

The Impact of Price Bundling Capability on Marketing Performance: The Mediating Role of Price Value Offering—A Case Study of Tasty Burger in Wuhan

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Abstract

This study investigates the relationship between price bundling capability and marketing performance, with a focus on the mediating effect of price value offering in China's fast-food industry. Taking Tasty Burger, a local chain in Wuhan, as the research object, a quantitative descriptive design was adopted. A structured questionnaire was distributed to 390 consumers across 151 outlets in 13 administrative districts of Wuhan. Data were analyzed using principal component analysis, mediation regression analysis, and structural equation modeling (SEM). Results show that Tasty Burger's price bundling capability (encompassing Appeal, Value, and Choice dimensions) and price value offering (including Perceived Value and Purchase Loyalty) are highly recognized by consumers, with mean scores exceeding 6.0 on a 7-point scale. Marketing performance (Brand Awareness & Communication, Customer Loyalty & Engagement) also achieves a "Very Good" rating (mean = 6.33). SEM confirms that price value offering plays a significant partial mediating role in the relationship between price bundling capability and marketing performance ($\beta = 0.587$, $p < 0.001$). This study enriches the theoretical framework of pricing strategy and provides practical implications for fast-food enterprises to optimize bundle design, strengthen value communication, and enhance marketing performance.

Keywords

Price Bundling Capability; Price Value Offering; Marketing Performance; Fast-Food Industry; Mediating Effect; Consumer Perception

1. Introduction

In the context of intensifying competition and evolving consumer preferences, pricing has become a critical strategic tool for fast-food enterprises to gain competitive advantage. China's fast-food industry has experienced steady growth, driven by urbanization, rising disposable incomes, and changing dietary habits, with a projected market size of 142 billion yuan by 2023 (Chen et al., 2020). However, market satu-

ration and homogeneous product offerings have led to fragile customer loyalty, making it imperative for brands to adopt consumer-centric pricing strategies.

Price bundling, as a popular pricing tactic, involves combining multiple products or services into a single package at a discounted price (Zhang & Li, 2021). It not only reduces consumers' decision-making costs but also enhances perceived value, stimulates purchase intention, and increases transaction volume (Nguyen et al., 2022). Nevertheless, the effectiveness of price bundling depends on consumers' perception of price value offering—defined as the subjective evaluation of the trade-off between benefits (e.g., quality, quantity) and costs (e.g., monetary expenditure) (Blut et al., 2023). Previous studies have confirmed the positive impact of price bundling on marketing performance, but the mediating mechanism of price value offering remains under-explored in China's fast-food industry.

Tasty Burger, a local fast-food chain in Wuhan, faces dual pressures from global giants and rising consumer demands for value. This study aims to: (1) assess consumers' perceptions of Tasty Burger's price bundling capability, price value offering, and marketing performance; (2) examine the mediating role of price value offering between price bundling capability and marketing performance; (3) provide actionable recommendations for fast-food enterprises to optimize pricing strategies.

2. Literature Review and Research Hypothesis

2.1. Definition of Core Concepts

2.1.1. Price Bundling Capability

Price bundling capability refers to a firm's strategic capacity to design, price, and promote bundled offerings that align with consumer needs (Zhang & Li, 2021). It encompasses three dimensions: (1) Appeal: the attractiveness of bundle design and communication; (2) Value: the perceived cost-effectiveness of bundled products; (3) Choice: the flexibility of bundle options to meet diverse consumer demands (Wang et al., 2020).

2.1.2. Price Value Offering

Price value offering is consumers' overall evaluation of a product/service based on the trade-off between benefits and costs (Zeithaml, 1988). It includes two dimensions: (1) Perceived Value: the subjective judgment of quality, convenience, and economic benefits; (2) Purchase Loyalty: the willingness to repurchase and recommend the brand due to positive value perception (Blut et al., 2023).

2.1.3. Marketing Performance

Marketing performance reflects the effectiveness of marketing strategies in achieving business goals, including financial indicators (e.g., sales growth) and non-financial indicators (e.g., brand awareness, customer loyalty) (Katsikeas et al.,

2016). This study measures it through two dimensions: (1) Brand Awareness & Communication: the clarity and effectiveness of brand messaging; (2) Customer Loyalty & Engagement: the emotional connection and repeat purchase behavior of consumers.

