

Paid Study Rooms in the Pandemic Economy: Suggestions on Feasibility Development in Nanjing

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ABSTRACT

Affected by the COVID-19 epidemic, the opening hours of university and public social libraries in China are limited, greatly affecting the people who take the postgraduate entrance examination and the public examination. In addition, the economic and social pressure to promote youth groups continue to have higher requirements for academic qualifications. As a result, paid study rooms were established. After a period of development, the paid self-study room initially has the characteristics of social attributes, group identity, circle interaction and is favored by the majority of young people. However, after the initial saturation of the market, the paid study room business model is facing the possibility of unsustainability in ways such as inadequate infrastructure and scarce value-added services. Therefore, this paper will put forward feasible suggestions for the status quo. Then, based on fully considering the feasibility, this paper puts forward the improvement of basic services and the increased cultural products and services urgently needed by consumers.

Keywords: feasibility; suggestion; paid study room; consumer; preference

INTRODUCTION

Yin et al. defined the use of paid study rooms in their article “Thinking and Improvement Suggestions for the Future Development of Paid Study Room” (2021) as “to obtain the right to use the location of the study room by paying different prices per hour, which is mainly to provide a quiet and comfortable study place for office workers and students who concentrate on preparing for the examination.” (Yan et al., 2021). Liu et al. (2021) explained that “most of the [paid study rooms] will provide users with wireless networks, printers, humidifiers, air purifiers, noise reduction headphones, mute carpet, locker and other basic services. Moreover, in a separate public rest area, it can provide extended services such as coffee, snacks and casual meals. Humanized design is also an important magic weapon to attract users” (Liu et al., 2021).

Consumers obtain the right to use the independent space by paying a certain fee, solving two problems of difficulties in using a public learning space for a long time and the further needs of consumers for hardware facilities.

In terms of hardware settings, the conditions of each paid study room are the same. A 100–200-square-meter space, according to the number of consumers and economic capacity, is divided into single, double, and VIP areas and equipped with a tea room and a stable network. To attract more consumers, some paid study rooms have continuously chosen to optimize their

common hardware facilities. For example, they have introduced special services such as a landscape seat (using a transparent floor-to-ceiling window), a small bookstore, and a small autonomous program to order food. Such rooms are also equipped with a kitchen, all kinds of tea drinks, water dispensers, coffee machines, and microwave ovens (Lee, 2021).

The superiority of their hardware conditions made some paid study rooms stand out, and gradually, most paid study rooms rushed to add these features.

REASONS FOR THE RISE OF PAID STUDY ROOMS IN CHINA

NATIONAL POLICIES ENCOURAGE THE DEVELOPMENT OF INDIVIDUAL EDUCATION

The national policy promotes attention to education. In recent years, learning for all and lifelong learning has become the new situation and requirements in China's new era. The atmosphere of lifelong learning for all has become increasingly strong, and the concept of "never too old to learn" has been increasingly recognized by the masses (Yan, 2020). In a 2017 report to the 19th National Congress of the communist party of China, general secretary Xi Jinping proposed "giving priority to the development of education. The construction of an educational power is the basic project for the great rejuvenation of the Chinese nation. We must prioritize education, speed up educational modernization and run education to the people's satisfaction." He also proposed to "speed up the construction of first-class universities and first-class disciplines and realize the connotative development of higher education."

In September 2020, general secretary Xi Jinping stated, "We should improve the promotion mechanism of lifelong learning for all and build a lifelong learning system with more flexible methods, more abundant resources and more convenient learning." Under the promotion of the national policy, more and more people have begun to attach importance to education, and the learning atmosphere of the whole of society has become increasingly strong. The rapid growth of China's economy has also brought about new and higher requirements for the development of higher education, requiring colleges and universities to provide talents and intellectual support for economic and social development. In recent years, partly due to the impact of the COVID-19 epidemic, China's economic development has slowed down. The slowdown in the economy has increased young people's anxiety about employment and made them eager to improve themselves. Still, the support for higher education has increased, promoting the huge demand of society and individuals for higher education to a certain extent (Lin et al., 2021).

