

The Research on the Influence of Luckin Coffee Advertisements upon Chinese University Students' Consumer Behaviors

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Abstract. Luckin Coffee is a recently emerging beverage brand on the Chinese mainland that is well-liked for its affordable but high-quality offerings. The target market for this brand is young people due to its brand positioning as professional, stylish, and youthful. Luckin Coffee sets up plenty of off-line stores and also develops its online business through WeChat applet. It uses a variety of advertising techniques to advertise their products. Concentration is placed on both the choice of the endorser and the location of the advertisement placement. The impact of the promotional approach on students' purchasing decisions in schools is the main topic of this essay. In order to discover the answer, quantitative research is done on university students, who are thought of as a representative of the youth group. The outcome shows that raw coconut latte, which has been heavily promoted through advertisements, is selected by the respondents as the top product. Meanwhile, celebrity endorsement has a significant impact on how people view products.

Keywords: Consumer behaviour, Advertising strategy, Celebrity endorsement.

1. Introduction

The brand Luckin Coffee was established in 2017 in China. The name of the company symbolizes good fortune and seeks to bring happiness to individuals. In addition, to support the brand implication, Luckin Coffee's cup design features a white deer, an animal associated with good luck, on a background of pure blue. Since Luckin Coffee's goal is to "allow everyone have the opportunity to a cup of great coffee" and create items that consumers can afford, all of its goods are priced between 13 and 27 RMB. According to news reports that were published on August 8th, 2022, Luckin Coffee's entire net revenue for the second quarter of the fiscal year was roughly 493 million dollars, up from the company's overall net profit of about 11.2 million dollars in 2021. It takes a combination of online and offline approaches to sell drinks and snacks. Customers can place orders via the WeChat applet and select either delivery or in-store pickup in addition to buying coffee in physical stores. Additionally, Luckin Coffee regularly rewards each client account with vouchers. These coupons may be for complete discounts, free deliveries, and other things, but occasionally must be activated by inviting one of the customers' friends to sign up for the applet. Despite being a mainland coffee brand that only recently emerged, Luckin Coffee has now integrated itself deeply into the life of young people. The brand's quick opening of stores in Chinese cities and its advertising and marketing strategies cannot be criticized for this change in social roles. By the end of March 2019, there were 2370 Luckin Coffee outlets, up from more than 1000 in September 2018. According to a rough calculation, Luckin Coffee may open roughly 5 stores per day on average. It took only two years to go from 0 to 3000, and millions of consumers became familiar with the tagline "Little Blue Cup, Who Does Not Love?" [1]. While the primary locations for life television advertisements are office buildings and residential areas, where the flow rate of people can be guaranteed, Luckin Coffee first chose to place its advertisements in the form of television advertisements, elevator television advertisements, elevator posters, and advertising videos before films in cinemas. Apart from that, Luckin Coffee has made a deliberate selection about the spokesperson pick at the time of putting commercials. It is clear that Luckin Coffee benefits from most of the celebrity effect and pays attention to both current events and entertainment trends. Tang Wei and Zhang Zhen, two well-known

Chinese actors and actresses, served as the first spokesmen for the campaign. What Luckin Coffee would like to reflect on is their committed attitude toward film productions that promote them to obtain a high reputation and impact among the media business. After that, Luckin Coffee also began to focus on expanding its market to young people. As a result, Liu Haoran and Xiao Zhan, two well-known figures from the new generation, who represent the idea of being "young and energetic," were chosen to represent Luckin Tea. Gu Ailing, known as the "genius skiing girl," is a new spokeswoman for Luckin Coffee before the Winter Olympic Games begin. Luckin Coffee had a thrill following the contract signing with Gu Ailing, who had just won the gold medal at the Winter Olympics. Gu Ailing fully embodies the brand positioning of professional, young, fashionable, and healthy, and the celebrity effect also generates significant profits for Luckin Coffee in terms of both economy and prestige.