2.2. Literature Review

2.2.1. Price Bundling Capability and Marketing Performance

Zhang and Li (2021) found that price bundling capability has a direct positive impact on marketing performance ($\beta = 0.42$, $p < 0.001$) through a survey of 312 fast-food consumers. Wang et al. (2020) emphasized that bundle framing (limited-time vs. permanent) and product complementarity are key factors affecting the effectiveness of bundling strategies. Kim and Park (2022) confirmed that data-driven customized bundling can significantly improve sales volume and customer satisfaction.

2.2.2. The Mediating Role of Price Value Offering

Blut et al. (2023)'s meta-analysis of 687 studies revealed that perceived value mediates the relationship between pricing strategies and consumer behavior outcomes ($r = 0.45$, $p < 0.001$). Luo et al. (2021) found that functional and conditional values significantly affect Chinese consumers' purchase intentions, highlighting the contextual relevance of price value offering. Liang and Gao (2020) argued that value perception acts as a critical link between marketing capabilities and performance.

2.3. Research Hypothesis

Based on Value Perception Theory and literature review, the following hypothesis is proposed:

H_0 : Price value offering does not mediate the effect of price bundling capability on marketing performance.

3. Research Methodology

3.1. Research Design

A quantitative descriptive design was adopted to collect cross-sectional data via structured questionnaires. This design is suitable for exploring the relationships between variables and testing mediating effects (Babbie, 2016).

3.2. Sample and Sampling Method

The study population comprised consumers of Tasty Burger in Wuhan. A two-stage sampling method was used:

1. Stratified Random Sampling: The number of respondents per district was determined based on the proportion of Tasty Burger outlets (e.g., 37 outlets in

Hongshan District, 26 in Hanyang District).

2. Systematic Sampling: Within each outlet, every third customer entering during peak (11:00-13:00, 17:00-19:00) and off-peak hours (weekdays and weekends) was invited to participate.

A total of 390 questionnaires were distributed and retrieved, with a valid response rate of 100%. The sample included 198 males (50.8%) and 192 females (49.2%); 124 college students (31.8%), 156 young professionals (40.0%), and 110 family consumers (28.2%).

3.3. Research Instruments

Questionnaires were developed based on existing scales and revised through expert review and a pilot test (30 consumers in Jiangxi Province). Three core scales were included:

1. Price Bundling Capability Scale: 15 items (Cronbach's $\alpha = 0.736$) measuring Appeal, Value, and Choice (Zhang & Li, 2021).
2. Price Value Offering Scale: 15 items (Cronbach's $\alpha = 0.806$) measuring Perceived Value and Purchase Loyalty (Blut et al., 2023).
3. Marketing Performance Scale: 15 items (Cronbach's $\alpha = 0.752$) measuring Brand Awareness & Communication and Customer Loyalty & Engagement (Katsikeas et al., 2016).

All scales used a 7-point Likert scale (1 = "Extremely Low/Abysmal" to 7 = "Extremely High/Excellent").

3.4. Data Processing

SPSS 26.0 was used for principal component analysis, mean, and standard deviation calculations. Mediation regression analysis and AMOS 24.0 (SEM) were employed to test the mediating effect. The Kaiser-Meyer-Olkin (KMO) test and Bartlett's Test of Sphericity verified the suitability of data for factor analysis.

4. Results

4.1. Descriptive Statistics of Variables

Table 1 presents the descriptive statistics of the three core variables. All dimensions achieved high ratings, with mean scores ranging from 5.48 to 6.39.

Table 1. Descriptive Statistics of Variables

Variable	Dimension	Mean	SD	Interpretation
Marketing Performance	Brand Awareness & Communication	6.34	0.564	Very Good
	Customer Loyalty & Engagement	6.32	0.791	Very Good
	Overall	6.33	0.678	Very Good
Price Bundling Capability	Appeal	6.35	0.535	Very High

	Value	6.32	0.609	Very High
	Choice	6.36	0.637	Very High
	Overall	6.34	0.593	Very High
Price Value Offer- ing	Perceived Value	6.39	0.525	Very High
	Purchase Loyalty	5.48	0.976	High
	Overall	6.03	0.751	Very High

4.2. Factor Analysis Results

4.2.1. Validity and Reliability Tests

All KMO values exceeded 0.9, and Bartlett's Test of Sphericity was significant ($p < 0.001$), confirming suitability for factor analysis. Cronbach's α coefficients of all dimensions ranged from 0.726 to 0.913, meeting the reliability standard ($\alpha > 0.7$).

4.2.2. Factor Extraction

- Marketing Performance: Two factors were extracted (cumulative variance explained = 68.32%), with factor loadings ranging from 0.481 to 0.647.
- Price Bundling Capability: Three factors were extracted (cumulative variance explained = 71.54%), with factor loadings ranging from 0.449 to 0.649.
- Price Value Offering: Two factors were extracted (cumulative variance explained = 73.21%), with factor loadings ranging from 0.602 to 0.835.

