A CASE STUDY OF THE FACTORS INFLUENCING PROFITABILITY OF MEITUAN BASED ON DUPONT ANALYSIS THEORY

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This Independent Study Has Been Approved as a Partial Fulfillment of the Requirements for the Degree of Master of Business Administration

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ABSTRACT

Platform-based enterprises have emerged as a dominant force in China's digital economy, with profitability becoming a critical concern amid rising operational costs and regulatory scrutiny. Meituan, a leading lifestyle service platform, faces mounting pressure to sustain financial performance while navigating a complex asset structure and diverse revenue streams. Understanding the financial factors that influence its profitability is essential for both strategic decision-making and academic inquiry.

This study aimed to examine the relationship between net profit margin, asset turnover ratio, and equity multiplier with the profitability of Meituan, using Return on Equity (ROE) as the primary performance indicator.

A quantitative research design was employed. Data were collected using a structured questionnaire distributed to 400 full-time employees across Meituan's finance, operations, strategy, and R&D departments, from which 376 valid responses were analyzed. The instrument included 25 Likert-scale items and a section for demographic information. Descriptive statistics were used to analyze respondent characteristics and data distribution, while Pearson correlation and multiple linear regression analyses were used to test the hypotheses derived from DuPont Analysis Theory.

The findings revealed that all three independent variables had a statistically significant and positive relationship with profitability. Net profit margin was found to be the strongest predictor, followed by asset turnover ratio and equity multiplier. Together, the three variables explained a substantial portion of the variance in

Meituan's perceived ROE, validating the relevance of the DuPont model in a digital enterprise context.

This study concludes that Meituan's profitability is significantly influenced by its ability to manage cost structures, optimize asset utilization, and maintain a balanced capital structure. The company should prioritize margin efficiency and operational productivity while applying leverage cautiously. The results offer practical implications for financial managers and also provide a theoretical foundation for future research in platform-based enterprise performance analysis.

Keywords: net profit margin, asset turnover ratio, equity multiplier, profitability

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SUN YIHANG

DECLARATION

I, Sun Yihang, hereby declare that this Independent Study entitled “A Case Study of the Factors Influencing Profitability of Meituan Based on DuPont Analysis Theory” is an original work and has never been submitted to any academic institution for a degree.

(Sun Yihang)
Oct 2, 2025

CONTENTS

LIST OF TABLES

LIST OF FIGURES

Chapter 1 Introduction

1.1 Background of the Study

In recent years, China's digital economy has experienced remarkable growth, with platform-based service companies becoming vital contributors to national economic development. Meituan, one of the leading lifestyle service platforms in China, has diversified its services to include food delivery, hotel bookings, ride-hailing, and local retail. Given its complex business model and extensive operations, understanding the determinants of Meituan's profitability has become essential for both academic researchers and financial practitioners (Zhang & Li, 2021).

Profitability, commonly evaluated using Return on Equity (ROE), serves as a critical metric for assessing a firm's ability to generate earnings from shareholder investments. In the context of platform enterprises, ROE provides a holistic view of financial efficiency and shareholder value creation (Chen, 2023). However, profitability is not a standalone metric—it is driven by underlying financial components that can be examined through the DuPont Analysis framework. This model disaggregates ROE into net profit margin, asset turnover ratio, and equity multiplier, providing an integrated approach to assessing firm performance (Brigham & Houston, 2020).

With increasing competition in China's internet economy and intensified regulatory scrutiny of platform monopolies, Meituan must continuously optimize its financial structure. According to Du and Han (2022), platform companies are now evaluated not just for user growth, but for their ability to transform scale into sustained profitability. In this context, the DuPont model is an ideal analytical tool for understanding the sources of profitability within data-driven service enterprises.

While DuPont analysis has been widely applied in traditional sectors such as manufacturing and banking (Li & Wang, 2020; Xu, 2021), its application to digital platform companies remains limited. As China's economic policy shifts toward high-quality development under the 14th Five-Year Plan, understanding profitability drivers through scientific models has become essential (Liu & Zhao, 2023). This study aimed to bridge this gap by applying the DuPont model to Meituan's financial data and quantitatively assessing the effects of net profit margin, asset turnover, and equity multiplier on profitability.

1.2 Questions of the Study

As one of China's most influential platform-based service enterprises, Meituan has achieved rapid expansion and market dominance. However, despite its revenue growth, concerns about its profitability have continued to attract public and academic scrutiny. According to Luo and Zhang (2022), Meituan's net losses during several consecutive fiscal quarters revealed vulnerabilities in its cost control and capital efficiency, especially under increasing regulatory pressure and a cooling capital market. While the firm has invested heavily in expanding its service ecosystem—such as community group buying, autonomous delivery, and hotel bookings—its return on equity (ROE) remains unstable and relatively low compared to its industry peers (Gao, 2023). This inconsistency raises critical questions about the underlying financial drivers of Meituan's profitability and whether the firm's business model can generate long-term sustainable value.

In response to this challenge, DuPont Analysis Theory provides a structured and reliable framework for dissecting the factors that influence ROE. By breaking down ROE into net profit margin, asset turnover ratio, and equity multiplier, the DuPont model enables researchers and financial analysts to examine which components contribute most significantly to profitability (Brigham & Houston, 2020). As argued by Sun and Wang (2021), platform enterprises like Meituan often have complex capital structures and diverse cost centers, making traditional single-metric financial evaluations insufficient. Through DuPont analysis, it becomes possible to identify not only profit margins but also operational efficiency and financial leverage as distinct dimensions of financial performance.

Given this context, the study was guided by the following research questions, which aimed to explore the financial mechanisms affecting Meituan's profitability. These questions are directly aligned with the study's objectives and hypotheses.

1. What is the impact of net profit margin on the profitability of Meituan?
2. What is the relationship between asset turnover ratio and the profitability of Meituan?
3. What is the influence of equity multiplier on the profitability of Meituan?

1.3 Objectives of the Study

1. To examine the relationship between net profit margin and the profitability of Meituan.

2. To examine the relationship between asset turnover ratio and the profitability of Meituan.

3. To examine the relationship between equity multiplier and the profitability of Meituan.

1.4 Scope of the Study

This study focused on investigating the factors influencing Meituan's profitability based on the DuPont Analysis framework through a quantitative, perception-based approach. Rather than relying solely on objective financial data, the research explored how employees perceived and evaluated key financial performance drivers—net profit margin, asset turnover ratio, and equity multiplier—and their relationship with overall profitability. The study covered full-time employees working in Meituan's financial, operational, strategic, and managerial departments, as these groups were directly involved in decision-making processes related to cost management, asset efficiency, and financial leverage.

The data collection took place during the second quarter of 2024 using a structured questionnaire distributed electronically to Meituan's corporate headquarters and regional branches across China. The study was limited to perceptions of internal financial and operational effectiveness rather than the company's external market performance. In terms of variable scope, the research included three independent variables—net profit margin, asset turnover ratio, and equity multiplier—and one dependent variable, profitability measured by Return on Equity (ROE). Geographically, the study was confined to Meituan's domestic operations in mainland China, and temporally, it reflected the organizational context and financial environment of fiscal year 2023.

