#)), alongside pure tea, fresh fruit tea, and peripheral derivatives. Its star product, Product Name: Bo Ya Jue Xian (Jasmine Snow Bud tea base + non-hydrogenated base milk), has cumulative sales exceeding 600 million cups, contributing 30% to Gross Merchandise Volume (GMV). Other popular items include Product Name: Hua Tian Wu Long (Osmanthus Oolong Milk Tea) among others. The brand employs a differentiated competition strategy to counter homogenization challenges, manifested in cultural integration, health-oriented labeling (“0 non-dairy creamer, 0 hydrogenated vegetable oil”), technology-driven operations (automated tea brewing equipment achieves 8 seconds per cup with an error rate $\leq 2\%$, smart supply chain maintains inventory turnover of just 5.3 days), and global expansion. Its “Silent Store” initiative promotes employment for people with disabilities by hiring hearing-impaired staff; nine such stores have been opened nationwide offering sign language ordering and barrier-free facilities, demonstrating significant social value. However, the brand has also faced marketing controversies like the “Lunar New Year” wording controversy accused of diluting Chinese Spring Festival culture, and ingredient disputes (consumer concerns over the healthiness of “Ice Brown Sugar”). Future challenges include pressure on same-store sales growth, some regions experienced a 30% decline in same-store Gross Merchandise Volume (GMV) in 2024, adaptation to overseas markets, and bottlenecks in product innovation. Overall, “Chagee” has rapidly risen to become a leading new-style tea beverage brand through its “Modern Oriental Tea” positioning, superstar product strategy, and global ambitions. Its success stems from cultural empowerment and technology drive. Its future potential to become a true “Eastern Starbucks” depends on its ability to balance scale expansion with quality control.

2. Research Methods

2.1. Questionnaire Survey

This study distributed the “Survey on Milk Tea Consumption Behavior and Deci-

sion-Making” via online platforms, collecting a total of 133 valid responses. The questionnaire was designed based on classical behavioral economics theories (such as Prospect Theory and Mental Accounting) and included demographic information, consumption habits, and a series of simulated decision-making scenarios. It aimed to measure consumers’ irrational decision-making tendencies in areas such as price perception, response to promotions, and conformity. The data were subjected to descriptive statistics and cross-tabulation analysis to test behavioral economics hypotheses.

2.2. Text Analysis

This study supplemented the questionnaire method with text analysis. User reviews of “Chagee Chengdu Chunxi Road Store” were scraped from the Dianping platform using web crawlers, and word cloud visualization was generated. Through the extraction and categorization of high-frequency feature words and sentiment-oriented terms, core factors influencing consumer satisfaction and recommendation intention were identified from authentic feedback, thereby providing triangulation with the questionnaire findings.

3. Theoretical Foundation

3.1. Core Concepts of Behavioral Economics and Their Application in Marketing Strategies

3.1.1. Loss Aversion (Definition + Application Case Study on the Research Subject)

Loss aversion refers to the psychological phenomenon where people feel the pain of a loss more acutely than the pleasure of an equivalent gain. In other words, the negative experience of losing something is perceived as more significant than the positive experience of gaining something of equal value.

When facing potential gains, individuals tend to be “risk-averse.” For example, when choosing between “definitely receiving RMB 50” and “a 50% chance of receiving RMB 100 or a 50% chance of receiving nothing,” most people will choose the former, preferring a certain gain.

When facing potential losses, individuals tend to be “risk-seeking.” For example, when choosing between “definitely losing RMB 50” and “a 50% chance of losing RMB 100 (and a 50% chance of losing RMB 0),” most people will choose to gamble, preferring to risk a potentially larger loss rather than accept a certain loss. This also explains why investors often refuse to “cut their losses” on declining stocks, preferring to hold onto them in hopes of breaking even (even if the chance is slim).

When users open the “Chagee” mini-program, they frequently receive limited-time coupons such as “Spend 20, Get 5 Off” or “50% off on the second drink.” These coupons often feature a prominent countdown timer (e.g., “Expires in 23 hours and 59 minutes”). This leads users to perceive these coupons as assets they “already possess.” Not using the coupon before it expires generates a sense of

loss—“I lost RMB 5” or “I lost the half-price discount.” This feeling powerfully incentivizes users to place an order within the stipulated time frame to avoid experiencing this “loss.”

