

# From University Town to Clone Town — A Case Research on 18-25 Years Students Consumers Purchase Non-Alcoholic Beverages Product Willingness in Nanjing Xianlin University Town

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doi:10.56397/FMS.2023.10.03

## Abstract

As the independent business circle model of the university town matures, more and more famous brands from home and abroad are settling in the shopping area. Nanjing Xianlin University Town has just developed into a clone town outside of Nanjing city. Non-alcoholic beverages are beverages with almost zero alcohol content, which in this study are mainly substituted as coffee and milk tea, and are highly regarded by young people, with many branded outlets in Xianlin University Town. Due to the quality and promotion methods of these drinks, college students have different attitudes towards their consumption. This research takes Nanjing Xianlin University City as an example, through interviews and surveys of 30 university students aged 18-25 on non-alcoholic beverages and analyzes the factors influencing consumers' consumption intention from brand promotion, purchase method, celebrity effect and hygiene and safety in combination with the data from desktop research. This study also provides recommendations for the long-term development of the region in terms of sustainability, product hygiene and government policy. This paper also provides value for the development of beverage brands in the commercial area of Xianlin University City.

**Keywords:** food healthy, qualitative research, desk research, non-alcoholic beverages, purchase willingness, consumer behaviour

## 1. Introduction

Xianlin University Town is in the central part of Qixia District, Nanjing, Jiangsu Province. The university town was planned in 1995 and officially started construction in 2002 (Ye et al., 2014), making it one of the earliest university towns established in China. The latest statistics in 2023 show that there are 19 colleges and universities in Xianlin University Town (Ye & Liang, 2023), and the total number of college students between the ages of 18-25 in this university town accounts for about 8% of the total number of college students in Jiangsu Province (ibid.). In Bain & Company's 2021 annual report, it noted that Generation Z (Gen Z) has strong purchasing power among consumer groups (Levato & Colacchio, 2021). Even though some Gen Z students are college students with no regular income, some Gen Z students can ask their parents or family members for pocket money (Chiu & Ho, 2023). Since China once implemented the one-child policy, which means that a couple is only allowed to have one child, this policy has been banned after many years, but some Gen Z students still as only one child in their family, and they can enjoy a stable supply of pocket money from their families. Thus, Gen Z consumers have more stable and strong purchasing power. Xianlin University Town, an area with a high concentration of Gen Z students, has been improving its policy of inviting famous brands (Starbucks, Pizza Hut, Wanda Plaza, etc.) to move into the area. Wanda Plaza has 418 locations in China, covering more than 30 cities, and is highly recognizable (Wanda Plaza, 2018). The Wanda Plaza in Xianlin University Town is also a large-scale entertainment mall built at a huge cost of 15 billion in 2018 (ibid.), and its radius mainly includes

students and residents of Xianlin University Town. The emergence of independent business districts in the region is like the clone town phenomenon proposed by Duignan in 2019 (Duignan, 2019). Along with Starbucks, Luckin Coffee, Mixue and other well-known domestic and international independent brands in the area, Xianlin University Town is gradually developing into an independent business district with a collection of high-quality education. According to the “How to Innovate for the Tangled Gen Z — Research Report on China’s Snacks and Beverages Drinks Category” published by RIES Strategic Positioning Consulting, the average monthly disposable income of Gen Z is nearly 50% higher than the national average (RIES, 2023), 90% of Gen Z consumers consume snacks and beverages on a regular basis (ibid.), and more than 80% of the nation’s Gen Z group spends more than RMB 400 per month on beverages (ibid.). 21% of Gen Z consumers spend more than RMB 1,000 per month on beverage products (ibid.). More than 80% of Generation Z groups nationwide spend more than RMB 400 per month on beverages, or more than RMB 10 per day (ibid.), with 21% of Gen Z spending more than RMB 1,000 per month on beverage products. According to the overall data for 2022, 45.5% of Gen Z spend significantly more on beverage products compared to 2021 (ibid.). Indicating that the Gen Z group has a strong spending tenacity on beverage products. There have been previous studies of students’ willingness to purchase soft-packaged milk in university towns, but the target group was not Xianlin University Town, and the purchases were not directly related to non-alcoholic beverages. Therefore, in view of the commercial characteristics of the clone town of Xianlin University Town, this study will focus on the influencing factors of the purchase intention of non-alcoholic beverages of the 18-25-year-old students in the university town. The non-alcoholic products referred to in this study are beverage outlets with physical outlets, such as coffee and milk tea, that have a reputation both domestically and internationally. This study will not only analyze the factors influencing the purchase of beverages by the Gen Z consumer group but also make suggestions for improving food health in clone towns such as Xianlin University Town, to promote the healthy development of this type of business district.

