

Pricing Study of Generation Z Hot and Sour Noodles in China

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Abstract: This article analyzes the definition of Generation Z, the portrait of Generation Z, the consumption characteristics of Generation Z, the significance of chili powder pricing research to Generation Z, the factors affecting the price of Generation Z chili powder, the current price situation of Generation Z chili powder in China, thus explaining to readers the pricing method of Generation Z chili powder in China, and giving the current challenges and opportunities of the company for the chili powder industry. This article is based on data collected from multiple platforms such as Tmall, Jingdong Mall, Jingdong, and Jitterbug, and the analysis is more objective and three-dimensional, and has some guidance for the pricing of Generation Z hot and sour noodles in China.

Keywords: Hot and Sour Noodles, Pricing, Generation Z

1. Introduction

Now, 100 years later, technology is taking us back to an era of negotiated pricing. The Internet, corporate networks, and wireless setups are linking people, machines. and companies around the globe, connecting sellers and buyers as never before. Web sites like Compare.Net and PriceScan.com allow buyers to compare products and prices quickly and easily. On-line auction sites like eBay.com and Onsale.com make it easy for buyers and sellers to negotiate prices on thousands of items. At the same time, new technologies are allowing sellers to collect detailed data about customers' buying habits, preferences - even spending limits so they can tailor their products and prices[1]. This article is divided into six chapters, mainly by analyzing the portrait of Generation Z and consumption habits, so as to price the chutney and help companies to seize the opportunity to overcome the challenges.

2. Significance of the Generation Z Cohort Study

2.1. Definition of Generation Z

Generation Z is an Internet buzzword, which also refers to the new generation of people. The new "Generation Z" refers to the generation born between 1995 and 2009, who were born seamlessly with the Internet information era and are influenced by digital information technology, instant communication devices and smart phone products.

2.2. Picture of Generation Z

Typical characteristics of Generation Z: circle culture, spiritual consumption, labeling, focus on quality and data, preference for interest communities, and valueism; they are used to sharing their lives and work through the Internet, and can be said to be the shapers of the Internet context.

2.3. Generation Z Consumption Characteristics

Consumption characteristics: simple and straightforward "buy buy buy", as well as the expression of looking for identity; the consumption power of the Z generation is much higher than our prediction, with spending accounting for about 13% of the total national household expenditure, and the growth rate of consumption far exceeding that of other age groups, with a monthly disposable income of 3,501 yuan, much higher than the disposable income of 2,561 yuan per capita in China (2019 NBS data), and in the 19 to 23 age group of school-going Generation Z, 35% have multiple sources of income.

2.4. Significance of Chutney Pricing Research on Generation Z

For hot and sour noodles both in terms of taste and value, they are very much in line with the taste of Generation Z. Generation Z accounts for a large part of the total consumer group of hot and sour noodles.

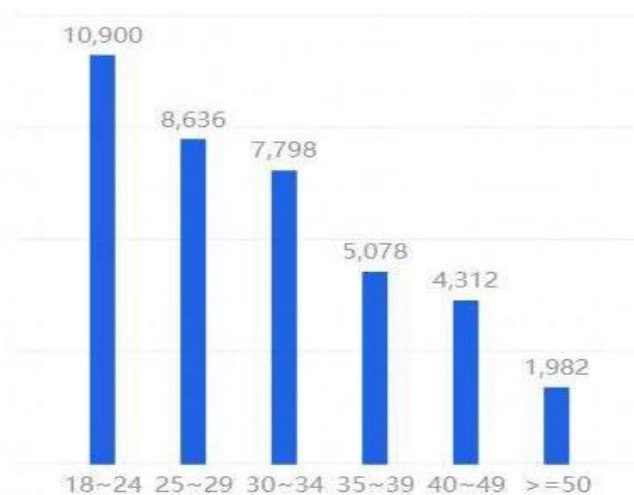


Figure 1. Age analysis.

The above chart is the entire month of September 2022 search popularity 121,290, of which women accounted for 100,107, 18-24 years old people accounted for 63583, the group accounted for from high to low for company employees, self-employed / service workers, students, faculty and staff, medical personnel, Generation Z accounted for about 47%, so the study of Generation Z has a great impact on the pricing of hot and sour noodles.