2. Literature review

Khan defined consumer behavior as the procedure to make a judgment and the physical action that goes into acquiring, assessing, utilizing, and discarding products and services. This concept makes it very evident that consumer behavior is not merely focused on when things are purchased or services are being used; rather, the procedure occurs well in advance of these events. A purchasing process begins in the customer's thoughts, which leads to the discovery of alternatives among things that can be purchased with their relative benefits and drawbacks. Both internal and external research are consequences of this. The decision-making procedure for acquiring and utilizing the items is then followed by post-purchase behavior, which is very crucial because it informs marketers as to whether their product has been successful or not [2]. It can be shown that the judgment of the success degree of one product sale of Luckin Coffee should be from the time publicizing the advertisements till consumers respond to the level of satisfaction with the product and their buying experiences. Over time, extensive literature has developed on the advertising strategy of Luckin Coffee. Prior research suggests that Luckin Coffee places the advertisements both online and offline, and the distinction between the advertising placing help to differentiate its target consumers. As has been previously reported in the literature, store consumer categories and the intended demographic for offline advertising are precisely segmented and categorized. In order to reach a wide range of socioeconomic groups and white-collar professionals, celebrities are recruited, and advertisements are put in significant downtown districts, office buildings, and large business areas. WeChat mini-programs and other location-based marketing services (LBS) are mostly used in digital advertising to boost the online platform, continually drawing a large number of merchants and neighborhoods [3,4]. At the same time as the wide popularization of online and offline advertising, Luckin Coffee increases the extension of online promotion through fission marketing. Qiu found that Luckin's main strategy for acquiring consumers fully utilizes the customer social network and extends an invitation to potential customers to enjoy a cup of coffee. As such, it functions. Old customers can also receive a free cup of coffee for effectively allowing new clients to buy Luckin items. Customers are resultful encouraged by this manner to spread Luckin adverts and generate free publicity for the brand [5]. There exists a conclusion that, according to a 2012 study by Priyanka, even though the online advertisement is incredibly informative, it irritates customers [6]. That means buyers may change their selection of coffee brands or products after browsing the pop-up window's advertising. Apart from that, offline propaganda is realized in the form of elevator advertising, which is used in offline marketing to improve brand recognition and market penetration, provide product publicity impacts, and capture people's attention [7]. In general, the placement of advertisements is one essential procedure while promoting products. Gu, Qi, and Zhao provide a summary of the effectiveness of advertising based on Masoumeh Fardi's 2021 research. They suggest that the impact of advertising was broken down into two categories. One is altering consumers' perceptions of the brand, changing consumer behavior is another [8]. Although previous research illuminated the advertising strategies of Luckin, no study to date has examined what particular effect the advertisements exert on the university students'

buying preference in China, who can be one of the target groups that cater to Luckin Coffee's brand idea. A more systematic and theoretical analysis is required for the thoughts of the youth on this local coffee brand. This study aims to investigate how various types of advertisements and spokesperson selection will influence Chinese university students' consumer behavior, which might be useful for Luckin Coffee to make marketing strategy alterations to specific consumers.

3. Methodology

Quantitative analysis is designed to carry out the research in the form of a survey. Data is gathered for this study by sending questionnaires to Chinese university students. Since most social contacts today are made through networks, and because access control on university campuses is strictly enforced during pandemics, surveys are posted on social media platforms that are prevalent among Chinese university students. The chosen social media platform for this research is WeChat. Public data collecting in a limited area followed by transmission are the best data collection methods. Questionnaires are delivered to university students' chat groups first. Afterward, other students forwarded the questionnaire to their chatting groups while it is simultaneously published in an account's WeChat moment in order to help collect more responses. The questionnaires will be analyzed after being distributed for two weeks, and a sample size of 50 to 80 people is anticipated for this research. However, only 59 people responded to the questionnaire. Additionally, anonymous survey is taken, with the major focus being on how Luckin Coffee related behaviors and attitudes affect university students. Furthermore, the questionnaires include multiple choice questions. After the information has been gathered, questionnaire responses are eventually analyzed with descriptive analysis.