PUBLIC LEARNING SPACE RESOURCE SHORTAGE CAUSED BY EPIDEMIC SITUATION

Epidemic factors increase employment pressure for young people. Affected by the COVID-19 epidemic, many private enterprises have stagnated or are even on the verge of bankruptcy. The pressure of the economic downturn has also exacerbated the difficult employment situation. In this environment, improving self-competitiveness has become an urgent need for contemporary young people to apply for jobs. According to the 2021 National Graduate Enrollment Survey Report, the number of Chinese graduate applicants has been rising year by year, breaking the 2 million marks for the first time in 2017, and reaching 3.77 million in 2021. The number of applicants for the postgraduate entrance examination has nearly doubled in five years.

In 2020, a total of 3.41 million students applied for Chinese universities' master's degree. Graduate examination and textual research have gradually become important ways to enhance students' self-competitiveness. On average, one library is shared among every 439,000 people in China (Zhao, 2020). Such public self-study spaces cannot meet the social demand. The insufficient supply of public resources has promoted the development of paid self-study rooms

in China. Although there is a serious shortage of public learning resources, the generation of paid self-study rooms has won a glimmer of respite for those under pressure.

BROAD MARKET FOR FUTURE DEVELOPMENT OF PAID STUDY ROOMS

According to IIMedia Research showed that the number of paid studies room users reached 850000 in 2018 and increased to 2.3 million in 2019. It forecasts that this number will continue to grow to 7.8 million in 2020 (Zhao, 2020)

In 2019, a large number of paid self-rooms emerged in Beijing, Shanghai, Guangzhou and other cities. 2019 is also known as the first year of China's paid self-rooms in the industry (Yan, 2020).

However, affected by the COVID-19 epidemic, the growth in the number of users of paid study rooms in 2020 was only 34.8%. In 2021–2022, when the population vaccinated against COVID-19 increased, the number of users of paid study rooms is estimated to exceed 7 million. The rapid expansion of the market is mainly due to public learning space being too tight, making part of the demand spillover to pay for study rooms, allowing for a certain degree of flexibility. The introduction of paid study rooms can provide corresponding learning conditions and a learning atmosphere for customers with learning needs, not only enabling customers to enjoy a learning space with “immersion” but also improving learning efficiency through “heteronomy” supervision (Li, 2022). As the findings show, almost all the interviewees said that during the pandemic, they used digital media more than they did when they were in school and watched their mobile phones more frequently. Most interviewees believed that the learning efficiency of digital online courses conducted through the Internet was lower than that of studying at school (Ling et al., 2022). The entertainment nature of the Internet makes young people's learning state become “fragmented”, and they are more and more vulnerable to external influences to reduce their learning efficiency. However, the strong learning atmosphere enables young people to form self-restraint and supervision power of others in this specific environment. From this perspective, the paid study room is actually a mechanism of self-discipline and heteronomy. Self-discipline makes them choose to go to the study room, and the influence of learning atmosphere in the study room is heteronomy (Dai, Wang & Yao, 2022) in the paid study room quickly addressed the pain point of low efficiency of contemporary young people who are easily influenced.

EXISTING DEVELOPMENT DIFFICULTIES OF PAID STUDY ROOMS

A simple and low-threshold business model that allows many entrepreneurs to flood in quickly and at a low cost is to “rent a room and configure it to look like a study room.” However, problems also follow: the saturation of paid study rooms has had mixed results and the market has become homogenized (Meng, 2021). During the field visit, it was found that due to the loopholes of government control, some study rooms chose to reduce the service quality to reduce the operating cost, such as the simple environment and narrow study room space. At the same time, most of the paid study rooms are doomed to stagnation of profit in the later stage of operation, and it is difficult to make characteristics in the market that is the biggest problem of the paid study rooms.