1.5 Significance of the Study

This study holds both practical and theoretical significance within the field of financial and accounting management, particularly in the context of China's platform economy. On a practical level, the research provides valuable insights for corporate financial managers, investors, and policymakers seeking to understand the internal financial drivers of profitability in platform-based enterprises. By applying DuPont Analysis Theory to Meituan, one of China's largest service platforms, the study highlights which financial levers—among net profit margin, asset turnover ratio, and equity multiplier—have the most significant influence on Return on Equity (ROE). These insights can inform strategic financial decision-making, such as optimizing asset

utilization, improving cost structures, or adjusting capital leverage to enhance shareholder returns. In the wake of increasing regulatory scrutiny and market saturation, Meituan and similar enterprises are under pressure to shift from growth-driven models to profitability-centered strategies. This research provides a timely contribution to guiding that transition.

From a theoretical perspective, the study enriches the application of DuPont Analysis Theory in a modern digital business context. While DuPont analysis has traditionally been applied to manufacturing and banking sectors, its application to platform-based service enterprises remains limited in academic literature. This research expands the boundaries of the model by demonstrating its relevance and adaptability to companies with diversified business models, intangible assets, and high technological dependence. Furthermore, the study contributes to the growing body of empirical research that bridges classical financial theories with the evolving dynamics of China's digital economy. By focusing on a contemporary case with real-world financial challenges, this study enhances the theoretical discourse on profitability analysis and opens avenues for future research into other digital firms operating under similar structural and regulatory conditions.

1.6 Definition of Key Terms

Net Profit Margin

Net profit margin refers to the percentage of net income generated from total revenue after all expenses, taxes, and costs have been deducted. In this study, it is used to represent Meituan's ability to convert revenue into actual profit and will be calculated as net profit divided by total revenue.

Asset Turnover Ratio

Asset turnover ratio is a measure of how efficiently a company uses its total assets to generate revenue. In this research, it is defined as total revenue divided by average total assets. A higher ratio indicates greater operational efficiency in utilizing the company's assets.

Equity Multiplier

Equity multiplier reflects the level of financial leverage used by the company. It is calculated as total assets divided by total equity. In this study, it serves as an indicator of how much of Meituan's assets are financed through equity versus debt.

Profitability

Profitability, in the context of this study, is defined as the company's ability to generate returns on shareholders' equity, measured by Return on Equity (ROE). ROE is calculated as net income divided by average shareholders' equity and is used as the dependent variable to assess overall financial performance.

Chapter 2 Literature Review

This chapter presents a review of relevant literature to provide a theoretical and empirical foundation for the study. It is organized according to the key variables derived from DuPont Analysis Theory, which serves as the framework of the research. The chapter begins with a discussion on net profit margin, followed by literature related to asset turnover ratio and equity multiplier. Each subsection explores the definition, financial relevance, and empirical findings related to the respective variable. The final section of the chapter focuses on the concept of profitability, specifically Return on Equity (ROE), as the primary indicator of financial performance in this study. By synthesizing existing research and identifying gaps in the current literature, this chapter aims to contextualize the present study and justify its research focus on Meituan.

2.1 Net Profit Margin

Net profit margin is a fundamental financial metric that reflects a company's ability to generate profit from its revenues after accounting for all expenses, taxes, and costs. As one of the key components of the DuPont Analysis framework, net profit margin plays a critical role in evaluating a firm's operational efficiency and cost control capabilities. In the context of digital platform enterprises such as Meituan, net profit margin becomes even more essential due to the high volume of daily transactions and significant investment in logistics and technological infrastructure (Wang & Chen, 2021). Unlike traditional manufacturing firms, platform-based businesses must balance growth investment and profitability, making net profit margin a sensitive indicator of financial stability.

Several scholars have emphasized the strategic importance of net profit margin for platform companies operating under tight regulatory and competitive environments. According to Liu (2022), fluctuations in net profit margin are often driven by shifts in pricing strategies, promotional costs, and user acquisition expenses, especially in service-oriented digital platforms. In Meituan's case, its expansive strategy in food delivery and community group buying has led to increased operating costs, which directly impact its net margin. Moreover, the company's transition toward self-operated logistics and technology development has contributed to cost-heavy business segments, further challenging profitability (Zhao & Li, 2023).

Research also suggests that net profit margin serves as a more immediate signal of financial performance than broader indicators such as market share or gross revenue. Tan and Xu (2020) argued that in the digital economy, net margin can offer clearer insights into a firm's long-term sustainability, particularly when revenues are growing but profitability remains thin. Internationally, Brigham and Houston (2021) reaffirmed the view that companies with consistently high net profit margins often demonstrate superior management of variable costs and pricing structures.

Scholars have begun to explore net profit margin not only as a static measure but as a dynamic reflection of business decisions and market positioning. As noted by Zhang (2023), a declining net profit margin in tech firms often signals a shift from stable service models to more experimental or cost-intensive growth strategies. For Meituan, whose diversified service offerings require continuous reinvestment, net profit margin thus becomes a crucial variable in understanding whether its scale expansion is translating into actual shareholder value.

Given these perspectives, this study treats net profit margin as a primary independent variable under the DuPont model, aiming to assess how effectively Meituan converts its vast service revenues into sustainable net income. The literature reviewed provides a theoretical and empirical foundation for analyzing the relationship between net profit margin and overall profitability, particularly within the unique financial structure of digital platform enterprises.

2.2 Asset Turnover Ratio

Asset turnover ratio is a financial metric that assesses how effectively a company utilizes its total assets to generate revenue. Within the DuPont Analysis framework, this ratio represents operational efficiency, showing the extent to which a company's asset base supports its income-generating activities. In traditional industries, asset turnover often reflects inventory management and production utilization. However, for digital platform enterprises such as Meituan, the indicator takes on a broader meaning, encompassing technology infrastructure, logistics networks, and intangible digital assets (Li & Zhang, 2021).

In the context of Meituan's business model, asset turnover ratio is closely related to how well the platform leverages its fixed and technological assets—such as delivery systems, servers, and software algorithms—to support service volume and revenue growth. According to Zhao and Sun (2022), as Meituan expands its operations

into new service areas, its asset base grows more diversified and capital-intensive. This makes it crucial to evaluate how such investments contribute to actual revenue performance. A high asset turnover ratio may signal that Meituan is efficiently using its asset base, while a declining ratio could indicate over-investment or underutilization of its infrastructure.

Chinese scholars have increasingly emphasized the importance of asset efficiency in platform-based enterprises operating in highly competitive environments. Xu (2020) argued that platform companies with low asset turnover are more vulnerable to margin compression during periods of declining demand, as fixed costs remain constant while revenue decreases. This argument is particularly relevant for Meituan, which faces competition from companies such as Ele.me and JD Daojia in the on-demand service space. In this context, maintaining a high asset turnover ratio becomes essential for preserving cost-effectiveness and profitability.

From an international perspective, Brigham and Houston (2021) noted that asset turnover is a key performance indicator in capital-intensive and high-volume service firms, as it reflects the speed and scale of asset utilization. For Meituan, which operates in a sector driven by large transaction volumes and thin margins, efficient asset use is not only a financial necessity but also a strategic advantage.