3.1.2. Scarcity Bias

Scarcity bias describes the tendency of people to assign higher value to items or opportunities perceived as scarce (limited quantity, time-sensitive, exclusive) and to experience a stronger desire to acquire them. The “scarcity” itself becomes an attraction, not solely based on intrinsic value. Phrases like “limited-time offer” or “last item” trigger this mentality, prompting people to act to avoid missing out. People subconsciously believe that if something is difficult to obtain or rare, it must be good. Businesses leverage this through marketing strategies like limited quantities, time limits, creating “hit products,” and “flash sales” to enhance the perceived value of goods in consumers’ minds.

“Chagee” frequently collaborates with well-known IPs, such as The Lost Tomb, Nezha, and Opera culture to launch co-branded drinks, limited-edition packaging, and peripheral products like cup sleeves, badges and bags. These co-branded products are often marked as “limited release” or “while supplies last.” This marketing approach significantly stimulates consumers’ desire to collect and their “Fear Of Missing Out” (FOMO) psychology. Fans willingly queue to purchase these unique peripherals and share their experiences on social media, generating secondary exposure.

Some products or promotions are not available all day. For instance, the introduction of an “afternoon tea set” or “daily limited-time specials” implies the opportunity is fleeting. Consumers may adjust their consumption time or even make unplanned purchases to seize this opportunity, effectively boosting sales during specific periods.

In some popular business districts, the deliberate lack of ample seating or the perception that store capacity is “insufficient to meet demand” creates natural queues. This queuing phenomenon itself acts as a scarcity signal—“this store is so popular, resources are limited.”

3.1.3. Conformity (Bandwagon Effect)

Conformity, or the bandwagon effect, refers to the tendency of individuals to modify their opinions, judgments, and behaviors to align with the majority, often due to group pressure or informational influence. People assume that “the choice of the majority must be correct.”

“Chagee” invests significant resources in platforms like Xiaohongshu, Douyin, and Weibo, engaging influencers, celebrities, and consumers for content marketing. Countless posts and videos titled “Chagee Ordering Guide” or “How Good is Product Name: Bo Ya Jue Xian (Jasmine Snow Bud Fresh Milk Tea)?” create high exposure frequency. This leads consumers to develop the misconception that “everyone is drinking it,” strongly influencing their desire to try it (being “seeded”) and making it seem like a safe, market-validated choice.

“Chagee” also uses labels on its ordering mini-program or menu such as “No. 1 in Sales,” “Popular Hit,” or “Must-Try Recommendation” for example the classic Product Name: Bo Ya Jue Xian, to generate a sense of trust in ordering. Consumers feel that choosing what most people choose cannot be wrong, which also enhances the purchase intention of hesitant decision-makers.

When “Chagee”’s audience checks in at stores and shares their experiences on platforms like WeChat Moments, it creates a social trend. Seeing many people in their social circle checking in at “Chagee” or other popular stores generates the thought, “Everyone is doing it, maybe I should too,” driven by a desire for social connection and fitting in.

3.1.4. Anchoring Effect

The anchoring effect describes the cognitive bias where individuals rely too heavily on the first piece of information received (the “anchor”) when making decisions. This initial information serves as a reference point for subsequent estimates and judgments, significantly influencing the final decision, even if the anchor is irrelevant or clearly arbitrary.

“Chagee” skillfully shapes its perception as “high cost-performance” (value for money) and “premium” by establishing price anchors. The standard price point for its products is around RMB 17. In recent years, it has further segmented offerings into a medium cup at RMB 16 and a large cup at RMB 20. When consumers compare it to cheaper brands like Mixue Bingcheng, “Chagee” can project an image of higher quality. Conversely, when compared to more expensive brands like Nayuki and Heytea, it can project an image of better value for money. This pricing strategy creates anchors that influence how consumers perceive the brand’s positioning relative to competitors.

