

Impact of Brand Assets on Customer Purchase Decision of Xiaomi Mobile Products

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Abstract

This study examines how brand assets influence consumer purchasing decisions regarding Xiaomi mobile products in Shandong Province, China. Grounded in Brand Asset Theory, it takes four core dimensions of brand assets as independent variables and Xiaomi smartphone purchasing decisions as the dependent variable, with demographic variables included as contextual factors. Using a quantitative research design with online questionnaires, the research adopts probability sampling to gather valid data from Shandong consumers in China. Data analysis involves descriptive statistics, reliability and validity tests, and multiple linear regression. Results show the model has strong explanatory power, and brand assets explain a considerable share of variance in purchasing decisions. Brand loyalty and brand association exert significant positive effects, with brand loyalty as the strongest predictor. The findings supplement research on Xiaomi's brand assets and consumer behavior in the Chinese market, and offer actionable brand management suggestions. Xiaomi can enhance loyalty through community building and personalized services, and enrich brand associations via storytelling and ecosystem promotion. Future research may expand sampling areas and test mediating or moderating mechanisms.

Keywords : Brand Assets; Xiaomi Mobile Products; Purchasing Decision

Introduction

Amid the recovery of global smartphone shipments in 2024 (Canalys, +5% YoY in Q3; IDC, +6.2% for the full year), the Chinese market continues to grow (+10% in Q2, +3.2% in Q3) and plays a critical role. Driven by 5G adoption, intensified competition, and changing consumer preferences, Xiaomi ranks among the top three globally with a 13%–15% share and leads domestically with a 19.7% activation share in November 2024, supported by cost-effective products, fan-based digital marketing, and technological innovation.

Based on Brand Asset Theory (Aaker, 1991; Keller, 1993), this study focuses on four dimensions: brand awareness, brand loyalty, brand association, and perceived quality. Prior research shows these factors reduce search costs, encourage repurchase and word-of-mouth, shape brand image, and strengthen purchase intention (Yu Qian, 2009; Wu Mingzi, 2012; Zhou Fei, 2017; Pan Yue, 2023). However, empirical studies on Xiaomi's brand assets and Chinese consumer decisions remain limited, and existing findings on dimensional effects are inconsistent. This study therefore examines how brand assets influence Xiaomi consumers' purchase decisions in China, providing theoretical support for improved brand management and competitiveness while addressing the lack of context-specific evidence.

Research Objectives

This study identifies Xiaomi's brand asset dimensions and analyzes their impact on consumer purchase decisions.

Literature Review

Theoretical Synthesis of Brand Assets and Purchase Decision

Brand Assets

Brand assets have been widely recognized as a core driver of consumer behavior, shaping perceptions, preferences, and ultimately purchasing decisions. Drawing on Aaker's brand equity perspective and subsequent empirical studies, this research conceptualizes brand assets as a multidimensional construct composed of brand awareness, brand loyalty, brand association, and perceived quality, which collectively influence consumers' mobile phone purchase decisions.

In the context of Xiaomi smartphones, the brand has cultivated a large, young, technology-oriented, and value-conscious user base characterized by high usage frequency, strong ecosystem engagement, and notable brand attachment (Wu, 2019; Xu, 2021). Xiaomi users tend to prioritize cost-effectiveness, innovation, and user experience, suggesting that brand-related perceptions play a crucial role in their consumption choices. Demographic variables such as age, gender, income, and education have also been shown to systematically affect consumer preferences and willingness to pay, highlighting the importance of segmentation in understanding brand-driven decisions (Yu, 2009; Li et al., 2023; Yao et al., 2012).

Brand awareness represents the extent to which consumers can recognize and recall a brand within a product category. Prior research demonstrates that higher brand awareness enhances perceived value, reduces decision uncertainty, and positively shapes brand attitudes, thereby increasing purchase likelihood (Liu, Zhang & Xiao, 2016; Wang et al., 2017). In digital

environments, community identity and online interactions further amplify the role of brand awareness in decision-making (Chen & Qu, 2020).

Brand loyalty reflects consumers' long-term commitment to a brand, manifested in repeat purchases, recommendation behavior, and lower price sensitivity. Empirical studies consistently show that stronger brand loyalty leads to more stable purchasing patterns and greater tolerance toward price fluctuations or product imperfections (Tang, 2020; Wang et al., 2019). Brand anthropomorphism and consumer involvement further strengthen loyalty and its influence on choice behavior (Zhou et al., 2021).

Brand association encompasses the images, emotions, and meanings consumers link to a brand. Positive and distinctive associations—such as innovation, authenticity, or personality—enhance brand credibility and trust, which in turn facilitate favorable purchase decisions (Ding & Ling, 2011; Jiang, 2021). Stronger brand associations increase perceived differentiation and reduce perceived risk, making consumers more inclined to choose the brand over competitors (Wu & Yuan, 2009).