According to the results of the questionnaire survey, most paid study rooms have such problems as high prices, poor sound insulation, and inadequate infrastructure. Their development process has some limitations, introducing difficulties in innovating profit models and expanding profit channels in the short term. As a result, paid study rooms face the dilemma of unsustainable operation (Shao, 2021). For example, more paid study rooms get higher traffic at the beginning of business because of promotional measures such as discounts. However, as

the paid study rooms lose the advantage of the price factor with time, they gradually become popular and are expelled from the market. To address these problems means continuing to increase costs. However, due to the epidemic's impact, paid study room business hours are greatly restricted, further narrowing the already narrow profit margins. In addition, because of the industry's low-threshold model, many paid study rooms could only attract consumers with favorable prices, but due to lack of complete business experience, so cannot make their characteristics and are thus eliminated by the market. However, the contradiction is that consumers urgently need paid study halls to develop value-added service products. Launching value-added products based on paid self-rooms characteristics is difficult in the existing paid study halls.

RESEARCH ON THE BASIC SITUATION AND THE ESTABLISHMENT OF AN INDEX SYSTEM

Nanjing paid study hall consumers were selected as the primary research object. According to the provincial education conference in Jiangsu province in 2019, 12 of the 15 “double first-class” universities in Jiangsu are located in Nanjing. Apart from Beijing and Shanghai, Nanjing has the most significant number of “double first-class” universities. Therefore, Nanjing has become the only choice for this research, regardless of whether the focus is on the concentration of educational resources or the sizeable, educated population. Nanjing is also economically developed. According to National Bureau of Statistics data in 2021, Nanjing’s GDP ranks 10th in China. Thus, Nanjing’s industrial development and renewal speed are balanced. At present, the development of paid study rooms in Nanjing is in a mature but unstable state. Furthermore, the influx of a large number of individual merchants not only increases the development possibility of the whole market but also brings hidden dangers. Therefore, economically, Nanjing has an excellent presentation as a research city.

Nanjing has strong reliability and validity. The questionnaire survey cycle is 30 days; the main object is women 18–25 years with bachelor’s degrees, whose occupation is students, whose primary purpose is to complete their studies and work, take an examination of master graduate student and national civil servant. The distribution place was paid study halls in Nanjing’s urban area, mainly in Qinhuai District, Gulou District, and other downtown areas with high population densities and relatively developed economies.

ESTABLISHMENT AND DISTRIBUTION OF THE INDEX SYSTEM

Through consulting the literature and combining it with the current market situation of paid study rooms in Nanjing, the author established a questionnaire index system for the consumers of such rooms. Focusing on the consumer’s consumption behavior and other indicators, the specific index system is as follows:

TABLE 1. Nanjing paid study room consumer behavior preference index system

Level 1 indicators	Secondary indicators	Level 3 indicators
Consumer behavior of paying for study room in Nanjing	Basic information	Age, Degree, Sex, Occupation, Monthly Income, Learning Location, Efficient Learning Period
	Recognition of study hall	Understanding degree, understanding way, and weekly frequency

Consuming behavior	Transportation mode, consumption motivation, selection factors, acceptable price range, top-up tendency, seat type tendency, the tendency of value-added service type, value-added service tendency degree
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The questionnaire types include single-choice, multiple-choice, and matrix single-choice questions, which can objectively investigate consumers' preference for paid study rooms. In the 30-day research cycle, 240 questionnaires were distributed and 240 were collected. Some invalid data, such as the answer time being less than 60 seconds, the students not having been to the study hall, and the degree of satisfaction being too consistent were excluded. A total of 211 questionnaires were collected, and the effective rate was about 87.9%, so the questionnaire results are valid.