4. Current Marketing Strategies of “Chagee”

4.1. Construction of an Oriental Aesthetic Style and Cultural Identity

Since its inception, “Chagee” has consistently utilized tea culture and traditional Chinese culture as its foundation, following a “National Style” path. Its brand name is derived from the classic tale “Farewell My Concubine,” endowing the brand with a sense of narrative and classical allure. The brand logo incorporates the face paint of a Peking Opera huadan (flower-dan) role. Peking Opera being an intangible cultural heritage of China, the distinctive appearance of the face paint offers high recognizability. Its use in the logo immediately emphasizes the “National Style” aesthetic, appearing traditional yet not outdated, with simple and elegant lines that are instantly eye-catching.

In store design, “Chagee” employs the design concept of an “Oriental New Tea Shop,” integrating neo-Chinese cultural elements, ancient architectural mortise and tenon structures, and Hanfu embroidery techniques. This results in a store atmosphere that feels both historical and refined. Every detail within the store is infused with traditional cultural aesthetics, allowing customers to experience a

hint of cultural ambiance while enjoying their tea. In its 5th-anniversary thematic film, “Chagee” further incorporated elements such as the Ancient Tea Horse Road, birds carrying leaves, and teacups to convey narratives of Oriental tea aesthetics (Jun, 2025). The film avoids overt brand promotion, instead using this culturally resonant approach to help audiences better understand its “National Style” philosophy, making it easier for people to develop an affinity for the brand.

In the contemporary milk tea market, where an increasing number of brands are carving out distinctive identities, “Chagee” identified its “National Style” direction from the outset. By integrating tea culture and traditional Chinese culture into every facet of its brand, it has distinguished itself uniquely among the multitude of milk tea brands.

4.2. Price Anchoring Underpinning “High Cost-Effectiveness”

In matters of pricing, “Chagee” steadfastly maintains a positioning of “high quality at moderate prices”—absolute goodness, relative affordability. This positioning continues to use Starbucks as a benchmark, but specifically Starbucks in the United States. Starbucks’ pricing in the U.S. aligns with the American consumer’s daily spending habits but is not universally suitable for the broader Chinese market. Thus, “Chagee” strives to deliver quality while ensuring consumers feel no financial strain.

For “Chagee”, the pursuit of high quality must first address consumer concerns regarding health. Many people perceive milk tea as unhealthy. To alleviate these concerns, “Chagee” publicly disclosed its formulas and ensured transparency by making the results of micronutrient testing for its products publicly available. Each cup of a “Chagee” beverage displays its calorie content, protein, caffeine, and other components. While this seems straightforward, it necessitates that all products can be standardized, allowing each item to carry its own nutritional “identity tag.” Manual preparation introducing a 10% variance could potentially lead to legal challenges from consumer advocates.

Furthermore, the company implemented an ABCD nutritional grading system for its products, initially modeled on the Singaporean government’s grading system for all bottled beverages, which focuses on calorie content and additives. Grade A products can be consumed with confidence, Grade B products are acceptable, Grade C products are recommended for limited consumption, and Grade D products are advised against. All “Chagee” products are classified as Grade A or B.

4.3. Product Simplification and Channel Expansion: The Dual Strategy of “Chagee”

Zhang Junjie, the founder of “Chagee”, is known for saying, “Many things might not be real needs; they might be false needs.” In 2021, the company decided to focus intensely on a single product, leading to the creation of the blockbuster item Product Name: Bo Ya Jue Xian (Jasmine Snow Bud Fresh Milk Tea), whose sales reportedly surpassed RMB 10 billion in 2024. This strategy of extreme focus ena-

bles ultimate efficiency. To guarantee this efficiency, they selected simple products with ingredients limited solely to tea, milk, and syrup, which also can be distributed at ambient temperatures. Within the supply chain, upstream processes are fully industrialized, midstream involves bulk commodity trading, and downstream delivery scenarios are entirely automated.