3. Analysis of Factors Affecting the Price of Generation Z Hot and Sour Noodles

3.1. Cost Factor

Product cost is the minimum of product price. The product price must be able to compensate all the expenses of product production, distribution and promotion, and compensate the price paid by the enterprise for the risk taken by the product. Therefore, the product cost is an important factor affect-

ing the price, many enterprises strive to reduce costs in order to reduce prices, expand sales and increase profits. Although the short-term price of the product may be lower than its cost, but in the long run, the product price should be equal to the total cost plus a reasonable profit, otherwise the enterprise is unprofitable and difficult to survive for a long time.

3.2. Value Factor

Improving social labor productivity and shortening the socially necessary labor time for producing products can relatively reduce the product price.

3.3. Product Value-Added Factor

The value added by intellectual labor, circulation and marketing is more than the value of raw and auxiliary materials. The value added of products is a relatively comparative concept, which varies from country to country, industry to industry and price system to price system. Based on the consumption concept and consumption characteristics of Generation Z, enterprises need to continuously make articles on innovative marketing methods and continuously attract their consumption enthusiasm with the communication methods preferred by Generation Z.

3.4. Market Supply and Demand Factors

The supply of products is greater than the demand, at this time belongs to the buyer's market, the buyer is in the active position.

This situation generally causes the price to fall, the buyer can buy in the delivery of goods at a good price; product supply is less than the demand, this time belongs to the seller's market, the seller is in an active position. This situation generally causes the price to rise, from which the seller can obtain a better profit of the product.

The supply of products and people's demand to reach the ideal state of equilibrium, that is, the supply just to meet demand. This equilibrium is only a trend and can only be a relative equilibrium, which needs to be achieved under strict assumptions. In this case, the buyer and the seller are in a reciprocal relationship, and the relationship between the two parties is relatively harmonious and stable. In this case, the price is relatively no fluctuation, maintain in a stable state.

3.5. Market Competition Factor

In a perfectly competitive market, enterprises have almost no initiative in pricing; in an imperfectly competitive market, the intensity of competition depends mainly on the ease of production and the supply and demand situation.

3.6. Policy and Regulation Factors

The state has restrictions and legal regulations on the high and low prices and changes in the market.

4. Analysis of the Current Price Situation of Generation Z Chutney in China

According to different packaging methods, most of the commercially available instant hot and sour noodles can be divided into bagged hot and sour noodles and bucket (cup) hot and sour noodles. At present, the bucket (cup) of hot and sour powder has become the mainstream product in the market, occupying more than 90% of the market share because it is convenient to brew and not restricted by the consumption scene.

4.1. Pocketed Hot and Sour Noodles

The unit price of bagged hot and sour noodles is generally low, but there are some fresh wet powder bagged products mainly for high-end market. Market sales of bagged hot and sour noodles, the mainstream product unit price is usually not high, mostly in about 4 yuan. The price of the hot and sour noodles, using mostly sweet potato starch, tapioca starch, corn starch and other mixed powder products, or not directly marked powder using starch ingredients.

Netflix brand "Li ZiQi" is one of the few brands on the market to bagged hot and sour noodles priced above 10 yuan, the brand's hot and sour noodles category is less, but the main product "potatoes you pop"

Hot and sour noodles are mainly positioned high-end, daily pricing at about 12 yuan (slightly less than 10 yuan during the promotional activities). Its main powder to the traditional leakage process of wet sweet potato powder as a selling point, can be cooked, can be brewed. The product also has corresponding barrel specifications, but apart from different packaging, there is little difference, and the pricing is basically the same.

Hot and sour noodles head of the company "food people" is also the same, the only one bagged products for fresh wet noodles, but also the brand is currently the highest pricing a product, in addition to the powder package, but also contains seven ingredient packages. The "Ah Kuan" camel skin hot and sour noodles, on the basis of wet noodles, increases the width of the noodles to 4 cm, adapting to the needs of those who love wide noodles with the concept of "wide fresh wet noodles, wide enough to be strong".

Table 1. Part of the brand bagged hot and sour powder product statistics [2].