4. Results

Nine questions are included in the questionnaire, which is intended to assess consumer demand among college students as well as their opinions of Luckin Coffee's price and product attributes in addition to influence of their social environment on their purchasing decisions. Only 13.56% of the 59 students who took part in the poll reported buying Luckin Coffee once or twice a week, while 86.44% of the students rarely bought any Luckin items. Since none of the participants chose them, the preset alternatives of buying three to four times per week and more frequently than five times appear to be superfluous. The survey reveals that the majority of university students' living expenses—which account for 69.49% of all respondents—are between 1000 and 2000 RMB. Additionally, about one-fifth of the students' report having monthly expenses of between 2000 and 3000 RMB. Contrarily, there are significantly fewer people—5 against 1—who have living costs of between 600 and 1000 or more RMB. It is important to note that the participants' opinions on Luckin Coffee's pricing vary. Due to the voucher policy, most of them (42.37%) consider the price affordable; of these, 30.51% think the original price was reasonable, while the remaining 29% still think the price is excessive. However, since Luckin Coffee blends online and offline selling strategies for customers, its selling among students is still successful. The students say they effectively combine the three purchasing options—ordering via the WeChat applet, delivery, and in-store purchase, and they are left with impressive impression on the traditional tiny blue cup and the sakura cup. The most interesting thing is that when people are asked where Luckin Coffee commercials appear the most frequently, they provide different replies such bus stop signs and roadside billboards over the typical elevator, internet, television, and WeChat choices. Though 34 out of 59 respondents chose this answer, the results of the survey still show that the internet is the easiest captured location to post adverts. According to numerous promotion and marketing tactics, the highlighted product, Raw Coconut Latte, appears to be the most popular one that customers order. When talking about the people on billboards, the two sides are evenly divided when it comes to whether spokesperson will affect purchases; 26 of them agree that their propensity to buy will be influenced by who endorses the products, while 33

disagree. However, the spokespeople will not have a significant impact on university shoppers' shopping decisions. The statistic shows that, flavour of the products and the pricing, which have percentages of 69.49% and 59.32% respectively, are what influence university students' purchasing. In addition, 35.59% of respondents think the staff's service is excellent, and 27.12% believe Luckin Coffee's large number of locations is one of its advantages.

5. Discussion

Celebrity endorsement is one of the common marketing strategies for brands to expand their target consumers and propagandize their products. McCracken defines a celebrity endorser as "anyone who obtains public awareness and who leverages this recognition in favor of a consumer commodity by appearing with it in a commercial" in Ahmed, et al.'s article. Celebrity endorsement, according to him, is a pervasive aspect of modern marketing [8, 9]. And according to Friedman and Friedman, a celebrity endorser is a person who is well-known to the public for accomplishments unrelated to the product category advocated [10]. Luckin Coffee has a strict policy for selecting spokesmen. Along with being grave, it also keeps up with the advancement of the entertainment industry. The survey explicitly states that the featured product, "raw coconut latte," presented to be the best seller. It shows that the percentage of university consumers who might be influenced by celebrity endorsement on Luckin Coffee product purchasing only has an 11% difference from that of those who hold an opposite perspective. While to the effected group, it should be noted that Luckin Coffee's decision to sign a deal with Lelush, a well-known participant in idol-shaping competitions in 2021 who is known for not being an aspirant and simply wanting to be done with labor, is an honorable one. Lelush's appearance in the promotional film significantly boosts sales of the "raw coconut latte," which also appears and gives him energy of ready to get off work in the clip. In addition, Luckin Coffee's brand positioning is professional, fashionable, and young, Ailing Gu, a young skiing champion who endorses Luckin Coffee's products at the same time, was also employed to boost sales of the company's ice and snow-themed products during the Winter Olympic Games.