## 2. Methodology

This study will use a combination of qualitative and desk research to enrich the diversity of the data. Qualitative research will be used as the primary source route for obtaining primary data in this data collection (Gerring, 2017). In-depth interviews were utilized in this study as they allowed theories to be formed from the underlying data and enriched and improved the diversity and accuracy of the data through continuous in-depth interviews (ibid.). The interview sessions in this study were conducted using anonymous interviews, and some of the statements used in the article were agreed to by the interviewees. Semi-structured one-to-one interviews are also widely regarded as a more effective form of research as the rationale (Moriarty, 2011) and insights into consumer purchasing behaviour can be gained through close interaction with the interviewee while focusing on exploring social issues. Thus, the combination of qualitative and quantitative research appears to match the research objectives of this study. Respondents in the one-on-one interviews were introduced to each other to participate in the interviews mainly through friends’ recommendations, and data were collected in a snowball sample size method (McConnell & Smith, 2017). The overall size of the sample is also determined by theoretical saturation, where the collection of interview data ends when there seems to be little or no fresh content from the interviewees. A total of 30 students from different schools in Xianlin University Town were invited to participate in the interviews for this study and were categorized according to gender into fifteen male and fifteen female students.

This study will also be accompanied using desktop research for the collection of secondary data. The study will be enriched by the diversity of data within the articles through the internet, books, and literature reading.

## 3. Literature Review

In this part, the positive and negative aspects of college students’ willingness to purchase non-alcoholic beverages will be analyzed and the results of the primary data and desktop research will be combined to provide a more comprehensive analysis.

### 3.1 Positive Factors Influencing Willingness to Purchase

#### 3.1.1 Brand Promotion

Branding is the process of alerting and influencing consumers, through sending informative emails, to prompt them to make a purchase decision more favorable to the brand (Khosiev Boris N. et al., 2019). In this research, online media platforms and social learning theory will be examined for their impact on consumers’ willingness to purchase non-alcoholic beverages.

Along with the coverage of cities by network technology in recent years, smartphones and the Internet have become an indispensable part of every young person’s life. According to the 49th statistical report on China’s Internet development released by China Internet Network Information Center (CNNIC), at the end of 2021, the size of China’s mobile phone netizens was 1.029 billion (CNNIC, 2023), accounting for 73.5% of the total