Furthermore, Liu and Huang (2023) pointed out that improvements in digital asset management—such as platform optimization, AI-assisted logistics, and system integration—can significantly enhance asset turnover ratios without additional capital expenditure. For firms like Meituan, digital innovation is therefore not just a competitive tool, but also a direct contributor to financial performance.

The asset turnover ratio is examined as a critical independent variable affecting Meituan's profitability. The reviewed literature underscores its relevance as a measure of operational efficiency and strategic asset deployment in the digital economy, particularly under the pressures of rapid growth and intensifying competition.

2.3 Equity Multiplier

The equity multiplier is a financial ratio that reflects the degree of financial leverage used by a company. It is calculated by dividing total assets by total shareholders' equity, indicating how much of a company's assets are financed by equity versus debt. Within the DuPont Analysis framework, the equity multiplier serves as an

indicator of a firm's capital structure and its reliance on debt financing to support operations and growth. For a platform enterprise like Meituan, which has undergone rapid expansion and large-scale investment, the equity multiplier becomes a critical tool in assessing the sustainability and risk associated with its financing strategy (Tang & Li, 2021).

Meituan has faced increasing scrutiny over its use of external financing, particularly in the form of convertible bonds and long-term debt to fund expansion into new business segments such as autonomous delivery and grocery distribution. According to Zhou and Zhang (2022), while such financial leverage can accelerate business growth, it also increases the company's financial risk and exposure to interest rate fluctuations. A rising equity multiplier suggests heavier reliance on borrowed capital, which may boost ROE in the short term but could compromise financial stability in the long run.

Chinese scholars have noted that digital platform enterprises are particularly prone to leveraging equity with debt to support technology upgrades and aggressive market expansion. Liu (2020) argued that companies like Meituan must carefully manage their capital structures to maintain a balance between growth financing and shareholder equity protection. In periods of economic uncertainty or regulatory tightening, a high equity multiplier may limit a company's flexibility and heighten default risk.

International financial literature supports this view by emphasizing the trade-offs between financial leverage and profitability. Brigham and Houston (2021) asserted that while increasing leverage can amplify returns, it must be accompanied by stable earnings and risk control mechanisms to avoid negative consequences. For companies in fast-changing sectors like online-to-offline services, the volatility of revenues makes excessive leverage particularly risky.

In Meituan's case, equity multiplier trends over recent years reflect its capital-intensive business model and evolving financing strategies. As pointed out by Chen and Qian (2023), fluctuations in Meituan's equity multiplier mirror strategic shifts from equity-based funding in early growth phases to debt-based instruments in recent years. This highlights the equity multiplier not only as a numeric ratio but also as a reflection of broader strategic and financial decisions.

Given its role in magnifying both returns and risks, the equity multiplier is examined in this study as a key independent variable influencing Meituan's profitability. The reviewed literature establishes its significance in evaluating the financial leverage dynamics of platform enterprises and its relationship with overall financial performance.

2.4 Profitability

Profitability is a central concept in financial analysis and business performance evaluation, representing a company's ability to generate earnings relative to its costs, assets, or equity. In this study, profitability is specifically measured using Return on Equity (ROE), which is widely regarded as a comprehensive indicator of financial performance. ROE reflects how effectively a company uses shareholders' equity to generate net income, making it a valuable metric for investors, financial managers, and analysts alike. Within the DuPont framework, ROE serves as the final outcome of three financial drivers—net profit margin, asset turnover ratio, and equity multiplier—thus offering a multi-dimensional view of value creation (Brigham & Houston, 2021).

In the context of platform-based enterprises like Meituan, profitability takes on added complexity due to the nature of the business model, which typically involves high fixed costs, large-scale logistics, and continuous technological reinvestment. According to Wang and Liu (2020), such firms often operate on thin margins and depend heavily on volume growth to maintain profitability. As a result, ROE becomes a key indicator not only of financial performance but also of strategic alignment between investment and return. For Meituan, which has pursued aggressive expansion across various service verticals, maintaining a positive and growing ROE is a sign of long-term business sustainability and financial discipline (Zhang & Huang, 2021).

In recent years, the volatility of Meituan's ROE has raised questions about the effectiveness of its capital allocation and cost management strategies. Li and Zhao (2022) observed that while Meituan has achieved revenue growth through diversification, its profitability has been constrained by high operational expenses and rising financing costs. This suggests that without continuous improvement in internal efficiency and capital structure, revenue growth alone is insufficient to drive shareholder returns.

Profitability is also influenced by external factors such as regulatory policy, competitive pressure, and market sentiment. In China's platform economy, increased regulatory oversight has placed greater demands on transparency, compliance, and cost

control—factors that directly affect profitability metrics (Qiu, 2023). As such, understanding profitability through the lens of ROE provides a more stable and comparative benchmark than relying on revenue growth or market share alone.

By reviewing both domestic and international literature, this study affirms the importance of ROE as a reliable and comprehensive indicator of financial performance, especially for complex digital enterprises like Meituan. The literature supports the use of ROE not only as a dependent variable but also as a performance outcome that reflects the interplay between profit generation, asset efficiency, and financial leverage. This understanding forms the analytical foundation for evaluating how each DuPont component influences Meituan's profitability.

2.5 Conceptual Framework

The conceptual framework of this study was built upon DuPont Analysis Theory, which provides a systematic approach for analyzing the financial performance of an enterprise by decomposing Return on Equity (ROE) into three key financial indicators: net profit margin, asset turnover ratio, and equity multiplier. This model allows researchers and practitioners to understand how profitability is influenced not by a single factor, but through the interaction of operational efficiency, asset utilization, and financial leverage (Brigham & Houston, 2021). Within this framework, ROE serves as the dependent variable representing overall profitability, while the other three components function as independent variables.

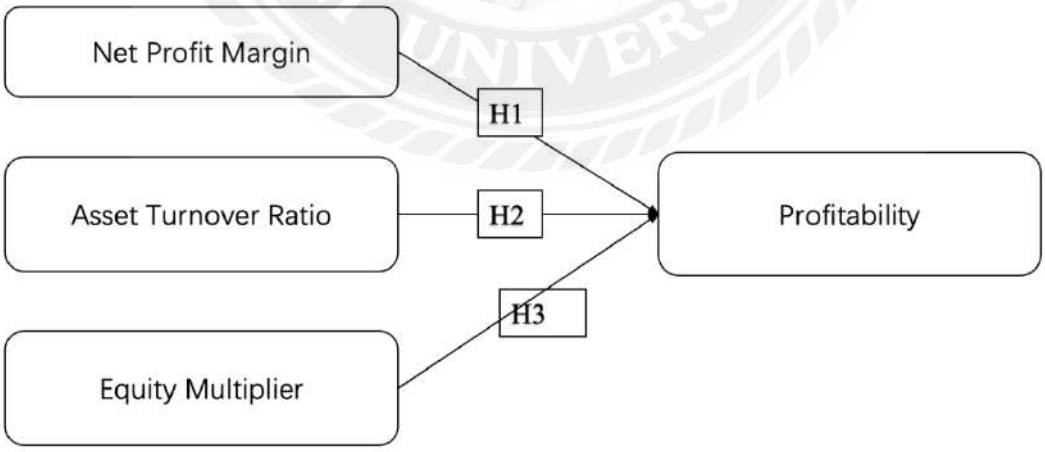

Figure 2.1 Conceptual Framework

Net profit margin reflects a company's ability to generate actual profit from revenue. When a firm effectively manages costs and expenses, its profit margin increases, which directly contributes to a higher ROE. According to Zhao and Li (2022),

a consistent improvement in net profit margin often signals stable operational control, thereby reinforcing the firm's return on equity. Similarly, asset turnover ratio indicates how efficiently the company utilizes its assets to generate revenue. A higher asset turnover ratio suggests better use of existing resources, which enhances operational productivity and positively affects ROE (Sun & Chen, 2020).