Brand Name	Product Name	Packaging	Grammage	Main Powder	Number of packs	Featured physical package	Unit price
Bai Jia Chen Ji Kwang Yew	Chongqing Hot and Sour Noodles	Bagged	230g	Wet powder	4		6.6 yuan
	Chongqing Hot and Sour Noodles	Bagged	105g	Dry powder	3		3.79 yuan
Eaters	Fresh Wet Hot and Sour Noodles	Bagged	245g	Wet powder	7	Quail egg Mushroom and bean sprout package	11.6 yuan
Hi Eater	Spicy and sour wide noodles	Bagged	112g	Dry powder	3		2.5 yuan
Mr. Yang	Vermicelli and vegetable eggs (Fatty beef in golden soup)	Bagged	199g	Dry powder + flour	6	Yellow bean sprout bun Quail egg bun	6.9 yuan
Rising Star	Sweet potato vermicelli with hot and sour noodles	Bagged	102g	Dry powder	3		4 yuan
Chen Village	Chongqing Hot and Sour Noodles	Bagged	100g	Dry powder	3		3.58 yuan
Ah Kuan	Hot and Sour Noodles with Potato Skin	Bagged	215g	Wet powder	6		9.95 yuan

Data source: According to the statistics of Tmall, Jingdong Mall, Jindo, Jitterbug and other channels, not comprehensive including various offers, for reference only, ranked in no particular order.

4.2. Barrel (Cup) of Hot and Sour Noodles

Barrel chutney is currently the mainstream product in the market, and is also a more competitive area for brands, with a wide range of pricing, far beyond the bagged chutney.

Buckets of hot and sour noodles usually use paper buckets (cups) made of kraft paper, tinfoil, etc., but some manufacturers have started to use transparent packaging buckets (cups) to highlight their products.

The lowest pricing in the barrel of hot and sour noodles category is only 1.65 yuan (such as Poundland's 9.9 yuan 6 buckets of a certain Hi Eater), and the highest pricing is nearly 15 yuan. The "inward roll" of the price of barrels of hot and sour noodles indicates to some extent that the packaging category is the main market for companies to seize.

According to the different flavors and types of ingredients of hot and sour noodles in the market, barrels of hot and sour noodles can be divided into the classic version of hot and sour noodles and the upgraded version of hot and sour noodles.

Classic version of hot and sour noodles. The classic version of hot and sour noodles, i.e., the traditional hot and sour flavor, usually consists of one or a mixture of tapioca starch, potato starch, sweet potato starch, and 3-6 kinds of ingredients, including seasoning powder packets, seasoning sauce packets, chili oil packets, ester packets, dehydrated vegetable packets, and peanut and bean packets, depending on the cost. Although the flavors or the number of ingredients vary, there are essentially no unique value-added ingredients (such as marinated eggs, meatballs, tripe, etc.), and prices range from \$1.50 to \$9.90, with higher brand premiums for national brands.

Table 2. Statistics of some brands of classic version of hot and sour noodles products [2](continue).

Brand Name	Product Name	Packaging	Grammage	Main Powder	Number of packs	Featured physical package	Unit price
Bai Jia Chen Ji	Big Boss Hot and Sour Noodles	Barrel	145g	Dry powder	6	8.3 yuan	Bai Jia Chen Ji
Kwang Yew	Hot and Sour Noodles	Barrel	90g	Dry powder	3	3.79 yuan	Kwang Yew
Eaters	Hot and Sour Noodles	Barrel	130g	Dry powder	6	7.8 yuan	Eaters
Hi Eater	Star version of hot and sour noodles	Barrel	156g	Dry powder	6	8 yuan	Hi Eater
Mr. Yang	YES Wide Powder	Barrel	143g	Dry powder	6	6.9 yuan	Mr. Yang
White Elephant	Hot and sour noodles with big pepper	Barrel	115g	Dry powder	5	7.9 yuan	White Elephant
Chen Village	Staying up late grain chutney	Barrel	100g	Dry powder	4	4.6 yuan	Chen Village
seafood	Hot and Sour Noodles	Barrel	144g	Dry powder	4	7 yuan	seafood

Table 2. (continued).

Yu Dao	Hot and Sour Noodles in Golden Soup	Barrel	126g	Dry powder	5	4.6 yuan	Yu Dao
Mo Xiaoxian	Hot and Sour Noodles	Barrel	120g	Dry powder	4	4.5 yuan	Mo Xiaoxian

Data source: According to the statistics of Tmall, Jingdong Mall, Jindo, Jitterbug and other channels, not comprehensive including various offers, for reference only, ranked in no particular order.

Upgraded version of hot and sour noodles. The upgraded version of hot and sour noodles means adding value-added ingredients such as meatballs, marinated eggs, marinated meat and bean sprouts to the classic version of hot and sour noodles, or expanding the border of types on the basis of hot and sour noodles, specifically popping tripe noodles (adding tripe), flower nail noodles (adding flower nails and golden needle mushrooms) and Guan Dong Bo (adding fish balls, fish tofu, etc.), with prices ranging from 5 yuan to 15 yuan, mostly around 10 yuan.

