Research on the Behavior Characteristics and Marketing Strategies of Generation Z Based on the Freshly-made Beverage Industry

Ju’an Chen*
Shixi High School, Shanghai, 200040, China
*Corresponding author: juan.chen@yunjuzhen.cn

Abstract. Since Chinese Generation Z is entering the workforce, their consumption power will increase dramatically in the future. For them, who have grown up in the freshly-made beverage culture and Internet culture, traditional freshly-made drink products and marketing strategies may not be as effective as they once were. Based on this background, this paper uses the Heth-Newman-Gross consumption value model and conducts a study through a questionnaire. Based on the findings, we propose suggestions for further consumer positioning, product development, and marketing in the freshly-made beverage industry. The paper also provides a direction for further research for readers who want to study the Chinese Generation Z. Further research could be conducted on the marketing of Gen Z products from a social media perspective or on the consumer behavior of Gen Z in the freshly-made beverage industry. It proposes suggestions and further research directions for practitioners in the freshly-made beverage industry and scholars of Generation Z.

Keywords: Generation-Z; China; Freshly-made Beverages; Behavior Characteristics

1. Introduction

1.1 Research background

With the ‘Reform and Opening up of China, the number of the middle class has increased. According to statistics, in 1995, the proportion of the middle class in the urban population reached 54.8%. By 2014, China’s middle class accounted for 1/3 of the global middle class. This is an era of rapid growth for the middle class and the birth of China’s Generation Z (Gen Z). Born into a society with abundant material conditions, the spending power and desire of Gen Z are undoubtedly high enough. Seeing the rapid development of China’s middle class and the characteristics of the Gen Z group, coffee shop companies led by Starbucks have entered the mainland Chinese market and developed coffee culture. At the same time, the Made-to-order (MTO) tea business model has also gradually emerged from local companies, forming the MTO tea culture. As Gen Z, who these two cultures have nurtured since birth, it is essential to study their preferences and consumer behavior towards these two cultures. Because they are not only the consumer group that has been exposed to these two cultures for a long time but also gradually become the main consumer group of these two industries. Understanding their consumption psychology and behavior will provide future competitive advantages for those who are engaged in or willing to enter these two industries, as the competition is becoming more and more homogenized. Therefore, this study is informative for practitioners and future practitioners in the coffee and MTO tea industries regarding decision-making. In addition, it also provides a macro perspective for scholars who want to understand Gen Z in China.

1.2 Literature review

China’s Gen Z research has gradually shifted from the humanistic to the economic field. After analyzing Chinese Gen Z from the perspectives of gender marriage and life attitudes, scholars have shifted their focus to the perspectives of consumer perception and marketing strategies. First, about consumption research. Jie. Chen (2019) suggests that the brand loyalty of the “Generation Z” group comes from their consumption experience. On top of that, they are very willing to disclose their data to manufacturers and want to participate in product development. At the same
time, they pay more attention to the story and culture behind the products and the aesthetics of the products [1]. According to Huaile and Yanhong (2020), the Gen Z group seeks to “spend money to buy happiness”, they believe that consumer experience brings them “happiness of living”, and they also like the excitement that comes with consumption. At the same time, due to the loneliness of the only child in the family, they will consume to gain self-identity and believe that they belong to the same group as the consumers of the same products [2].

Second, about marketing strategies. Yibo Chai (2020) pointed out that “Generation -Z” is keen on “sharing culture” and they are active in expressing their emotions and life details on all social platforms, expressing their individuality and seeking self-satisfaction at the same time. Their distinctive characteristic is that they are warm and welcoming on the Internet, but offline, they are deliberately indifferent and appreciate the experience brought by technology. Therefore, social platforms will be the mainstream marketing medium in the future [3]. Fan Zhou (2022) analyzed the successful case of MTO tea company ChaYanYueShe and concluded that long-term discounts for consumers, recommendations shared by famous bloggers on social media, and co-branding with other popular brands to sell products to meet the consumption preferences of Generation Z, thus standing out from the homogeneous competition [4].

From the above literature review, it can be seen that the existing research mainly focuses on the consumer perception of Gen Z and the corresponding marketing methods, which has implications for the practitioners of freshly-made beverages with Gen Z as the main consumers. Although some scholars have focused on the freshly-made beverage segment, they tend to focus on one company or a single freshly-made beverage industry (freshly-made coffee or MTO tea drinks). However, as a group influenced by freshly-made beverage cultures, freshly-made coffee and MTO tea drinks are alternatives for Chinese Gen Z. Therefore, combining them into a study of the freshly-made drink industry as a whole will improve the study of the behavioral characteristics of Chinese Gen Z consumers. In addition, the existing research methods on the consumers of Gen Z in the freshly-made beverage industry are mainly limited to the interview method, and there is much room for improvement. Therefore, this paper will improve the behavior of Chinese Gen Z consumers in the freshly-made beverage industry in terms of data analysis.