Purchase Decision

Perceived quality refers to consumers' subjective evaluation of a product's overall excellence based on experience, expectations, and contextual cues. A substantial body of literature confirms that higher perceived quality enhances perceived value, trust, and purchase intention across multiple contexts, including e-commerce, social media advertising, and community group buying (Li, 2014; Xu, 2020; Zhu et al., 2023). In smartphone markets, perceived performance, durability, and technological sophistication are particularly salient drivers of choice.

Based on this theoretical integration, the study proposes a Brand Asset–Purchase Decision Framework, in which the four dimensions of brand assets directly influence consumers' purchase decisions. Brand awareness increases accessibility and consideration of Xiaomi in choice sets; Brand loyalty strengthens repeat purchase and recommendation intentions; Brand association shapes emotional attachment and differentiation; Perceived quality enhances trust and value perception. Together, these dimensions form a holistic brand asset system that not only explains consumer decision-making but also provides strategic guidance for Xiaomi in brand positioning, product development, and marketing communication. Based on the above research hypotheses, this study determines the following theoretical framework diagram:

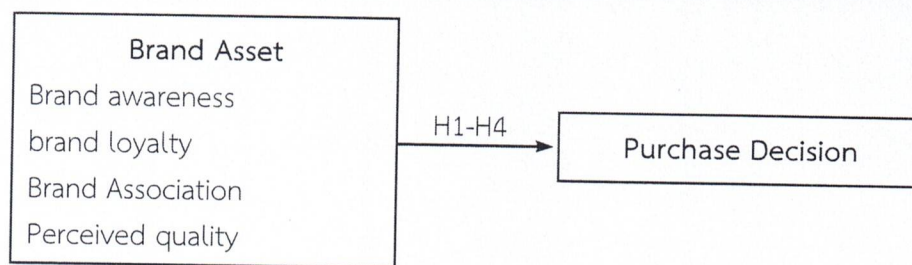


Figure 1.1 Theoretical Framework Diagram

Research Methods

This section outlines the research methodology used to examine the relationship between Xiaomi's brand assets and consumer purchasing decisions in Shandong Province. This study adopted a convenience sampling, targeting consumers who have previously used Xiaomi smartphones. The required sample size was calculated using a standard statistical formula, resulting in 384 respondents, which was increased to 405 to account for potential non-response.

The primary research instrument is a structured questionnaire consisting of three sections: demographic information, brand assets, and purchase decision. The brand asset scale is adapted from Xu (2018) and measures four dimensions: brand awareness, brand loyalty, brand association, and perceived quality, each assessed using a five-point Likert scale. The purchase decision scale similarly employs a five-point scale to capture consumers' evaluations of price, performance, design, and technological innovation. A clear scoring criterion is established to interpret respondents' attitudes.

Data collection is conducted mainly through online questionnaires distributed across Shandong Province from January to March 2025, supplemented by secondary textual data such as company reports, market analyses, news articles, and consumer reviews. Ethical considerations such as anonymity and confidentiality are maintained throughout the process.

To ensure research quality, reliability and validity tests are performed. Item-Objective Congruence (IOC) analysis, evaluated by three experts, confirms strong content validity, with all items meeting acceptable standards. Reliability analysis using Cronbach's alpha and Corrected Item-Total Correlation (CITC) demonstrates excellent internal consistency across all constructs, with all coefficients exceeding commonly accepted thresholds.

Finally, data analysis involves both descriptive statistics and multiple regression analysis. Descriptive statistics provide an overview of sample characteristics and brand asset perceptions, while multiple regression is used to examine the impact of the four brand asset dimensions on purchase decisions. The regression model enables the identification of key brand-related factors influencing consumer behavior, providing evidence-based insights for Xiaomi's brand strategy and marketing decisions.

Research results

It was found that the respondents is 56.54% female and 43.46% male. The age profile is “mid-career dominant,” led by the 35–44 group (41.98) and 25–34 group (29.14%), with those 55+ representing only 1.73%. Socioeconomically, middle-income groups dominate (63.46%), with 84.94% of respondents earning 3,000–10,000 yuan monthly. Education levels are high: bachelor’s degrees (44.44%) are most common, followed by college diplomas (27.90%) and master’s degrees (21.73%). Occupationally, office workers (47.90%) and freelancers (35.80%) comprise the majority. This balanced composition accurately reflects Xiaomi’s core consumer demographics, providing a reliable foundation for analysis.

Table x Multivariate linear regression analysis table

	Non-standardized coefficient		Standardization factor	t	p	collinearity diagnostics	
	B	standard error	Beta			VIF	tolerance
constant	1.157	0.276	-	4.194	0.000**	-	-
perception Quality	0.072	0.056	0.059	1.269	0.205	7.028	0.142
Brand Association	0.435	0.058	0.358	7.484	0.000**	7.323	0.137
Brand loyalty	0.661	0.053	0.524	12.592	0.000**	5.551	0.180
Brand awareness	0.038	0.048	0.031	0.799	0.425	4.736	0.211
R ²	0.875						
Adjust R ²	0.874						
F	F (4,400)=700.278,p=0.000						
D-W test	1.941						

Note: The dependent variable is purchase decision, * p <0.05 and ** p <0.01

From the regression coefficients of each variable:

The non-standardized coefficient B=0.661 and standardized coefficient Beta=0.524 of brand loyalty, with t=12.592 and p<0.01, demonstrate that it is the most significant positive predictor of purchase decisions at the 0.01 level. This indicates that each unit increase in brand loyalty leads to a 0.661-unit improvement in purchase decisions, validating the core driving role of brand loyalty in consumer purchasing behavior.