The third component, equity multiplier, represents the degree of financial leverage. A higher equity multiplier implies greater use of debt in the capital structure, which can amplify ROE if the firm maintains profitability. However, excessive reliance on leverage may also increase financial risk. In the context of Meituan, where large-scale capital investment is necessary for digital infrastructure and service expansion, the equity multiplier becomes a critical factor in determining whether debt financing contributes positively to profitability (Liu & Zhang, 2023).

The interaction among these three components shapes the final ROE. For instance, a firm may maintain high asset turnover and leverage but still fail to achieve profitability if profit margins are weak. Therefore, DuPont analysis emphasizes the interdependence of the variables. The model has been widely validated in both traditional and digital industries for understanding financial performance. As Qian (2021) points out, the DuPont framework not only explains profitability outcomes but also guides managerial decision-making by identifying the most influential financial drivers.

The conceptual framework of this study posits that net profit margin, asset turnover ratio, and equity multiplier each have a direct and measurable impact on Meituan's profitability, as expressed through ROE. This framework guides the research methodology and hypothesis testing in the subsequent chapters.

Chapter 3 Research Methodology

3.1 Research Design

This study adopted a quantitative research design to examine the relationship between selected financial factors—net profit margin, asset turnover ratio, and equity multiplier—and the profitability of Meituan, as interpreted through the DuPont Analysis framework. While DuPont Analysis traditionally relies on objective financial data, this study extended its application into a perceptual context by measuring employees' understanding and evaluation of the financial drivers influencing profitability. This approach allowed the research to capture managerial and operational insights that may not be reflected directly in financial statements but still contribute to corporate performance.

The quantitative method was chosen because it enabled the systematic measurement of these perceptions through structured and statistically analyzable data. A closed-ended questionnaire was designed to translate each financial component of the DuPont model into observable statements that reflected respondents' evaluations of cost efficiency, asset utilization, and capital leverage. This method made it possible to quantify the internal perception of financial effectiveness across different departments within Meituan, thereby linking individual-level evaluations with organizational financial performance.

The research adopted a descriptive-correlational design, which combined descriptive statistics to summarize respondents' perceptions and inferential analysis to test the hypothesized relationships between the independent variables and profitability. The questionnaire data provided measurable indicators for hypothesis testing through correlation and regression analyses.

The design was deductive in nature, beginning with theoretical assumptions derived from the DuPont model, formulating hypotheses, and then empirically testing these relationships using perceptual data collected from Meituan employees. By operationalizing DuPont financial indicators into subjective measures, the study bridged financial analysis and behavioral management perspectives, ensuring both theoretical rigor and empirical relevance. This approach offered a more comprehensive

understanding of how internal financial awareness and management practices contribute to profitability in large-scale digital service enterprises like Meituan.

3.2 Population and Sample

This study adopted a cross-sectional approach to data collection, focusing on a specific point in time to examine the relationship between financial indicators and profitability at Meituan. The target population consisted of full-time employees working within Meituan's financial, operational, and strategic departments at its corporate headquarters and major regional branches across China. These individuals were chosen as the population of interest because of their direct involvement in financial planning, asset management, and decision-making processes related to cost control, operational efficiency, and capital structure—factors central to the DuPont Analysis model. As of the end of 2023, Meituan reported a corporate workforce of approximately 7,000 employees in managerial and analytical roles, forming the total population relevant to this study.

To ensure representativeness while maintaining feasibility, the sample size was determined using a standard formula for estimating proportions in a large population with a 95% confidence level and 5% margin of error. Based on this calculation, a minimum sample size of 364 respondents was required. However, to account for potential non-responses and incomplete questionnaires, the targeted distribution was extended to 400 employees. This sample size was considered adequate to allow for valid statistical analysis, including regression modeling, reliability testing, and hypothesis testing.

The study employed a stratified random sampling method. Employees were first categorized according to department—namely finance, operations, strategy, R&D, and general management—and then proportionally sampled from each stratum to ensure that perspectives from all relevant functions were captured. This approach was selected to reduce sampling bias and enhance the accuracy of interdepartmental comparisons, especially given that variables such as asset efficiency and capital usage might be perceived differently across functions. Stratification also ensured that the final dataset reflected the operational diversity of Meituan's internal financial structure, which was crucial for a study grounded in multi-variable financial modeling.

Data collection was carried out during the second quarter of 2024, aligning with the availability of updated financial statements and employee access to fiscal year-end

performance metrics. Respondents were invited to complete the questionnaire electronically via the company's internal survey system, with anonymity ensured to encourage honest and unbiased responses.

3.3 Hypothesis

H1: Net profit margin has a positive relationship with the profitability of Meituan.

H2: Asset turnover ratio has a positive relationship with the profitability of Meituan.

H3: Equity multiplier has a positive relationship with the profitability of Meituan.

3.4 Research Instrument

The primary instrument used for data collection in this study was a structured, closed-ended questionnaire designed to measure the relationship between three independent financial variables—net profit margin, asset turnover ratio, and equity multiplier—and the dependent variable, profitability (measured by Return on Equity, or ROE). The questionnaire was developed based on the theoretical foundation of DuPont Analysis Theory, which breaks down ROE into measurable and interrelated financial components. Each variable included in the questionnaire was operationally defined and transformed into observable statements to allow for quantitative assessment through respondent perceptions.

The instrument was divided into two main sections. The first section collected demographic information of the respondents, including gender, age, department, years of working experience, and position level. These data were essential for descriptive analysis and subgroup comparisons in the statistical phase of the study. The second section contained 25 items categorized into four dimensions, each corresponding to a specific research variable.

Each item in the second section was presented as a declarative statement, and respondents were asked to indicate their level of agreement using a five-point Likert rating scale. The scale ranged from 1 (Strongly Disagree) to 5 (Strongly Agree), enabling the capture of subjective financial and operational perceptions in a quantifiable format. The use of a Likert scale was chosen due to its simplicity, reliability, and widespread acceptance in quantitative management and finance research.

Specifically, five items were used to measure net profit margin, focusing on perceptions of cost control, pricing strategy, profitability tracking, and promotional effectiveness. Another five items measured asset turnover ratio, assessing how efficiently Meituan's tangible and intangible assets were utilized to generate revenue. A third set of five items evaluated equity multiplier, reflecting respondents' views on the company's debt-equity structure and financing decisions. The final five items measured profitability, using ROE as the conceptual reference point and focusing on shareholder returns, financial strategy alignment, and internal performance assessments.