From a retail perspective, he believes consumer goods in the offline chain sector face two critical barriers. The first barrier is termed the “user’s mind gate”—establishing a competitive moat in the consumer’s consciousness. When consumers think of having afternoon tea, their first choice should be “Chagee” over others; this is called top-of-mind preference. Building on top-of-mind preference, the second crucial aspect is deep distribution. It becomes problematic if consumers cannot easily purchase the product, as it essentially benefits competitors. Therefore, the sales network must achieve comprehensive coverage across all scenarios. Historically, they covered over 70% of shopping malls and centers in China. Now, they are gradually expanding into CBDs, schools, transportation hubs, and scenic spots. The next target scenarios could likely be homes and offices, and eventually, possibly convenience stores (Yi & Li, 2025).

4.4. Social Media and Word-of-Mouth Communication

“Chagee” possesses a deep understanding of buzz marketing essentials, excelling at creating hot topics on mainstream social platforms like Weibo, Douyin, and Xiaohongshu. For example, its campaign “Treat the Nation to Milk Tea” used highly attractive benefits as an entry point, rapidly sparking widespread online discussion, with topic traffic easily exceeding 100 million+. This topic not only successfully captured the attention of a vast number of potential consumers but also stimulated user participation, greatly enhancing “Chagee”’s brand awareness within a short period.

Additionally, the brand skillfully leverages various festivals and social trends to launch related specialty products and marketing campaigns, propagating them widely through social media. During the cherry blossom season, “Chagee” launched its new Product Name: Sakura Oolong Series, highlighted by a unique “dopamine pink” visual design. This involved changing the brand LOGO color, creating pink-themed peripherals, decorating stores with cherry blossom elements, and establishing limited-time city pop-up shops, comprehensively fostering a romantic spring atmosphere. These measures triggered spontaneous sharing on social media. Related hashtags like #ChageeTurnsPink# achieved over 300 million+ exposures across the internet, making the new product a top choice for many consumers’ spring beverages and reinforcing the brand’s image as fashionable and innovative.

Users also engage in mutual sharing, generating buzz and facilitating secondary promotion. For instance, popular and well-liked drinks like Product Name: Bo Ya Jue Xian are shared among friends or inspire homemade creations. Topics such as “DIY Product Name: Bo Ya Jue Xian” and “Home-made Version Product

Name: Rose Pu'er” become popular topics across major self-media platforms.

5. Questionnaire Analysis

This questionnaire comprised sections on demographic characteristics and basic consumption information (Questions 1 - 4), milk tea consumption habits (Questions 5 - 9), and decision-making questions from a behavioral economics perspective (Questions 10 - 18). The electronic questionnaire was created using “Questionnaire Star” (Wenjuanxing) and distributed via social media applications. A total of 166 responses were collected. Among these, 33 responses were deemed invalid for this study as the respondents reported no habitual milk tea consumption, resulting in a final valid sample size of 133 responses.

The sample’s demographic structure revealed that males accounted for 57.89% and females for 42.11%. The age distribution showed that 33.83% were young individuals aged 15 - 23, 29.32% were aged 24 - 35, and 22.56% were aged 36 - 50. In terms of occupation, students constituted 35.34%, white-collar workers accounted for 34.59%, and individuals engaged in mental labor professions represented 24.81%, indicating that young consumers remain the core demographic in the milk tea market.

Regarding consumption frequency and channels, 53.38% of respondents reported purchasing milk tea 1 - 2 times per week, while another 46.62% consumed it 3 or more times weekly. In terms of purchase methods, 73.68% of consumers preferred using food delivery platforms, and 61.65% favored purchasing at physical stores.

Within the study’s sample structure, 70.68% of respondents had a monthly disposable income of RMB 5000 or below (broken down as: below RMB 1000: 9.77%; RMB 1001 - 2000: 22.56%; RMB 2001 - 5000: 38.35%). Notably, 100% of users consumed milk tea at least once per week (53.38% consumed 1 - 2 times; 27.07% consumed 3 - 5 times; 19.55% consumed more than 5 times). This indicates that milk tea consumption has become a high-frequency and stable expenditure item within the daily budgets of this demographic.

The sample structure of this study demonstrates a high degree of alignment with the characteristics of the primary consumer base in the milk tea market, thereby ensuring the validity of the analyzed demographic profile.