population, of which more than 30% were Gen Z. 83.6% of Gen Z users are socially active on the Internet, and according to the data survey, nearly 70% of China's Gen Z group tends to be online socializing (ibid.). Due to this, some coffee and milk tea brands are willing to participate in building online media platforms in China. These brands have set up official corporate accounts on Chinese social media platforms such as Weibo, Red (Xiaohongshu) and TikTok (Cui et al., 2019), and will post campaigns on these accounts with the latest news about their products. For example, Starbucks a well-known coffee brand, that has official corporate accounts on TikTok and Red, brand regularly broadcasts live and sells brand peripheral products such as coffee vouchers and mugs of coffee beans through the online platforms to increase the company's revenue and profit. Starbucks will sell discount vouchers for the more popular products on the air and invite anchors to give detailed descriptions of peripheral products such as mugs, coffee beans, bags, and other products. In the interview, Student A said, *"I would often browse the live streams of beverage brands, such as Starbucks, where I would purchase some vouchers ..."* In the interviews, respondents also noted that they would choose to place an order because they saw vouchers or products that were heavily discounted on specific products in the Live of a beverage brand. Some respondents also said they would be interested in ordering because of the detailed description of the product by the anchor in the live. This also shows that some college students have a clear willingness to buy and spend money on products that are less expensive or have stronger functional attributes (Zhao et al., 2020). Live is not only an opportunity for brands to expand their online sales track, but also a way to give the Gen Z community a way to shop online for more products. Drinking brands can also drive sales in their offline shops by promoting and selling product vouchers and peripherals online. The Live of products is not only a way to help brands open online sales tracks, but also a way to give the Gen Z community a way to shop online for a wider range of products. Drinking brands can also drive sales in their offline shops by promoting and selling product vouchers and peripherals online. According to an analysis of Starbucks' second-quarter results (Zheng, 2023), the company's omnichannel business in China is growing rapidly, with digital sales accounting for 47 per cent of the total, up 4 per cent from the same period last year. Starbucks CFO Rachel Ruggieri said the number of active Star Club members rebounded to 17.8 million at the end of the second quarter (ibid.). The rebound in the number of huge traffic and loyal customers also indicates the success of Starbucks' online media operations.

### 3.1.2 Advantage of Clone Town Effect

A clone town is one that minimizes the product differentiation of a shopping street. This theory has been used by Duignan to analyze the Olympic town after the 2014 London Olympics (Duignan, 2019), which despite being a tourist town lacked differentiated brands due to the presence of too many multinational brands in the area. The current Xianlin University Town is also a clone town due to the presence of too many famous brands. This does not mean that clone towns have negative impacts, in this paragraph we will analyze the positives of clone towns in terms of distance to shops and products, which will have a positive impact on consumers' willingness to consume. For consumers in Xianlin University Town, a larger collection of brands can provide more choices for consumers. Consumers also not have to walk too far or wait too long to enjoy the higher quality brand products, which also means that the face of the same category of products and the same waiting time for the product production, consumers will prefer to choose the product directly based on brand loyalty. According to Interviewee B, *"When faced with Luckin Coffee Starbucks and LeLe TEA, I would consider buying directly from Starbucks because I have a Starbucks loyalty point card..."*, even though they have the same production speed. Therefore, influenced by the cloning town factor, the emergence of homogeneous products in Xianlin University Town provides consumers with the convenience of time and distance in their choices, and likewise, for some brands with a membership system, consumers will be more likely to become brand loyalists choosing to shop directly to the brand. However, because some brands do not have a high degree of consumer loyalty, this type of shopping and habits are not very conducive to the development of some brand profits, but for consumers, the time savings and distance is still an advantage.

### 3.1.3 Social Learning Theory

Psychologist Albert Bandura proposed the social learning theory, in which he argued that social behaviour is learned by observing and imitating the behaviour of others (McLeod, 2023). This is like contemporary beverage consumption, where consumers also follow social influencers to shop for some products. In recent years, some beverage brands have also been keen to find celebrity spokespersons or cooperate with Key Opinion Leaders (KOLs) on media platforms to promote their branded products and use fans to create a fan economy to increase brand profits. In the interview, some respondents also said that they are football enthusiasts, and when they learnt that the famous Chinese brand COTTI Coffee has become the sponsor of the 2022 FIFA World Cup Qatar Argentina China, they will only buy COTTI Coffee for a long time to come. Although the Argentinean football team has not indicated anything related to the taste of COTTI Coffee's products (Li, 2023), some Chinese football fans are still attracted by the brand's close relationship with the football team, and it has become their first choice of coffee brand. For example, China's local coffee brand, Luckin Coffee, often chooses high-traffic and famous celebrities to endorse its new products and invites them to shoot related videos, in which they are

also guided to describe the product's features and attributes to their fans to enhance the product's differentiation. In recent period, Luckin Coffee launched a combination of Americano and jasmine and invited fitness bloggers to interpret and promote the product's effects such as reducing swelling and refreshing (Cao, 2022), which will to a certain extent positively influence consumers' decision to purchase the product.