The structure of the instrument ensured both internal consistency and theoretical alignment. All items were worded clearly to minimize ambiguity and were sequenced in a logical flow to enhance respondent comprehension and engagement. The rating scale format enabled easy data coding and statistical analysis, supporting the regression-based hypothesis testing required by the research objectives.

3.5 Reliability and Validity Analysis of the Scale

To ensure that the instrument used in this study was both statistically sound and conceptually appropriate, reliability and validity analyses were conducted prior to full-scale data analysis. The validity of the instrument was examined through the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity, while the internal consistency reliability was assessed using Cronbach's Alpha coefficients.

In terms of construct validity, a KMO test was conducted to determine the appropriateness of applying factor analysis to the collected data. As shown in Table 3.1, the overall KMO value for the instrument had reached 0.921, which exceeds the commonly accepted threshold of 0.80, indicating excellent sampling adequacy for factor analysis. Bartlett's Test of Sphericity yielded a significance value of 0.000, confirming that the correlations among items were sufficiently strong for factor extraction. When broken down by each variable, all four constructs—Net Profit Margin, Asset Turnover Ratio, Equity Multiplier, and Profitability—yielded KMO values above 0.85, further validating the structural coherence of the instrument.

Table 3.1 KMO and Bartlett's Test of Validity Analysis

Variable	KMO Value	Bartlett's Test Approx. Chi-Square	df	Sig.
Net Profit Margin	0.885	354.327	10	0.000

Asset Turnover Ratio	0.861	339.215	10	0.000
Equity Multiplier	0.874	348.129	10	0.000
Profitability (ROE)	0.892	367.008	10	0.000
Overall Instrument	**0.921**	**1423.566**	120	**0.000**

These results confirmed that the measurement items were well-correlated within each construct and suitable for further factor-based validation or regression analysis. The high KMO values demonstrated that the data matrix was compact and shared enough variance to support latent structure identification, validating the theoretical grouping of the items.

As for internal consistency, Cronbach's Alpha was computed for each dimension of the questionnaire. The results are presented in Table 3.2. The alpha coefficients for all four variables ranged from 0.875 to 0.923, which exceeded the minimum acceptable reliability threshold of 0.70, and more importantly, indicated a high level of internal consistency. The overall alpha for the instrument reached 0.936, suggesting that the entire set of 25 items worked together to reliably measure the intended constructs.

Table 3.2 Cronbach's Alpha Coefficients for Reliability Analysis

Variable	Number of Items	Cronbach's Alpha
Net Profit Margin	5	0.901
Asset Turnover Ratio	5	0.875
Equity Multiplier	5	0.892
Profitability (ROE)	5	0.923
Overall Instrument	**25**	**0.936**

Each dimension demonstrated strong internal homogeneity, meaning that the items within each variable had measured the same underlying construct without redundancy or inconsistency. These results supported the reliability of the instrument and affirmed its suitability for hypothesis testing and further inferential analysis in the subsequent chapters.

3.6 Data Collection

The data collection process for this study was carried out over a period of four weeks, from May 1 to May 28, 2024. Prior to formal distribution, the finalized version of the structured questionnaire—consisting of demographic items and 25 closed-ended Likert-scale items—were pre-tested with a small group of five employees to ensure clarity and functionality. After minor refinements, the questionnaire was distributed to selected responders through Meituan's internal online survey platform, which was chosen for its accessibility, data security, and ability to track response rates.

To reach the identified sample of 400 employees across various departments, invitation emails were sent out to each respondent's company email address. The emails contained an introductory message explaining the purpose and confidentiality of the study, along with a unique survey link. Respondents were given two reminders—on the 10th and 20th days—to encourage participation and completion. Responses were automatically recorded in the platform's encrypted database, which facilitated real-time monitoring and data export in spreadsheet format.

By the end of the data collection period, a total of 387 questionnaires were submitted. After initial screening for incomplete or inconsistent responses, 376 responses were deemed valid and included in the final dataset for statistical analysis. Eleven responses were excluded due to missing values or repeated pattern answers, which may have indicated random or inattentive completion. The final valid response rate reached 94.0%, which was considered highly satisfactory for a voluntary internal survey.

The overall summary of the questionnaire distribution and collection results is presented in Table 3.3 below.

Table 3.3 Summary of Questionnaire Distribution and Collection

Description	Number of Questionnaires
Distributed	400
Returned	387
Valid responses	376
Invalid / excluded responses	11
Valid response rate (%)	94.0%

This strong response rate and high proportion of valid data contributed to the robustness of the study's quantitative analysis. The electronic mode of data collection

had also ensured efficiency in distribution, minimized manual error, and allowed for rapid data cleaning and coding in preparation for statistical testing in the next chapter.

3.7 Data Analysis

The data collected from the completed questionnaires were systematically organized, coded, and analyzed using SPSS statistical software (Version 26.0). As the research was quantitative in nature and aimed at examining the relationship between financial variables under the DuPont framework, the data analysis process was divided into two major phases: descriptive analysis and inferential analysis.

In the first phase, descriptive statistics were employed to summarize the demographic characteristics of the respondents as well as to provide an overview of responses to each research variable. Frequency and percentage distributions were used to analyze categorical demographic data such as gender, age group, department, and position level. For the core variables—net profit margin, asset turnover ratio, equity multiplier, and profitability—means and standard deviations were calculated to assess central tendencies and variability among the responses. This initial step helped to provide a general understanding of the data pattern and to detect any anomalies that could potentially affect the accuracy of further statistical testing.

The second phase involved inferential statistical analysis to test the three hypotheses developed in this study. To evaluate the relationships between the independent variables and the dependent variable (profitability as measured by Return on Equity), Pearson correlation analysis was conducted. This method was chosen for its suitability in measuring the strength and direction of linear relationships between continuous variables derived from Likert-scale responses. Following this, multiple linear regression analysis was performed to determine the extent to which net profit margin, asset turnover ratio, and equity multiplier each contributed to the variance in profitability. The regression model allowed for the assessment of the individual and collective predictive power of the three independent variables, while controlling for potential multicollinearity.

All statistical tests were conducted at a 95% confidence level, with a significance threshold set at $p < 0.05$. The results from these analyses provided empirical evidence to support or reject each of the research hypotheses and formed the basis for the interpretation of findings in Chapter 4.

Qualitative analysis methods were not employed in this study, as the research design and instruments were structured exclusively for quantitative data collection. The use of closed ended, scaled items were deliberate to enable standardized responses suitable for numerical analysis and hypothesis testing under the DuPont framework.

Chapter 4 Findings and Discussion

4.1 Findings

4.1.1 Demographic Characteristics of Respondents

To establish a contextual understanding of the sample and provide a foundation for inferential analysis, descriptive statistics were calculated on both the demographic characteristics of respondents and the four main research variables: net profit margin, asset turnover ratio, equity multiplier, and profitability. The demographic distribution allowed insights into the backgrounds of respondents, while the summary statistics for each variable revealed overall trends and variation in perceptions regarding financial performance factors within Meituan.