6. Data Analysis

6.1. Paradox between Subjective Preferences and Actual Behavior

Based on Question 7 (“What are the top three factors you prioritize when purchasing milk tea?”), responses were ranked by priority and weighted (Average Composite Score = $(\sum \text{Frequency} \times \text{Weight}) / \text{Number of Respondents}$). The order of importance was as follows: taste (4.34), brand (3.06), price (2.97), health ingredients (2.86), packaging design (1.88), endorsements (1.78), promotional activities (1.32), and free gifts (1.26). This ranking indicates that consumers subjectively placed “price” and “promotional activities” in relatively lower positions (3rd and

7th, respectively), suggesting a claimed decision-making rationality that emphasizes intrinsic product attributes (taste, health) and brand value over external incentives (promotions, gifts). However, analysis of subsequent behavioral economics-oriented questionnaire sections revealed a significant paradox between stated preferences and actual behavior. This further demonstrates the subtle yet profound influence of behavioral economics in social activities and underscores the value of this study.

6.2. Impact Mechanism of Promotional Activities on Purchase Intention

Question 10 aimed to explore changes in purchase intention when consumers encountered common promotions such as “50% off on the second drink” or “buy one get one free.” A total of 67.67% of consumers reported that promotional activities increased their purchase intention (“significantly increased” + “slightly increased”), while only 11.28% indicated a reduction or abandonment of purchase.

Promotional activities, through framing like “50% off on the second drink,” shift the decision-making framework from “paying full price for one drink” to “missing out on a half-price discount.” This triggers consumers’ loss aversion psychology—people are more sensitive to losses than equivalent gains. Consumers are unwilling to miss “attainable discounts,” thereby significantly enhancing purchase intention.

Cross-analysis revealed that regardless of gender, age, occupation, or disposable income, over 50% of all demographic groups exhibited increased purchase intention. This “irrational choice” influence is a universal cognitive bias transcending socioeconomic backgrounds.

6.3. Universal Applicability of Anchoring Effect

Based on Question 11 (“If you knew a milk tea originally priced at RMB 25 is now on promotion for RMB 18, would you perceive it as a better deal?”), coupled with prior data on price sensitivity (36.09% of respondents considered RMB 15 - 25 a reasonable price range), 56.39% of consumers perceived the discount as “a better deal” and reported increased purchase intention. This outcome reflects “reference dependence and anchoring effect” in behavioral economics: consumers tend to compare based on the original price (RMB 25), thereby overestimating the utility of the discount, rather than making rational judgments based solely on absolute price.

Cross-analysis similarly showed that all demographic groups (gender, age, occupation, disposable income) were influenced by this effect. The linear assumption in traditional economic models that “income constraints determine price sensitivity” fails here. Instead, psychological reference points—rather than absolute purchasing power—become the core driver of price perception and purchase intention.

6.4. Queuing Phenomenon, Conformity, and Consumption Decisions

Based on Question 12 (“When you see a long queue for a newly launched milk tea, would you [become more interested and purchase it either immediately or when the queue is shorter next time]?”), a combined 73.69% of consumers expressed increased interest under conditions of informational uncertainty (unknown taste, questionable value). This indicates that long queues are not a deterrent but rather a powerful attraction, significantly reducing perceived decision-making risks and costs, thereby translating into purchase interest.

6.5. Irrational Decision-Making in Coupon Usage

Based on Question 13 (“If you have a ‘Spend RMB 50, Get RMB 10 Off’ milk tea coupon but need to purchase multiple cups at once, have you [ever] bought extra to use the coupon?”), nearly half (48.87%) of consumers admitted to making additional purchases to utilize coupons. This clearly reveals the strong distorting effect of promotional tools on consumption behavior. Consumers mentally establish separate accounts for different types of spending, and these accounts are not fully fungible. The emergence of a coupon prompts consumers to create a temporary sub-account named “coupon benefits” under the main “milk tea consumption” account. The “benefit” (RMB 10 discount) in this sub-account must be realized; otherwise, it is recorded as a “loss.” To balance this sub-account, they are willing to overspend in the main account (spending more to meet the threshold), demonstrating the characteristic of non-fungibility.