But there are many factors that have contributed to Lelush and Ailing Gu's popularity and impact on selling among university students. The first is that Lelush from the show series and Ailing Gu from her prior competitions have amassed a sizable following. One basic tenet of fans is that if their introductions are well-received, they will back their icons wholeheartedly. This results from the ingrained notion that the goods that famous people choose to promote are ones that they personally use and approve, symbolizing their lifestyle or beliefs, and that fans' imitation is one way to become closer to their idols, even by purchasing the same goods. Teenagers like university students, according to Erikson's theory from 1968, acquire primary attachments to their family and friends and secondary attachments to famous people, especially media celebrities [11]. Celebrities play a significant role in adolescent self-concept formation [12]. Youngsters view a celebrity as their ideal representation of themselves and work to adopt their idols' character qualities, viewpoints, morals, and outward appearance [13,14].

Second to that, the celebrity effect has its working process. A three-stage meaning transmission model has been developed by McCracken. According to this theory, an endorser's credibility and knowledge first translate to the meaning of his or her public image, which is then translated into the meaning of the brand being endorsed. Consumers eventually receive the meaning. Celebrity endorsement improves the brand's consumer perceptions and is associated with the intention for using [8,15,16]. Lelush comes across as having a decadent attitude toward his employment because he was not a founding member of the program series but was instead temporarily added as a result of a lack of participants. In such a competitive setting, he never displayed aggressive behavior on screen, but he nevertheless participated in the missions with a sincere attitude. His actions caused the kids to reflect on their own life experiences. Even if some university students lack a passion for learning, they still diligently do their coursework. They will not ever concentrate on work again once they have time to focus on other things. The students, who are ultimately acting as consumers, agree with

Lelush's interpretation of events and shift their focus without notice to the product for which he is accountable. In addition, carefully designed and developed items like bubble tea and coffee from Luckin Coffee can be student's companions while they study or attend courses, which indicates that there is a connection between celebrity endorsement advertising and customer behavior.

Thirdly, the site selection for the placing of the advertisements is clever. The poll shows that the internet, particularly social media generalizing, is the most often used medium for advertising, significantly boosting Luckin Coffee's reputation and appeal. Hani, Marwen, and Andre claim that These days, social media spreads information about an image, an idea, a cause, or a commodity instantly. In general, a product's attributes or the desire to emulate a certain public figure who uses it influence consumers' impressions of it and their intent to purchase it. However, if you rely on conventional forms of advertising, it will take time for your message to spread. Referring to social media platforms can help achieve two goals at once: advertising the product and attracting a larger part of the market. In this regard, businesses' primary goals are to quickly disseminate new items while also influencing consumers' social identities after those consumers have moved forward with their purchase intents [17]. It is true that Luckin Coffee's marketing tactics help it sell better to college students. It understands consumer psychology and begins with the advertising position and spokespeople, filling in the social media usage time of students and encouraging them to be as active as the endorsed celebrities so that their brand value may be ensured.

6. Conclusion

In conclusion, analyzing a business's advertising approach should come first, then consumers' buying experiences, and finally their level of happiness with the purchasing process, in order to determine whether a brand is successfully selling its products. To increase its brand recognition and exposure rate, Luckin Coffee combines online and offline purchasing and places its commercials on television, elevators, billboards, and the internet, respectively. After carrying out research on the university consumer group, it can be found that university students have positive attitudes toward Luckin Coffee's promotion, products, and services in general. However, the frequency of their purchases suggests that teens are not Luckin Coffee's ideal target audience because many college students hardly ever purchase the company's goods on a weekly basis. This article focuses on celebrity endorsement, one of Luckin Coffee's advertising approaches, and assesses how well it affects the participants among all of Luckin Coffee's advertising strategies. The study reveals that the celebrity effect does exert an impact on part of university students. The brand connects the spokesman's image and that of the brand to alter consumers' perceptions so that the buyers might think of and approve the related products and ultimately make a decision of buying.

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