### 3.2 Reducing the Negative Aspects of Purchasing

However, through interviews and data collection, this study also found that there are factors that reduce consumers' willingness to buy, the paragraph will be analyzed from two perspectives: the product and production environment and the high level of product homogeneity.

#### 3.2.1 Product Production Environment

One of the more prominent issues facing non-alcoholic beverages is food safety, which mainly encompasses the environment in which the products are made and the health and safety of the raw materials used. According to interviewees, although some brands are well known in China, this does not mean that the environment in which they are made is entirely free of contamination. In July this year, financial enthusiasts, Chaoqi.com's editor-in-chief, Yu Bin, published an article disclosing the food safety problems of China's famous beverage brand, Mixue (Yu, 2023), which mainly refers to the brand's production environment was messed up, in the process of the reporter's visit was in the back of the kitchen operation room to see cockroaches and other insects (ibid.), and some readers in the comments section said that they have been in the drinks found in the bugs. This is a great danger to the brand image of Mixue, but also disclosed more beverage brands in China, most of the kitchens with health and safety hazards. During the interviews respondents also said they would not choose to buy a particular brand because of concerns about messy and poor production environments.

Similarly, this year some journalists have also disclosed that some brands (for example, Mixue and so on) have used expired products and added chemicals in the production of their products, which renders them unchanged in flavour but harmful to humans. This has also raised concerns about the quality of drinks among some Gen Z groups. Unstable product production environment and quality in the rendering of public opinion, to a certain extent, will impress the consumer's decision to purchase the product, although some brands such as Starbucks, Luckin Coffee, etc. in social media platforms to publish articles that openly transparent product production process and raw materials, but still cannot eliminate the consumer's resistance to the product in the short term.

#### 3.2.2 Excessive Homogenization of Products

Clone town effect, despite the advantages they can bring to consumers in terms of proximity, cannot hide the excessive homogenization of regional products (Duignan, 2019). This means that consumers can buy the same branded products in any region as they do in their current region. According to respondents, *"I can buy the same products in Xianlin University Town and Xinjiekou, and the frequent presence of these products makes me less inclined to buy them."*

This also forces brands to be in a more passive area of choice, where they are not directly chosen by consumers because they are not too clearly differentiated, despite having a marketing strategy that combines online and offline. However, there are brands that have adjusted and circumvented this problem during their operations, such as China's more well-known milk tea brand Sexy Tea, which restricts the number of shops and locations, while controlling the user flow of its shops to guarantee the quality of its products. Therefore, the higher service concept and the more mature hunger marketing operation idea also make some consumers still willing to buy again in a short period of time even after they have tasted the brand's products. This also shows that shops and products with more repetitive products in Xianlin University Town will reduce consumers' expectations and desire to buy the products to a certain extent.

## 4. Future in Xianlin University Town

This part of the content will focus on analyzing the future development plan of Xianlin University Town and help the beverage brands in Xianlin University Town to have better development based on the analysis of the data collected in this research from the perspective of changing the production environment and providing policies with two recommendations.

### 4.1 Adjustment of the Production Line

#### 4.1.1 Improving the Quality of Food Materials

This study proposes to improve the safety of food ingredients from two perspectives: developing food safety plans and working to improve the sustainability of branded products. According to the World Health Organization (WHO), about 600 million people fall sick every year from eating contaminated food, of which about 420,000 die from food poisoning (WHO, 2019). Food safety programs are therefore necessary, and according to the Food Safety Action Plan issued by the Chinese Ministry of Health in 2022, there is a clear need to establish and improve food contaminant detection networks and to effectively collect information on food