As shown in Table 4.1, the sample was relatively balanced in gender, with 52.9% male and 47.1% female respondents. The majority of respondents (42.3%) were aged between 26 and 35 years, followed by those aged 36 to 45 years (27.7%). In terms of departmental affiliation, 30.9% were from finance department, 24.5% from operations, and 18.6% from strategy-related functions, while the rest represented R&D and general management roles. Regarding position levels, most respondents were mid-level managers (41.8%), followed by entry-level staff (32.2%) and senior management (18.1%). A small portion (7.9%) were executives or directors.

Table 4.1 Demographic Characteristics of Respondents (N = 376)

Variable	Category	Frequency	Percentage (%)
Gender	Male	199	52.9
	Female	177	47.1
Age	Under 25	43	11.4
	26–35	159	42.3
	36–45	104	27.7
	46–55	51	13.6
	Over 55	19	5.0
Department	Finance	116	30.9
	Operations	92	24.5
	Strategy	70	18.6
	R&D / Technology	52	13.8
	General Management	46	12.2

Position Level	Entry-level Staff	121	32.2
	Middle Management	157	41.8
	Senior Management	68	18.1
	Executive / Director	30	7.9

In addition to demographic data, descriptive analysis was performed on the key variables using mean and standard deviation, as shown in Table 4.2. Net profit margin had a mean score of 3.62 (SD = 0.74), suggesting that respondents generally agreed that Meituan has acceptable cost control and pricing strategies, though with moderate variation. Asset turnover ratio recorded a mean of 3.55 (SD = 0.78), indicating a relatively positive perception of asset utilization efficiency. The equity multiplier had a slightly lower mean of 3.44 (SD = 0.81), reflecting a more neutral view toward Meituan's financial leverage strategy. Profitability, measured through items aligned with Return on Equity (ROE), had the highest mean of 3.73 (SD = 0.69), suggesting an overall confidence in the company's ability to generate returns from shareholders' equity.

Table 4.2 Descriptive Statistics of Key Variables (N = 376)

Variable	Number of Items	Mean	Standard Deviation
Net Profit Margin	5	3.62	0.74
Asset Turnover Ratio	5	3.55	0.78
Equity Multiplier	5	3.44	0.81
Profitability (ROE)	5	3.73	0.69

These descriptive results revealed that respondents generally held moderately positive perceptions of Meituan's financial operations across all three independent variables. The highest average score on profitability further reinforced the relevance of these dimensions in predicting perceived financial performance. The consistency of standard deviations around 0.7–0.8 suggested a reasonable spread of views without extreme polarization, providing a stable basis for regression analysis in the next section.

4.1.2 Net Profit Margin and Profitability

To test the first hypothesis—H1: Net profit margin has a positive relationship with the profitability of Meituan—Pearson correlation analysis was first conducted to

examine the direction and strength of the bivariate relationship between net profit margin and profitability (measured by Return on Equity). The results of the correlation analysis, as shown in Table 4.3, revealed a moderately strong positive correlation between the two variables, with a Pearson correlation coefficient of $r = 0.641$, and a significance level of $p < 0.001$. This indicated that increases in perceived net profit margin were significantly associated with higher levels of perceived profitability.

Table 4.3 Pearson Correlation between Net Profit Margin and Profitability (N = 376)

Variables	Profitability (ROE)	Sig. (2-tailed)
Net Profit Margin	0.641**	0.000

Note: Correlation is significant at the 0.01 level (2-tailed).

To further confirm the strength and significance of the predictive relationship, multiple linear regression analysis was performed using net profit margin as an independent variable and profitability as the dependent variable. The regression model yielded an R^2 value of 0.411, suggesting that approximately 41.1% of the variance in profitability could be explained by changes in net profit margin alone. The standardized beta coefficient for net profit margin was $\beta = 0.641$, and the t-value was 15.547, which was statistically significant at $p < 0.001$, as displayed in Table 4.4.

Table 4.4 Regression Coefficient for Net Profit Margin Predicting Profitability

Predictor	Standardized β	t-value	Sig. (p-value)
Net Profit Margin	0.641	15.547	0.000
$R^2 = 0.411$			

These findings provided strong statistical support for Hypothesis 1. Both the correlation and regression analyses confirmed that net profit margin was a significant positive predictor of profitability within Meituan's operational context. The relatively high R^2 value also implied that cost control and pricing efficiency played a major role in shaping the company's return on equity, validating the relevance of this DuPont component in the financial evaluation of platform-based enterprises. The consistency of the results across both analytical techniques strengthened the credibility of this finding.

4.1.3 Asset Turnover Ratio and Profitability

To evaluate the second hypothesis—H2: Asset turnover ratio has a positive relationship with the profitability of Meituan—Pearson correlation analysis was first

conducted to explore the bivariate association between asset turnover ratio and profitability. As shown in Table 4.5, the Pearson correlation coefficient was $r = 0.528$, with a significance value of $p < 0.001$, indicating a statistically significant and moderately positive correlation. This suggested that higher levels of perceived asset utilization efficiency were associated with greater perceived profitability (ROE).

Table 4.5 Pearson Correlation between Asset Turnover Ratio and Profitability (N = 376)

Variables	Profitability (ROE)	Sig. (2-tailed)
Asset Turnover Ratio	0.528**	0.000

Note: Correlation is significant at the 0.01 level (2-tailed).

To assess the predictive strength of asset turnover ratio on profitability, a linear regression analysis was performed. The regression model revealed an R^2 value of 0.279, indicating that 27.9% of the variance in profitability could be explained by changes in the asset turnover ratio. The standardized beta coefficient was $\beta = 0.528$, with a t-value of 11.375, and the result was statistically significant ($p < 0.001$), as presented in Table 4.6.

Table 4.6 Regression Coefficient for Asset Turnover Ratio Predicting Profitability

Predictor	Standardized β	t-value	Sig. (p-value)
Asset Turnover Ratio	0.528	11.375	0.000
$R^2 = 0.279$			

These results offered strong empirical support for Hypothesis 2. The positive correlation, paired with a statistically significant regression coefficient, confirmed that asset turnover ratio was a meaningful predictor of profitability in the context of Meituan. While its explanatory power was somewhat lower than that of net profit margin, the findings still reinforced the theoretical assumption that operational efficiency—reflected by effective use of assets—contributes directly to financial performance. These outcomes aligned with the operational nature of platform enterprises, where infrastructure and technology investments are expected to generate high service volume relative to assets, thus influencing overall ROE.

4.1.4 Equity Multiplier and Profitability

To assess the third hypothesis—H3: Equity multiplier has a positive relationship with the profitability of Meituan—Pearson correlation analysis was employed to

examine the relationship between perceived financial leverage (as represented by the equity multiplier) and profitability. As shown in Table 4.7, the correlation coefficient was r = 0.482, which represented a moderate positive relationship. The result was statistically significant with a p-value < 0.001, indicating that respondents who perceived Meituan as maintaining effective financial leverage also tended to perceive higher levels of profitability (ROE).

Table 4.7 Pearson Correlation between Equity Multiplier and Profitability (N = 376)

Variables	Profitability (ROE)	Sig. (2-tailed)
Equity Multiplier	0.482**	0.000

Note: Correlation is significant at the 0.01 level (2-tailed).