Table 3. Statistics of some brands of upgraded hot and sour powder products[2].

Brand Name	Product Name	Packaging	Grammage	Main Powder	Number of packs	Featured physical package	Unit price
Bai Jia Chen Ji	Hot and Sour Noodles with Meatballs	Barrel	130g	Dry powder	6	Meatball Buns	8.3 yuan
Ah Kuan	Hot and Sour Noodles with Meatballs	Barrel	130g	Dry powder	5	Meatball Buns	3.79 yuan
Eaters	Fried Tripe Noodles	Barrel	150g	Dry powder	6	Tripe	10 yuan
Hi Eater	Flower nail powder	Barrel	143g	Dry powder	6	Flower-nail and golden mushroom	9 yuan
Mr. Yang	YES Wide Powder	Barrel	143g	Dry powder	6	Spicy Peanuts	6.9 yuan
Huaxia September Day	Fresh Wet Hot and Sour Noodles	Barrel	205g	Wet powder	5	Marinated Egg Buns	10.6 yuan
Mr. Yang	Vermicelli and vegetable eggs Tempting sour and sesame taste	Barrel	191g	Dry powder + flour	6	Meat and eggs	6.9 yuan
Li Ziqi	Hot and Sour Noodles with Potatoes	Barrel	252g	Wet powder	6	Bean Sprout Buns	12 yuan
Goodshop	Flower nail powder	Barrel	156g	Dry powder	6	Flower-nail and golden mushroom	12.9 yuan
Hi Eater	Jumping Fish Balls	Barrel	165g	Dry powder	5	Fish Ball Pack	10 yuan

Data source: According to the statistics of Tmall, Jingdong Mall, Jindo, Jitterbug and other channels, not comprehensive including various offers, for reference only, ranked in no particular order.

5. China Generation Z Chutney Pricing Method

5.1. Cognitive Value Pricing Method

Cognitive value pricing method, also known as "perceived value pricing method", "understanding value pricing method". This pricing method believes that the performance, quality, service, brand, packaging and price of a product have a certain perception and evaluation in consumers' minds [3].

Generation Z tends to judge prices based on their perceptions, feelings or understanding of the value level of the product, combined with their shopping experience, knowledge of the market and similar products. When the price level of the commodity is roughly the same as the level of Generation Z's understanding of the value of the commodity, Generation Z will accept the price; otherwise, Generation Z will not accept the price and the commodity will not be sold.

In other words, the company prices the product according to the value that Generation Z understands subjectively, rather than the cost level of the product. Companies use non-price variables in their marketing mix to influence Gen Z, form a perceived value in their minds, and then price the product accordingly. When applying this method, companies need to correctly estimate the value recognized by Gen Z. This is a customer-oriented pricing method.

The perceived value pricing method should be based on two keys.

First, the company should detect, through marketing research, the perceived value of the products produced by the company to Generation Z in the marketplace for similar brands.

Second, the company should also estimate and measure the non-price variables in the marketing mix of the company in the target market, the perceived expectations to be established, and compare the product differences and perceived value differences (with other brands of similar chutney in the market for the perceived comparison of product quality, taste, packaging, promotion, and perceived value), and then set a price for the product, and this value should reflect Generation Z's evaluation, not the cost of the enterprise, not to mention the subjective value judgment of the enterprise.

5.2. Demand Difference Pricing Method

Demand differential pricing refers to the sale of a product or service at two or more prices that do not reflect the proportional differences in costs.

For the demand difference pricing method, the price difference of the same product is not caused by the difference in product cost, but mainly due to the difference in consumer demand. In this pricing method, two or more prices are set for the same good in the same market, or so that the difference between the prices of different goods is greater than the difference between their costs. The advantage is that it allows companies to price their goods to maximize the market demand, promote the sale of goods, and help companies to obtain the best economic benefits.

In fact, this price difference is based on: customer demand, customer buying psychology, product style, regional differences, and time differences, etc. Pricing using this method is generally based on the historical pricing of the product and changes the price within a certain range according to the specifics of changes in market demand. The specific implementation of this method is usually done in four ways.

Differential pricing based on customer differences. This is to set different prices based on differences in the nature of consumption, consumption levels and consumption habits of different consumers. For example, the price difference between members and non-members under the membership system; the price difference between students, teachers, military and other customers; the price difference between old and new customers; the price difference between foreign and domestic consumers, etc. Different prices can be set according to the different purchasing power, purchase purpose and purchase use of different consumer groups.