6.6. How Information Framing Effect Manipulate Consumer Perception

Based on Question 14 (“Scenario A: A milk tea shop promotes ‘90% of customers say this milk tea tastes good’; Scenario B: The same shop promotes ‘Only 10% of customers say this milk tea does not taste good.’ Which statement is more appealing to you?”), although the two statements are mathematically equivalent (90% positive rating = 10% negative rating), over two-thirds (68.33%) of consumers found the positive frame (Scenario A) more attractive. The gain frame emphasizes “gaining” approval from the majority, triggering positive emotions. Its selection rate was more than ten times higher than the negative frame (Scenario B). The loss frame emphasizes “losing” satisfaction from some customers, triggering risk aversion and negative associations. Consumers do not rationally calculate probabilities but react to the emotional tone of the statement. Their innate loss aversion instinctively rejects frames that mention negative vocabulary such as “does not taste good” or “negative reviews,” even if the mathematical meaning is identical. This strongly demonstrates the independent influence of information presentation on decision-making.

6.7. Cognitive Dissonance and Choice Rationalization

Based on Question 15 (“If you queued to buy a RMB 50 viral milk tea but found

it tasted bad after one sip, would you:”), consumers exhibited significant behavioral divergence when faced with a high-priced but disappointing product. Over one-third (39.1%) chose to continue drinking it, constituting clear evidence of irrational decision-making. When actions conflict with beliefs, psychological discomfort (dissonance) arises, leading individuals to alter beliefs or behaviors to reduce this discomfort. The act of “spending RMB 50 and queuing” severely clashed with the perception that “the milk tea tastes bad.” To mitigate dissonance, some consumers adjusted their cognition (e.g., “It’s not that bad,” “Maybe I’m not used to it”), thereby persisting in consumption to rationalize their behavior.

6.8. Stimulating Mechanism of Scarcity Marketing on Purchase Intention

Based on Question 16 (“If a milk tea shop launches a ‘limited-edition seasonal flavor available for only 3 days,’ how would your [purchase intention] change?”), nearly 70% of consumers (69.92%) reported increased purchase intention (“significantly increased” + “slightly increased”) due to the “limited-time, limited-quantity” strategy. This indicates that scarcity messaging is a highly effective marketing stimulus.

People often employ the heuristic that “scarcity implies quality” for rapid decision-making. The difficulty of obtaining an item directly enhances its perceived value. The keywords “limited edition” and “seasonal” collectively signal low availability and high uniqueness to consumers. This automatically triggers the psychological model of “value in scarcity,” significantly elevating the perceived quality, value, and appeal of the milk tea flavor.

6.9. Mechanism of Celebrity Endorsement and Boundaries of Rational Consumer Decision-Making

Based on Question 16 (“If you see your favorite celebrity endorsing a milk tea, would it [influence your purchase intention]?”), nearly 60% of consumers (58.65%) reported that celebrity endorsements affect their purchase intention. This suggests that in the fast-moving consumer goods sector like milk tea, celebrity influence remains a powerful marketing tool, though its impact is not absolute and exhibits clear boundaries of rational decision-making.

This result reflects consumers’ trade-off between emotional connection and rational judgment. The halo effect occurs when overall impressions of a person (e.g., charm, credibility) extend to specific attributes of related entities (e.g., product quality). Consumers transfer their affection, trust, and identification with the celebrity to the endorsed milk tea product. The celebrity’s “halo” illuminates the product, reducing information asymmetry and perceived risk for new products, thereby serving as a quality signal. Simultaneously, consumption becomes a means for fans to connect with idols, express support, and signal identity (e.g., “fan of X celebrity” or “keeping up with trends”) to others. This fulfills needs for social belonging and self-expression.