1.3 Research Framework

Firstly, this paper will list the theoretical models and research methods used in this study. Second, the paper will analyze the data collected during the study. Then, the author will make some recommendations to the practitioners and prospective practitioners in the freshly-made beverage industry. Finally, the paper will conclude.

2. Methods

2.1 Definition of research subjects

Generation Z is also known as the Internet Generation. It refers to a generation greatly influenced by technology products such as the Internet, instant messaging, smartphones, and tablets. Unlike the mainstream definition of people born between 1995-2009 in Western countries, the Green Mountain Capital 2021 Mid-Consumer Report states that China’s Generation Z should be those born between 1998-2014 [5]. China’s Generation Z is younger than the population defined in the West because China’s technological development is lagging slightly. Therefore, the research subjects of this paper were mainly born between 1998-2014.

2.2 Theories guiding this study

Consumers’ behavior is determined by consumer psychology. When they make decisions, different factors affect their psychology and finally lead to differences in consumer behavior. Studying the behavioral characteristics of Gen Z consumers means studying the factors that influence their psychology.
The Heth-Newman-Gross consumption value model is the theory that matches this study extremely well. It is a value-based model of consumer behavior that evaluates consumption-related values proposed by Sheth, Newman, and Gross in 1991. The model states that products provide customers with five consumer values to explain why consumers choose to buy or not buy, choose this product over another product, and choose this brand over another brand when faced with a particular good.

2.2.1 Functional value
Functional value emphasizes the physical or functional value of the good itself. When a product or brand has certain functional attributes and can meet the functional purpose of consumers using the product, then the product has functional value.

2.2.2 Social value
A product has social value when connecting consumers with other social groups and providing utility. Under the influence of social value, consumers do not rationally choose a product by focusing on its real characteristics and functions but rather on whether the product can enhance their social status, shape their social image, or satisfy their inner desires. Research topics related to social value in consumer behavior include social class and symbolic value.

2.2.3 Emotional value
Consumers’ choices may depend on their desire to express their emotions. Emotional value occurs when consumers choose products that evoke feelings or favorable sensations.

2.2.4 Cognitive value
When the product chosen by the consumer can satisfy the consumer’s curiosity, freshness, and need to pursue new knowledge, the goods have cognitive value.

2.2.5 Conditional value
Conditional value often arises when consumers are faced with a specific situation. Under certain circumstances, the product can temporarily provide greater functional or social value. Products that generate conditional value are usually linked to the consumer’s antecedent state. These products change the consumer’s original behavior because the conditions give them external utility. Conditional values are essentially not held for long periods but short periods.

2.3 Main Research Methods
A questionnaire survey collects information by developing a detailed and thorough questionnaire and asking respondents to respond accordingly. The questions are mainly multiple choices, divided into qualitative and quantitative questions. Respondents were divided into two groups, one filled out via Web sites and the other from social media platforms. Respondents were distributed across 29 provinces in China (34 in total), so the study is representative of the Chinese Gen Z. A total of 237 valid questionnaires were received for this study, of which 105 were males, and 132 were females by biological gender. In this paper, we will analyze the data collected from the respondents to find out the consumer perception and influencing factors of the consumers of Gen Z in the freshly-made beverage industry. Based on the analysis results, targeted marketing strategies will be suggested so that the practitioners can get more advantages in future competition.

3. Results
3.1 Analysis of the development status of the freshly-made beverage industry
In the context of China’s consumption upgrade, China’s MTO tea drinks consumption market has seen a big explosion. According to iiMedia Research, in 2021, the market size of the Chinese MTO tea drinks market was $41.5 billion. 26.2% of Chinese MTO tea drinks consumers will consume more
frequently in 2022, and only 14.7% of consumers will consume less frequently, so consumer demand will continue to rise, and the market size of new-style tea and beverage is expected to reach $55.6 billion in 2025 [6]. According to the report of the Chinese Chain Store Association, by the end of 2020, the total number of freshly-made drinks stores will be about 596 thousand. Among them, MTO tea stores accounted for 65.5% of the stores, about 378 thousand. There are 663 ‘cities’ in China, so each city has at least 550 tea-drinking stores on average. This shows that the industry homogenization competition is serious [7].