Differential pricing based on different geographical locations. Due to the differences between regions, different prices can be set for the same product when it is sold in different regions. For example, the price is different on a flight and a ship due to the different utility of the cabin for consumers; the price is different in a movie theater, a theater or a race due to the different viewing effect.

Differential pricing based on product differences. The same product of the same quality and specification, although the cost is different, but the enterprise in pricing, not according to the different cost proportional pricing, but according to the appearance and style of different to price. The real factor considered in pricing here is the degree of attractiveness of different appearance and style to consumers. For example, the price of nutritional supplements in three different packages - gift, regular and special - often differs greatly, although the product content and quality are the same.

Differential pricing based on time differences. In practice, we can often see that the same product in different time periods in the utility is completely different, the intensity of customer demand is also different. In the peak demand season, the price elasticity of demand for goods can be increased, and in the low demand season, the price elasticity of demand is higher, and the method of lowering prices can be adopted to attract more customers[4].

Differential demand pricing method is a common pricing method used by many companies. This method can increase sales and gain more "consumer surplus" than selling products at a single price, i.e., the difference between the expected and willing price customers pay for goods and the actual price in the market to maximize the profitability of the company. Usually, the actual price a customer pays for a product is not higher than the price he is willing to pay, so that different customers are willing to pay different prices for the same product. Therefore, businesses should adopt a variety of prices to achieve different customer satisfaction in response to such demand differences, so as to convert as much of the "consumer surplus" into corporate profits.

There are certain prerequisites that must be met in order to implement demand differential pricing. These prerequisites include.

First, the relevant national laws and regulations and local government policies.

Second, the market can be segmented, and each market segment has different elasticity of demand; there are obvious differences in the demand for products of Generation Z, and the elasticity of demand is different, and the market can be segmented.

Third, Generation Z does believe subjectively or psychologically that there are differences in products. Do not arouse the resentment of Generation Z so that they do not feel discriminated against and give up buying or even resist buying.

Demand-oriented pricing method can take into account consumer factors, reflecting the market-centric marketing concept of enterprises, if properly applied, can make product prices in line with the actual market situation, but the application of this method is more complex, requiring in-depth market research, and to accurately determine the price recognition of Generation Z products, is also a rather difficult task.

6. Opportunities and Challenges for Companies in the Generation Z Consumer Market

6.1. Opportunities

Large market demand. Generation Z group is huge, and the scale of market demand is huge. Large space for enterprise development options and high probability of success.

The development of digital economy provides technical means. The development of digital economy has greatly enriched the technical means and conditions for product function demand survey, product packaging design, product production and sales model innovation.

The development of new media provides a three-dimensional exposure platform. The development of new media allows products and services to be exposed and disseminated in a three-dimensional way across the network, which can reach consumers comprehensively in a short period of time.

6.2. Challenges

Whether enterprises can quickly capture the real needs of consumers. Whether enterprises can capture the real needs of consumers in time. The pain points of consumers are transformed into the selling points of products.

Whether the company can maintain continuous innovation in product update and market promotion. Whether the company can keep up with the changes in consumer demand and consumption habits.

Whether the enterprise has professional new media operators. The new media operators should be professional technicians with high sensitivity to the Internet, with divergent thinking and familiar with the characteristics of the Z generation. Whether enterprises can recruit and train their own professional new media operators is also a great challenge.

7. Suggestions for Enterprises to Deal with the Generation Z Consumer Market

There are two suggestions for enterprises to deal with the Generation Z consumer market.

7.1. The Direction of Product Development should be Changed

The traditional direction of product research and development is "product design --- product production --- product sales --- target consumers". The Z-generation consumer market product development must be adjusted to "target consumer demand survey --- demand into product selling points --- according to the selling point design products --- product production --- product sales". Only focus on the target consumer demand and consumption habits, the consumer demand and consumption habits into product features and selling points. Such products will meet the demand and will have vitality.

7.2. The Enterprise Marketing System to Change

Enterprises should change from the original single offline market structure to "online + offline + community" of the multi-consumer market structure. Do a good job of "online" exposure to "offline" and "community" diversion integration together, to do omnichannel operation.

8. Conclusion

This article can help us understand more about Generation Z, the consumption habits of Generation Z. It also provides statistics on the current price range of chutney in the market so that we can use their characteristics to price chutney in a reasonable way. This article also analyzes the current challenges and opportunities for companies, which can help them to seize the opportunities and get through the challenges.

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