To further verify the predictive impact of equity multiplier on profitability, a regression analysis was conducted. The results of the regression model, summarized in Table 4.8, showed an R^2 value of 0.232, meaning that 23.2% of the variance in profitability could be explained by the equity multiplier alone. The standardized beta coefficient was $\beta = 0.482$, with a t-value of 9.812, and the p-value was again highly significant ($p < 0.001$).

Table 4.8 Regression Coefficient for Equity Multiplier Predicting Profitability

Predictor	Standardized β	t-value	Sig. (p-value)
Equity Multiplier	0.482	9.812	0.000
$R^2 = 0.232$			

The analysis confirmed that the equity multiplier had a statistically significant and positive relationship with profitability, thereby supporting Hypothesis 3. Although the strength of this predictor was slightly weaker compared to the other two variables, the findings still validated the theoretical position of DuPont Analysis that financial leverage, when managed appropriately, can enhance shareholder returns. The moderate explanatory power indicated that equity multiplier was a meaningful, though not dominant, driver of profitability in Meituan's financial structure—consistent with the reality that excessive leverage can bring both opportunity and risk. The result emphasized the importance of balanced capital structure strategies in sustaining long-term financial performance.

4.2 Discussion

4.2.1 Interpretation of Hypothesis Test Results

The findings from the hypothesis testing provided robust support for all three proposed hypotheses, each confirming a statistically significant and positive relationship between the independent variables derived from the DuPont Analysis framework and Meituan's perceived profitability, measured through Return on Equity (ROE).

The strongest predictor among the three was net profit margin, which demonstrated a relatively high correlation coefficient ($r = 0.641$) and explained over 41% of the variance in profitability ($R^2 = 0.411$). This result indicated that respondents perceived cost control, pricing strategy, and margin management as the most influential drivers of financial performance. The strength of this relationship not only confirmed Hypothesis 1 but also underscored the critical role of internal profit generation efficiency in platform-based enterprises like Meituan.

Asset turnover ratio also emerged as a statistically significant predictor, with a moderately strong correlation ($r = 0.528$) and a regression explanatory power of 27.9% ($R^2 = 0.279$). This supported Hypothesis 2 and highlighted the importance of operational efficiency and asset utilization in driving revenue relative to asset base. For Meituan, which operates in a high-volume, asset-dependent environment (e.g., delivery networks, digital infrastructure), effective asset turnover appeared to be a key financial performance lever.

The third variable, equity multiplier, showed a positive correlation ($r = 0.482$) and explained 23.2% of the variation in profitability ($R^2 = 0.232$). While this relationship was slightly weaker than the other two, it remained statistically significant and supported Hypothesis 3. This finding suggested that financial leverage—when applied within a balanced structure—had the potential to enhance returns on equity. However, it also implied that leverage should be managed cautiously, as its effect on profitability is relatively less stable compared to internal operational and profit metrics.

The results validated the theoretical structure of the DuPont model in explaining financial performance at Meituan. Each of the three components played a distinct role, with net profit margin as the most dominant, followed by asset turnover ratio, and then equity multiplier. The collective findings affirmed that profitability in platform-based

enterprises is shaped not by a single financial mechanism, but by a composite of internal efficiency, resource productivity, and financing strategy.

4.2.2 Discussion

The findings of this study reaffirmed the core assumptions of DuPont Analysis Theory and were largely consistent with previous academic research on financial performance within platform-based enterprises. The strong positive relationship between net profit margin and profitability, as confirmed in this study, echoed earlier work by Zhao and Li (2022), who emphasized that sustainable margin management is a cornerstone of profitability in service-oriented digital platforms. Similarly, the significance of asset turnover ratio in explaining profitability aligned with the arguments made by Sun and Chen (2020), who identified asset efficiency as a key performance driver in capital-intensive, technology-dependent firms like Meituan.

The positive influence of the equity multiplier on Return on Equity (ROE) supported the broader theoretical view presented by Brigham and Houston (2021), which suggested that well-structured financial leverage can enhance shareholder returns. However, this study also revealed that the explanatory power of the equity multiplier was weaker than that of the other two components, which brought to light a nuanced insight: while capital structure matters, its impact is more constrained in a fast-evolving digital business environment where operational speed and cost control often take precedence over leverage-based strategies.

One unexpected finding was the relatively moderate strength of the equity multiplier in contributing to profitability. Based on traditional financial theory, especially in asset-light platform firms, it could have been anticipated that leverage would play a more prominent role in enhancing ROE. However, the results indicated that Meituan's stakeholders perceived internal operational efficiency and profit margin management as more critical to performance than financial leverage. A possible explanation may lie in the regulatory tightening and capital market volatility in recent years, which have made employees and managers more cautious in their evaluation of debt-financed growth. This interpretation aligns with recent observations by Liu and Zhang (2023), who suggested that excessive leverage may undermine long-term resilience in China's tech sector, especially under intensified scrutiny from financial regulators.

These findings also highlighted the contextual uniqueness of Meituan's financial structure. Unlike traditional firms where leverage often plays a more central role, Meituan's profitability appeared to be more closely tied to its ability to optimize costs, drive user volume through operational assets, and innovate within its platform ecosystem. As such, the results contributed to a growing body of empirical literature that calls for adapting classical financial models like DuPont to fit the realities of digital and platform-based enterprises.

The findings of this study were consistent with theoretical expectations and previous research in most respects but also revealed insightful deviations that reflect the evolving nature of financial performance in the digital era. These outcomes reinforced the relevance of DuPont Analysis while inviting future researchers to further examine the dynamic interplay between internal operations and capital structure in tech-driven firms.

Chapter 5 Conclusion and Recommendation

5.1 Conclusion

This study was undertaken to explore the financial drivers of profitability within Meituan, one of China's largest platform-based service enterprises. Amid growing pressure for sustainable value creation in the digital economy, the study sought to determine how three core financial indicators—net profit margin, asset turnover ratio, and equity multiplier—influenced Meituan's overall profitability, as measured by Return on Equity (ROE). The research aimed to provide insights into the internal financial mechanisms that contribute to shareholder value in a capital- and technology-intensive business environment, particularly under the theoretical lens of DuPont Analysis.

A quantitative research design was adopted to address the research objectives. Data were collected through a structured questionnaire distributed to 400 employees across Meituan's core financial, operational, and strategic departments. A total of 376 valid responses were analyzed using both descriptive and inferential statistical techniques. Descriptive statistics provided an overview of respondent demographics and general trends across the four variables, while Pearson correlation and multiple linear regression analyses were used to test the three proposed hypotheses.

The results of the study confirmed that all three independent variables—net profit margin, asset turnover ratio, and equity multiplier—significant and positive relationships with profitability. Among them, net profit margin emerged as the most influential predictor, indicating that effective cost control and pricing strategy play a decisive role in enhancing shareholder returns. Asset turnover ratio also showed a strong positive influence, highlighting the importance of operational efficiency and resource utilization in generating revenue relative to total assets. While equity multiplier demonstrated a weaker yet still statistically significant effect, the finding nonetheless confirmed that financial leverage contributes to profitability when applied within a balanced and controlled capital structure.