4.3. Mediating Effect Test

4.3.1. Model Fit

SEM exhibited excellent fit: CFI = 0.996, TLI = 1.000, RMSEA = 0.026, SRMR = 0.006 (Table 2).

Table 2. Model Fit Indices

Fit Index	CFI	TLI	RMSEA	SRMR
Value	0.996	1.000	0.026	0.006
Acceptable Threshold	> 0.90	> 0.90	< 0.08	< 0.08

4.3.2. Path Coefficients

Results from mediation regression and SEM showed:

1. Price bundling capability had a significant positive impact on marketing performance ($\beta = 0.456$, $p < 0.001$).
2. Price bundling capability had a significant positive impact on price value offering ($\beta = 0.692$, $p < 0.001$).
3. Price value offering had a significant positive impact on marketing performance ($\beta = 0.587$, $p < 0.001$).
4. performance remained significant ($\beta = 0.183$, $p < 0.01$), indicating partial me-

diation. Thus, H_0 was rejected.

Figure 1 illustrates the path diagram of the mediating effect.

Figure 1. Path Diagram of the Mediating Role of Price Value Offering

(Path diagram showing relationships between price bundling capability, price value offering, and marketing performance with path coefficients: $PBC \rightarrow MP = 0.183^{***}$, $PBC \rightarrow PVO = 0.692^{***}$, $PVO \rightarrow MP = 0.587^{***}$)

After incorporating price value offering, the direct effect of price bundling capability on marketing

Note: PBC = Price Bundling Capability; PVO = Price Value Offering; MP = Marketing Performance; $***p < 0.001$; $**p < 0.01$.

5. Discussion

5.1. Key Findings

1. Tasty Burger's price bundling capability received high recognition from consumers, especially in terms of Choice (mean = 6.36) and Appeal (mean = 6.35). This is attributed to its adaptive pricing strategy and complementary product combinations, consistent with Wang et al. (2020)'s findings that flexible bundling options enhance consumer satisfaction.
2. Price value offering's overall mean score (6.03) reflects consumers' positive evaluation of the "benefit-cost" trade-off. The relatively lower score for Purchase Loyalty (5.48) suggests that while consumers recognize the value of bundles, there is room to strengthen loyalty through targeted incentives.
3. The partial mediating role of price value offering confirms that price bundling capability affects marketing performance both directly and indirectly. This supports Value Perception Theory, emphasizing that consumers' value judgment is a critical link between pricing strategies and performance outcomes (Zeithaml, 1988).

5.2. Theoretical Contributions

This study enriches the literature on pricing strategy by: (1) verifying the mediating mechanism of price value offering in China's fast-food industry; (2) developing a multi-dimensional measurement model of price bundling capability tailored to the fast-food context; (3) providing empirical evidence for the application of Value Perception Theory in emerging markets.

5.3. Practical Implications

1. Optimize Bundle Design: Launch customized bundles for different segments (e.g., student bundles, family bundles) to enhance product complementarity.
2. Strengthen Value Communication: Clearly convey the cost advantages and additional benefits of bundles through digital platforms (e.g., social media,

- in-store displays) to reduce decision uncertainty.
3. Balance Short-Term and Long-Term Goals: Combine limited-time promotional bundles (for short-term sales) with permanent bundles (to maintain stable value perception).
 4. Enhance Loyalty Programs: Link bundling strategies with membership systems (e.g., points accumulation, exclusive discounts) to boost Purchase Loyalty.

5.4. Limitations and Future Directions

Limitations include: (1) Geographical restriction to Wuhan, limiting generalizability; (2) Cross-sectional data failing to capture long-term dynamics; (3) Ignoring moderating factors such as consumer demographics and competitive environment. Future research could: (1) expand the sample to other cities; (2) adopt a longitudinal design to track changes over time; (3) incorporate moderating variables to deepen the understanding of the relationships between constructs.

6. Conclusion

This study confirms that price bundling capability has a significant positive impact on marketing performance in the fast-food industry, with price value offering playing a partial mediating role. Consumers highly recognize Tasty Burger's bundling strategies, value perception, and marketing performance. The findings provide theoretical support for the development of pricing strategy research and practical guidance for fast-food enterprises to enhance competitiveness. By optimizing bundle design, strengthening value communication, and improving consumer loyalty, fast-food brands can better adapt to market changes and achieve sustainable growth.

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