6.10. Risk Preference and the Certainty Effect

Based on Question 17 (“When proceeding to checkout, two discount options are available (choose one). Which would you select?”), the responses were:

- Directly receive a RMB 5 milk tea coupon: 53.38%
- Participate in a lottery with a 50% chance to win a RMB 10 coupon and a 50% chance to receive nothing: 24.81%
- Opt out of the promotion: 21.8%

Over half of the consumers exhibited strong risk aversion when faced with uncertainty, opting for a certain but smaller discount. Fewer than a quarter chose the risky option with a potentially larger reward. This scenario operates in the gain domain (receiving a discount), where people are typically risk-averse. This perfectly explains why the majority preferred the guaranteed RMB 5 over gambling for RMB 10. This behavior contrasts sharply with purchasing lottery tickets (risk-seeking in the loss domain).

6.11. Survey Questionnaire Summary

This study confirms that behavioral economics principles (such as anchoring effect, loss aversion, and conformity) are core mechanisms driving milk tea consumption decisions. Cross-analysis further reveals that these irrational decision-making patterns are highly universal and are not significantly influenced by demographic factors such as age, occupation, gender, or income level. Consequently, consumer choices are predominantly governed by deep-seated psychological mechanisms rather than superficial identity characteristics. This finding underscores the critical value of behavioral economics in understanding and shaping consumption behavior.

7. Text Analysis Based on Dianping Reviews

7.1. Data Collection

The data collection for this study was conducted on September 6, 2025, using publicly available review data from the officially verified “Chagee” store on Chengdu’s Chunxi Road on the Dianping platform (<https://www.dianping.com/>). This sample location was selected due to its highest number of user reviews in the region (8282 total), making it an information-rich and representative case that effectively reflects the brand’s market performance and consumer engagement in a core commercial area. By scraping the publicly available review data from this store and utilizing the Weisi Wordcloud (<https://mywis.cn/wordcloud>) tool to generate a word cloud, the study aimed to obtain a sufficiently large, detailed, and visually intuitive representative sample. This approach ensures robust analysis of consumer preferences, evaluation behaviors, and brand perception, thereby enhancing the reliability and validity of the research findings.

7.2. Sentiment Word Analysis

Overall Sentiment Tendency: Overwhelmingly Positive

The reviews frequently featured the following positive keywords:

- “Unique blend of tea and milk aroma,” “refreshing taste,” “rich and aromatic tea flavor” → indicating strong consumer approval of the product’s flavor profile.
- “High cost-effectiveness” → reflecting positive price perception and perceived value for money.
- “Enthusiastic service,” “fast order preparation” → demonstrating satisfaction with service and efficiency.
- “Love drinking it” → directly expressing emotional preference.

Neutral/Suggestive Comments:

- “Caution for caffeine at night” → represents rational advice rather than negative sentiment, even indicating consumer care.
- “Scan-to-order reduces queuing” → reflects acknowledgment of convenient service.

No significant negative sentiment vocabulary was observed, indicating high satisfaction levels with the store’s taste, service, and cost-effectiveness.

7.3. Wordcloud Analysis



| Category | Example Keywords | Interpretation |
|---------------------|---|---|
| Product Features | Tea and milk aromas, rich tea flavor, aromatic, unique | Emphasizes the quality of the tea base and flavor uniqueness, aligning with the brand’s “tea + milk” positioning. |
| Star Products | Boya Juxian, Wanli Mulan, Qingqing Nuoshan, Baiwu Hongchen, Qingshan Qigu, Shanye Zhizi | High frequency of product name mentions indicates high SKU recognition and a hit product effect. |
| Consumer Experience | Fast service, warm service, scan-to-order, reduced waiting times | Highlights advantages in operational efficiency and service experience. |
| Value for Money | High value for money, standard sweetness not overly sweet | High price acceptance; sweetness level control meets general public preference. |
| Location | First store at the Chunxi Road intersection, spacious and elegant decor | Superior location and spatial design attract attention, possessing social media check-in appeal. |

8. Research Conclusions and Implications

8.1. Psychological Mechanisms Underlying User Behavior

Through the analysis of consumer questionnaires and online review texts, this study reveals that the decision-making behavior of new-style tea beverage consumers is not a “rational choice” in the traditional economic sense but is strongly associated with a series of cognitive biases and psychological mechanisms.

First, the **anchoring effect** significantly influences price perception, with consumers heavily relying on initial price information as an internal reference point to assess the rationality of a transaction.