The non-standardized coefficient B=0.435, standardized coefficient Beta=0.358, t=7.484, p<0.01, and the same is significant at the 0.01 level. It is the second positive factor affecting purchase decision, indicating that consumers with more positive brand association to Xiaomi (such as value matching and technological innovation association) have higher positive evaluation of purchase decision.

The p values of perceived quality ($B=0.072$, $Beta=0.059$, $t=1.269$, $p=0.205$) and brand awareness ($B=0.038$, $Beta=0.031$, $t=0.799$, $p=0.425$) were all greater than 0.05, which did not reach the significant level. It indicates that after controlling other variables, the direct influence of perceived quality and brand awareness on purchase decision was not significant.

The collinearity diagnosis results showed that the variance inflation factor (VIF) of each variable ranged from 4.736 to 7.323, and the tolerance ranged from 0.137 to 0.211. Although slightly higher than the ideal threshold of $VIF < 5$, but not reaching the degree of severe collinearity ($VIF > 10$), the model stability was acceptable.

In conclusion, the analysis of multiple linear regression demonstrates that among the four dimensions of Brand awareness, brand loyalty and brand association exert significant positive influences on Xiaomi smartphone purchase decisions, with brand loyalty showing the strongest impact. Meanwhile, perceived quality and brand awareness demonstrate no statistically significant direct influence on purchasing decisions, suggesting these factors may indirectly affect purchase decisions through mediating variables such as brand loyalty or brand association.

Discussion and Conclusions

It is reported that the sample is demographically representative of Xiaomi's core consumer base-mainly young and middle-aged, mid-income office workers and professionals. Descriptive statistics show that perceptions of brand awareness, brand loyalty, brand association, perceived quality, and purchase decisions are generally at a neutral to slightly positive level. Consumers recognize Xiaomi's market presence and relative quality but express concerns about durability, limited brand recall, and weak loyalty under competitive pressure, reflecting Xiaomi's continued reliance on cost-effectiveness rather than technological differentiation. Regression analysis reveals that brand loyalty and brand association have significant positive effects on purchase decisions, while brand awareness and perceived quality do not have significant direct effects, suggesting that emotional and relational brand factors matter more than cognitive familiarity or general quality perception.

The dominant role of brand loyalty aligns with prior studies emphasizing its mediating effect on purchase behavior (Tang, 2020; Wang, Yang & Lou, 2019). Intensifying competition in the mid-range market has weakened Xiaomi's loyalty advantage, requiring deeper emotional engagement beyond price. The significant role of brand association supports previous findings that positive brand imagery enhances purchase intention (Yang, 2006; Jiang, 2021). Meanwhile, the insignificance of brand awareness and perceived quality is attributed to market saturation of brand familiarity and the likelihood that perceived quality influences decisions indirectly through loyalty and association (Xu, 2021; Lin, 2019).

Three key marketing recommendations can be made: (1) strengthen brand loyalty via community engagement, personalized services, and improved quality management (Chen & Qu, 2020; Shao, 2023); (2) enrich brand associations through storytelling and ecosystem integration centered on a “smart life” concept (Liang, 2017); and (3) enhance brand awareness and perceived quality through targeted marketing and technological innovation, particularly in areas such as camera performance and product durability (Xu & Zhou, 2020).

Future research should expand beyond Shandong, include cross-brand comparisons, incorporate mediating/moderating variables (e.g., perceived risk, social influence), adopt mixed methods, and examine the evolving impact of 5G, AI, and IoT on brand assets and consumer decisions.

Overall, the study concludes that relational brand assets (loyalty and association) are more critical than cognitive assets (awareness and perceived quality) in shaping Xiaomi smartphone purchase decisions.

Recommendation

While this study offers valuable insights, its limitations suggest several avenues for future research. First, because the sample was restricted to Xiaomi consumers in Shandong Province, findings may not reflect broader regional or cultural variations. Future studies should expand to other Chinese provinces or different countries to enhance generalizability.

Second, focusing solely on Xiaomi limits the applicability to the wider industry. Comparative analyses involving multiple smartphone brands would clarify how brand equity impacts purchase decisions across different market segments. Third, this research primarily examined direct relationships. Future models should incorporate mediators and moderators—such as consumer involvement, perceived risk, or social influence—to better explain the underlying psychological mechanisms.

Fourth, relying heavily on online questionnaires may overlook nuanced consumer emotions. Adopting a mixed-methods approach (e.g., in-depth interviews or focus groups) would provide richer, more authentic data. Finally, researchers should investigate how emerging technologies like 5G, AI, and IoT are reshaping brand equity and consumer behavior, ensuring findings remain relevant in a rapidly evolving technological landscape.

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