contamination. This information network will be based on routine community health inspections and monitoring, as well as on reports from the public. The establishment of such a network requires a huge investment in human resources, but it is still impossible to avoid the malpractice of some branded shops that still use expired products in pursuit of high profits. This research suggests that the community can strictly control the date of purchase and the shelf life of the products of brand shops daily and stipulate a uniform time for discarding expired products at night in the neighbourhood. By controlling the time and expiry date of food ingredients, the quality of products used by merchants can be more accurately controlled. Increasing the sustainability of product use means that contemporary consumer demand for healthier products also includes products that are better for the environment. Some consumers believe that as consumers focus on healthier eating, their concern for the health of the planet increases. Starbucks, for example, established the Global Farmers Foundation and introduced a commitment to “Donate a tree for every bag of coffee sold” to ensure help for the long-term supply of coffee and the economic future of coffee workers. Starbucks has also partnered with coffee suppliers in Yunnan, China, to create a sustainable supply system that generates product revenue while protecting the ecosystem (Starbucks, 2019). According to Bain & Company’s 2021 report, Gen Z consumers are concerned about product sustainability and will subconsciously avoid products that are not sustainable (Levato & Colacchio, 2021). There is also data that shows people are 54 per cent more likely to buy products from sustainable companies, which means that more than half of people are willing to spend money on sustainable products and see sustainability as a part of consumer demand.

#### 4.1.2 Transparency in the Product-Making Process

The establishment of a transparent product production environment is also conducive to improving the product production line to increase consumer understanding of product production, which can, to a certain extent, reduce consumer concerns about product safety. Branded shops can set up semi-open workbenches to help consumers understand the process of making a product and can set up the workbenches with the ingredients they need to use for the product. For example, Starbucks uses semi-open workstations to help consumers understand the process of making products while they wait. However, in some milk tea and fruit tea shops, due to the need to add more ingredients to the drinks, and the need to complete the configuration before the shop opening hours, many customers are also worried that they cannot see the production process and cannot observe the hygiene and safety of food production. Some branded Brands, such as Sexy Tea, will shoot videos of the production of their products in the back of the kitchen and broadcast them on social media platforms for consumers to watch, thereby increasing consumer loyalty to the brand. This research suggests that semi-public workstations can be set up and the washing process of ingredients for some products can be put on social media platforms in a public manner to give consumers confidence in the hygiene and safety of the products. Although video filming of the products may require some financial investment, it can go some way to reducing the decline in shop turnover caused by consumers’ uncertainty about hygiene and safety.

#### 4.2 Government Policy

Since Xianlin University Town has already formed an independent international brand collection shopping area and has the embryonic form of a clone town, this study argues that the regional administration should enact policies to strengthen interconnectivity between Nanjing’s districts and stimulate the circulation of the population between districts through the issuance of citizens’ consumption vouchers, the organization of offline activities and other measures. For example, last year the Nanjing municipal government organized the distribution of citizens’ consumption vouchers, which strengthened economic circulation between districts and made citizens more willing to carry the vouchers with them to participate in economic activities. The transport sector could also develop a regular public transport service between Xianlin University Town and other busy business districts in Nanjing. According to respondents, “It takes more than 40 minutes to travel to Xinjiekou and other shopping areas.” The long travelling time will discourage consumers from buying and travelling, so it is suggested that a faster shopping line be introduced.

### 5. Discussion & Conclusion

This study analyzes that Xianlin University Town has the development mode of a clone town in continuous independent development, although this development mode has the right and opportunity to allow users to buy international brands in proximity, but still cannot avoid the phenomenon that many homogeneous products will reduce the willingness of consumers to buy. This study mainly focuses on the purchase intention of college students aged 18-25 in Xianlin University Town on non-alcoholic products. According to the data and analysis, college students will buy products because of the proximity and product marketing as well as the celebrity effect and increase the willingness to buy the products. However, they are also less likely to purchase non-alcoholic products because of the excessive homogeneity of the products and hygiene and safety issues. This research also provides recommendations on brand development and government policies to help the long-term development of the area. This research used qualitative research and desktop research to collect data, but due to the sample group

being too large to study the interview results of the selected group of interviews still have limitations, in future research, quantitative research questionnaire collection and SPSS software to assist in analyzing the results of the questionnaire to strengthen the validity of the data.

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