Second, **loss aversion** and **mental accounting** interact to make promotional strategies such as “spend-and-save coupons” and “50% off on the second drink” highly effective in stimulating purchase intention. Consumers are willing to incur additional expenses to avoid the perceived “loss” of coupon benefits.

Third, **social proof** and **conformity** turn queuing phenomena and viral products into powerful quality signals, reducing consumers’ decision-making uncertainty.

Fourth, the **framing effect** dominates information processing, where positive framing (e.g., “90% positive reviews”) far more effectively boosts purchase intention than logically equivalent negative framing (e.g., “10% negative reviews”).

Finally, the **scarcity heuristic** (e.g., “limited time and quantity”) serves as a key lever linking to impulsive consumption by enhancing perceived value and triggering a “fear of missing out” (FOMO).

Crucially, cross-analysis demonstrates that these irrational decision-making patterns are universal across demographic characteristics, with their influence not significantly moderated by age, gender, occupation, or income level.

8.2. Theoretical Contribution and Practical Implications

The core theoretical contribution of this study lies in its robust demonstration that behavioral economics is far from an “ivory tower” discipline confined to theoretical discussion. Instead, it is a powerful analytical toolkit capable of profoundly explaining, predicting, and intervening in real-world social activities. The traditional economic assumption of a “rational agent” often proves inadequate in the face of the complexity of social activities and human bounded rationality. This study confirms that core behavioral economics concepts—such as anchoring effect, mental accounting, loss aversion, and social proof, can systematically explain the pervasive and predictable “irrational” decision-making patterns occurring in the broad social arena of consumer markets.

Therefore, the significance of this study is that, using a specific consumption scenario as an entry point, it empirically validates the universality and practicality of behavioral economics principles, providing a theoretical basis and practical confidence for their role as “nudges” in broader social activities. It demonstrates that understanding and respecting humans’ inherent, systematic psychological patterns is key to the success of any activity aimed at changing social behavior,

whether in commercial marketing or public policy.

8.3. Implications for Micro-Social Activities (Consumer Markets) and Macro-Social Activities

8.3.1. Implications for Micro-Social Activities (Consumer Markets)

In commercial practice, this study guides enterprises to shift from a purely “product-oriented” approach to a “user psychology-oriented” strategy. The interaction between brands and consumers essentially becomes an exercise in **behavioral design**. By constructing intelligent **choice architectures** (e.g., setting reference prices, optimizing information framing, designing default options), companies can more effectively and ethically guide consumers to make decisions that lead to greater satisfaction for themselves while simultaneously benefiting business growth. This approach enhances the efficiency and resilience of market operations.

8.3.2. Implications for Macro-Social Activities

The psychological mechanisms validated in this study demonstrate high universality, with applications extending far beyond consumer markets. In broader social domains such as public policy, environmental protection, health promotion, and financial decision-making, behavioral economics similarly offers invaluable insights. Policymakers can draw upon **nudge theory** to implement low-cost, non-coercive interventions—such as modifying information presentation or adjusting decision-making environments—to effectively guide public behavior toward enhanced personal well-being and collective social benefit (e.g., encouraging savings, smoking cessation, or energy conservation). This enables the realization of “soft” social governance.

8.4. Research Limitations and Future Directions

This study has certain limitations. First, the sample was primarily sourced from online platforms. While the sample size was adequate, it may introduce demographic coverage biases. Second, the reliance on cross-sectional questionnaire data limits the ability to capture subtle dynamic changes in consumer decision-making processes.

Future research could explore the following directions:

- 1) Employ **experimental methods (A/B testing)** to empirically evaluate the effect of different price anchors, information frames, or promotional strategies across physical stores, thereby obtaining causal conclusions.
- 2) Conduct **longitudinal tracking studies** to investigate how the efficacy of behavioral economics strategies evolves as consumer-brand relationships deepen over time.
- 3) Incorporate **neuroscientific techniques** (e.g., eye-tracking, electroencephalography) to delve deeper into consumers’ subconscious response mechanisms when exposed to varied marketing stimuli. This would provide a more robust scientific foundation for designing “precision choice architectures”.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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