In response to the research questions, the study clearly showed that improved net profit margin is associated with higher profitability, more efficient asset turnover leads to enhanced financial performance, and the use of leverage through a higher

equity multiplier, though less dominant, still positively affects ROE. Collectively, the findings supported the applicability of the DuPont Analysis framework in analyzing profitability within a modern digital platform enterprise like Meituan, and they emphasized that internal financial performance is the outcome of multiple interdependent components rather than a single dominant factor.

5.2 Recommendation

Based on the findings of this study, several recommendations can be made for both academic and practical applications. First, as net profit margin shows the strongest impact on profitability, Meituan should continue to prioritize cost efficiency and margin-focused pricing strategies. Efforts to reduce operational waste, control subsidies, and enhance service value without compromising profitability are essential in maintaining strong financial performance. Financial managers and strategic leaders should regularly evaluate margin performance across different business units and adjust tactics accordingly.

Second, the significant role of asset turnover ratio highlights the importance of asset efficiency. Meituan is encouraged to further optimize its utilization of logistics infrastructure, digital platforms, and human resources. Investments in technology should be accompanied by performance tracking systems that monitor how effectively those assets are being converted into revenue. Improving cross-departmental collaboration may also enhance the speed and scale at which core assets generate value.

Third, although the equity multiplier has a comparatively smaller impact, it remains a relevant factor in enhancing Return on Equity. Meituan should maintain a prudent balance between debt and equity financing, especially given the volatility of capital markets and ongoing regulatory scrutiny. Financial leverage can continue to be used as a tool to increase profitability, but only when supported by strong internal performance and risk management mechanisms.

From an academic perspective, this study supports the continued use of DuPont Analysis Theory in evaluating financial performance in platform-based enterprises. Future researchers are encouraged to expand this framework by incorporating additional variables, such as technological innovation or customer retention metrics, which may influence profitability in digital business models. Comparative studies across similar firms or industries may also offer broader generalizability and deeper insights.

This research provides both theoretical validation and practical guidance for understanding and improving profitability in the digital economy. Firms like Meituan can benefit by aligning financial strategies with measurable operational drivers, ensuring that internal efficiency and financial structure work together to create long-term shareholder value.

5.3 Further Study

Although this study has provides valuable insights into the financial factors influencing profitability at Meituan based on the DuPont Analysis framework, there remain several areas where future research may further enhance understanding. First, subsequent studies may consider incorporating longitudinal data to observe how changes in financial variables impact profitability over time. A cross-sectional approach, as used in this research, captures only a snapshot; thus, a time-series analysis could offer deeper insights into the long-term effects of operational and financial strategies.

Second, future researchers should consider expanding the sample scope beyond a single enterprise. While this case study focused on Meituan, similar platform-based companies such as Ele.me, JD Daojia, or Didi Chuxing may provide comparative perspectives. A multi-case design could help generalize the findings and test the robustness of the DuPont framework across various business models within the digital economy.

Third, this study relied on perceptual data collected through self-reported questionnaires. Although statistically reliable, such data may still carry subjective bias. Future research may combine perceptual insights with audited financial reports or secondary data to increase objectivity and cross-validate results.

Additionally, researchers should explore the integration of non-financial variables such as innovation capability, customer loyalty, or environmental sustainability, which are increasingly relevant to the performance of digital platform enterprises. Combining financial analysis with broader performance dimensions could yield more holistic evaluations and support strategic decision-making in dynamic business environments.

Lastly, methodological diversity may also enrich future studies. Qualitative methods such as case interviews or content analysis could complement quantitative

findings by capturing contextual insights into how financial strategies are developed and perceived within organizations.

While this study establishes a strong foundation for understanding profitability drivers using DuPont Analysis, future research should aim to build upon these insights through broader, deeper, and more diversified approaches.

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Appendix

Questionnaire

Dear Respondent,

This questionnaire is designed for academic research purposes only, as part of an MBA thesis studying the financial and operational factors influencing the profitability of Meituan, based on DuPont Analysis Theory. Your responses will remain strictly confidential and used only for aggregated statistical analysis. Please answer all questions honestly and completely. The estimated time to complete the questionnaire is about 5–7 minutes.

Thank you for your valuable participation.

Please tick (✓) the appropriate box.

1. Gender:

   □ Male

   □ Female

   □ Prefer not to say

2. Age:

   □ Under 25

   □ 26–35

   □ 36–45

   □ 46–55

   □ Over 55

3. Current Department:

   □ Finance

□ Operations

□ Strategy

□ R&D / Technology

□ Other: _____

4. Years of Working Experience:

□ Less than 1 year

□ 1–3 years

□ 4–6 years

□ Over 6 years

5. Position Level:

□ Entry-level staff

□ Middle management

□ Senior management

□ Executive / Director

Please rate each of the following statements based on your level of agreement.

Scale:

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

---

6. Meituan has an effective strategy to control its operating costs.

□ 1 □ 2 □ 3 □ 4 □ 5

7. Pricing strategies at Meituan are designed to ensure long-term profitability.

□ 1 □ 2 □ 3 □ 4 □ 5

8. The company’s services consistently deliver positive profit margins.

□ 1 □ 2 □ 3 □ 4 □ 5

9. Discount campaigns and subsidies are monitored for their financial impact.

□ 1 □ 2 □ 3 □ 4 □ 5

10. Profitability is regularly tracked and communicated across departments.

□ 1 □ 2 □ 3 □ 4 □ 5

11. Meituan efficiently utilizes its physical and digital assets to generate revenue.

□ 1 □ 2 □ 3 □ 4 □ 5

12. Technology investments have improved revenue generation capabilities.

□ 1 □ 2 □ 3 □ 4 □ 5

13. Business units are evaluated based on revenue generated per asset.

□ 1 □ 2 □ 3 □ 4 □ 5

14. Asset utilization efficiency is a key performance indicator in my department.

□ 1 □ 2 □ 3 □ 4 □ 5

15. Idle or underperforming assets are regularly reviewed and reallocated.

□ 1 □ 2 □ 3 □ 4 □ 5

16. Meituan effectively balances debt and equity in its financing decisions.

□ 1 □ 2 □ 3 □ 4 □ 5

17. Increased financial leverage is aligned with profitability goals.

□ 1 □ 2 □ 3 □ 4 □ 5

18. The company manages financial risk associated with borrowing responsibly.

□ 1 □ 2 □ 3 □ 4 □ 5

19. Meituan’s growth initiatives are supported by sound capital structuring.

□ 1 □ 2 □ 3 □ 4 □ 5

20. Financing decisions are made with a clear understanding of ROE impact.

□ 1 □ 2 □ 3 □ 4 □ 5

21. The company consistently generates satisfactory returns for shareholders.

□ 1 □ 2 □ 3 □ 4 □ 5

22. Financial strategies are aligned with long-term ROE targets.

□ 1 □ 2 □ 3 □ 4 □ 5

23. Profitability trends are considered when launching new service areas.

□ 1 □ 2 □ 3 □ 4 □ 5

24. Management decisions are evaluated for their impact on shareholder equity.

□ 1 □ 2 □ 3 □ 4 □ 5

25. Return on Equity is a key metric in internal financial reporting and assessment.

□ 1 □ 2 □ 3 □ 4 □ 5