ANALYSIS OF CONSUMER PREFERENCES OF PAID STUDY ROOMS IN NANJING

CONSUMERS' BASIC INFORMATION AND DEMANDS FOR BASIC SERVICES IN PAID STUDY ROOMS

TABLE 2. Analysis of basic consumption preferences of consumers in paid study rooms in Nanjing

Basic information	Age, educational background, gender, occupation, income, motivation and frequency of going to the paid study hall, the reason for choosing the paid study hall, the transportation way to the paid study hall and the way to understand the paid study hall
Basic services	The acceptable price range of the paid study room, the seat type tendency of the paid study room, the problems existing in the current paid study room, and the direction of improving the paid study room

VALUE-ADDED SERVICES

Value-added service is one of the future directions of cycle development of paid study rooms. By setting the survey method of "matrix single-choice topic" and factor analysis, the author concludes that the customers of paid study rooms are more satisfied with the knowledge sharing services provided by the rooms. These services include reading sharing, learning experience sharing, book replacement, and resource-sharing activities such as information-sharing about the postgraduate entrance examination. In addition to basic guaranteed activities such as independent dining and rest areas, meal appointment and delivery services, and a more private learning area are included to meet the basic needs in the study hall.

TABLE 3. KMO and Bartlett Tests

KMO value		.883
Bartlett sphericity test	Approximate chi-square	1419.323
	significance	.000

The original assumption is that no significant difference exists between the correlation coefficient matrix and the identity matrix. Table 3 shows that the statistical value of the Bartlett spherical test is 1419.323, and the corresponding probability p-value is 0. Therefore, the

original hypothesis should be rejected at the significance level, and the correlation coefficient matrix is significantly different from the identity matrix. The KMO value was 0.883. Therefore, the questionnaire items were suitable for factor analysis according to Kaiser's criteria for measuring KMO.

TABLE 4. Rotation component matrix alpha

	composition	
	1	2
Provides a more private learning area		.641
Provide personal learning supervision services	.593	
Provide personal examination registration time reminder service	.613	
Provide a separate dining area		.825
Meal appointment and delivery service		.828
Provide regular reading-sharing activities	.802	
Provide online and offline learning experience sharing platform	.804	
Provide free replacement service of books in the same city	.688	
Provide free sharing of postgraduate entrance examination information service	.739	
Establish a self-owned platform friend-making service for study room	.737	
To provide cheaper quality-teacher teaching services	.781	
Launch a peak-to-trough paid-for-use discount package		.654

Table 4 shows that “Providing regular reading sharing activities” and “Providing online and offline learning experience sharing platform” have a higher load on the first factor, which mainly explains the two items as knowledge sharing services. By contrast, “Providing independent dining and rest areas” and “Providing reserved dining and meal delivery service” were higher in the second factor, which mainly explained the two items as dining and leisure services. The meaning of the factor is relatively straightforward.

CONSUMER BEHAVIOR PREFERENCES

For consumer behavior preferences, the author first asked the consumer motivation question, “may I ask you to identify your study room consumption motivation?” The questionnaire to investigate the purpose of consumer spending on paid study rooms. So as to explore the main demand of consumers for paid study rooms. A total of 47% of respondents have a consumption motivation preference of completing their studies or working for tests such as TOEFL and IELTS.

The author asked “what is the acceptable price range for paid study rooms? (Converted to hourly rate)” and “If a paid study hall had an event, which would you prefer?” Nearly 70% of consumers prefer a price below 5 yuan/hour and are more inclined to pay monthly or hourly.

PROBLEMS IN THE MARKET OF PAID STUDY ROOMS AND FEASIBLE DEVELOPMENT SUGGESTIONS

INADEQUATE INFRASTRUCTURE

According to the survey, consumers have greater demand for independent dining, rest areas, and meal delivery services. However, the current paid study rooms are limited by cost and space and cannot provide such essential consumer services. These problems will greatly affect the number of times consumers choose paid study rooms, thereby affecting their profitability.

PRICE SETTING IS NOT REASONABLE ENOUGH

In the analysis of consumer behavior preference, it is found that nearly 70% of consumers prefer a price below 5 yuan/hour and pay monthly or hourly. Based on this survey, the students aged 18–25 are the main subjects, accounting for approximately 57%, and the income of the students is mainly characterized by unstable income. Therefore, when choosing a paid study room, the primary consideration is price. Therefore, the paid self-study room can offer corresponding consumption packages according to the consumption characteristics of this group, such as discounts for students. The introduction of a specific price policy for this group is conducive to paid study rooms to increase consumer loyalty.

VALUE-ADDED SERVICE PRODUCTS ARE SCARCE

Value-added services, as one of the future development directions of the virtuous circle of paid study rooms, play a vital role in their sustainable management. However, the survey found that at present, the value-added service products in extant paid study rooms are insufficient in number and quality, negatively affecting the long-term development of paid study rooms.

FEASIBILITY DEVELOPMENT SUGGESTION

INFRASTRUCTURE ASPECTS

Catering services were developed because most paid study rooms are located in business districts or crowded areas. Therefore, businesses are suggested to cooperate with the surrounding catering industry to meet the needs of consumers. In addition, given that the hardware facilities are the original factors to attract consumers, the consumer groups are mainly students whose consumption motivation is mainly to complete their work. Therefore, functional products such as coffee, tea, and snacks can be introduced into the infrastructure to meet the consumption needs of this group. In addition, in terms of space setting, the needs of all types of people should be fully considered. Therefore, efforts should be made to expand the diversity of spaces, such as closed seminar rooms for collaborative group learning and public open spaces. Users can bring their own mobile devices, and rooms can provide learning sharing spaces such as digital device experience areas, innovative maker spaces, relaxation and decompression areas, coffee eating areas, rest and leisure areas, and graffiti art spaces. Consumers can choose different learning spaces according to their needs to meet their learning and social needs (Dai et al., 2022).

PRICE ASPECT

Rooms should offer preferential packages for student groups, such as special recharge cards for winter and summer vacations and discounts for holders of student IDs. Flexible pricing can also be adopted to increase consumer attraction. Different intervals can be customized according to the different consumption habits of consumers. For example, if a customer rents five times a week, they will receive a 60% discount on the total price; users three to five times a week will receive a 20% discount on the total price. Users invite new users; they can enjoy

an extra discount. The first measure can increase consumers' viscosity to paid study rooms, and the second can increase the attendance rate of paid study rooms by using private traffic. The budget level of consumers is generally low. Therefore, when setting the price, the paying study room merchants should control it to within 30 yuan/day.

VALUE-ADDED SERVICES

Rooms should hold supporting small cultural activities to create an excellent social learning atmosphere. How to stand out in this emerging industry is a top priority for businesses. Therefore, businesses are recommended to combine "self-study" as a core business to launch salon discussion products. For example, hold small parent-child cultural activities on weekends or create contact groups for students to facilitate the exchange of relevant information such as exams. As a new business format with market demand and innovation, the shared study room can standardize operations based on improving the existing services. At the same time, some supportive services can be considered, such as essential learning supervision services and small-scale knowledge gatherings such as reading sharing and knowledge seminars, thereby expanding the business format and extending the industrial chain.

Rooms should diversify the profit model through the integration of resources to provide more products and services to attract consumers. In addition, the shared study room should not confine itself to the location of a simple learning place but should use this space as a carrier to create a good atmosphere for the whole of society to read and learn for life, to strengthen its brand image.

CONCLUSION

Regardless of how the social environment develops, the shared economy model has been deeply rooted. The emerging industry of paid study rooms will gradually replace public learning spaces. At present, paid study rooms are not only an economic phenomenon but also a cultural carrier (Kang, 2022). However, how to avoid being eliminated and gain a foothold in the current market is an urgent problem to be solved. Suggestions are also put forward only for some value-added services.

As an emerging industry, paid study rooms have broad prospects. When completing the supporting facilities, paid study rooms should also consider corporate culture. The paid study rooms, a shared learning space model, should be branded with the brand as the carrier and strive to create an atmosphere of "learning for the whole people and continuous improvement," in compliance with national goals, to consolidate the cornerstone of social culture and education. Therefore, conforming to social development, building its brand features, and contributing to a learning-oriented society are the best development directions for paid study rooms.

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