In the number mentioned above of ready-made beverage stores, the proportion of cafes is about 16.3%, and the number of stores is about 97,000. Compared to the MTO tea drinks industry, China’s coffee industry was relatively in the early stage, with the number of cups per capita drinking only 9 cups/year. However, coffee consumption in first- and second-tier cities is much higher. Some studies show that among consumers with coffee drinking habits in first and second-tier cities, the intake frequency has reached 300 cups/year, close to the level of mature coffee markets, and such consumers are still growing rapidly. At the same time, driven by the first and second-tier cities, the wave of coffee consumption is also gradually radiating to the third and fourth-tier cities [8]. The groups born from 1990 to 2010 are the main consumer groups of the two industries.

3.2 Statistical data analysis

3.2.1 Further division of consumer groups

As shown in Figure 1, among the 237 Gen Z respondents, 69% (162 people) go to MTO tea stores most frequently, and 25% (60 people) most often go to coffee shops. At the same time, as shown in Figure 2, 67% (109) of the Gen Z consumers of MTO tea stores are female by biological gender. As shown in Figure 3, 65% (39) of the Gen Z consumers who most often go to coffee shops are male by biological gender.

The analysis shows that the mainstream Gen Z freshly-made drink consumers consume most often in MTO tea stores, most of whom are female. Although only a quarter of Gen Z consumers chooses coffee shops as their favorite freshly-made drinks stores, most are male, unlike MTO tea stores.

Fig. 1 Gender ratio of Gen Z consumers in MTO tea shops

Fig. 2 The most frequent type of shop you consume
3.2.2 Spending Level

As shown in Figure 4, mainstream Gen Z consumers’ monthly disposable income does not exceed $296. In these three groups of people, most are either below $74 per month or between $74 and $148.

Figures 5 and 6 show that the researchers compared the maximum acceptable price of a single cup of MTO tea and coffee for Gen Z consumers. The two groups of consumers managed to reach a consensus on this issue: the price of a single cup of Freshly-made beverage that sells below $7.44 is acceptable.

As shown in Figure 7, 62% (101) of Generation Z consumers at MTO tea stores consume 1-2 times per week, and 28% (46) consume 3-5 times per week. As shown in Figure 8, 48% (29) of Gen Z consumers of coffee shops consume 3-5 times per week, and 30% (18) consume 1-2 times per week. Therefore, Gen Z consumers do not consume more than 5 times weekly for freshly-made beverages.
According to the data, it can be seen that for MTO tea stores, the psychological price of its Gen Z customer is mainly between $3 and $7.44, and most consumers’ monthly purchase frequency is 4 to 8 times. For the coffee shop, the psychological price of its Gen Z customers is also mainly between $3 and $7.44, and the monthly purchase frequency of most consumers is 12 to 20 times.

3.2.3 Purpose of consumption
The main reasons that motivate Gen Z consumers to spend money at MTO tea drinks stores and coffee shops are that the stores enable consumers to enjoy their drinks and have a good working (studying) environment and a place to socialize. This was a multiple choice question where
respondents could choose up to three factors that led them to consume. After filtering, the top three highest ranked reasons are shown in Table 1 and Table 2, where every Gen Z consumer said they consume to enjoy their drinks. Then, 26.54% of consumers said they consume at MTO tea stores because it is excellent as a social place. Another 17.28% said they consume for the good working (studying) environment at MTO tea stores. 41.67% of consumers said they consume at cafes because the store provides a good working (studying) environment. 33.33% said they were willing to spend money at the coffee store because it can be used as a social place.

### Table 1. Causes of Gen Z consumers’ consumption in MTO tea shops

<table>
<thead>
<tr>
<th>Reason</th>
<th>Valid Fillings</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enjoy the drinks</td>
<td>162</td>
<td>100%</td>
</tr>
<tr>
<td>A working(studying) environment</td>
<td>43</td>
<td>17.28%</td>
</tr>
<tr>
<td>A social environment</td>
<td>28</td>
<td>26.54%</td>
</tr>
</tbody>
</table>

**Number of valid fillings for this question**: 162

**Percentage of multiple choice options = number of times that option was selected ÷ number of valid responses.**

### Table 2. Causes of Gen Z consumers’ consumption in coffee shops

<table>
<thead>
<tr>
<th>Reason</th>
<th>Valid Fillings</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enjoy the drinks</td>
<td>60</td>
<td>100%</td>
</tr>
<tr>
<td>A working(studying) environment</td>
<td>25</td>
<td>41.67%</td>
</tr>
<tr>
<td>A social environment</td>
<td>20</td>
<td>33.33%</td>
</tr>
</tbody>
</table>

**Number of valid fillings for this question**: 60

**Percentage of multiple choice options = number of times that option was selected ÷ number of valid responses.**

Based on the data, it is clear that for both coffee and MTO tea drinks, the primary thing that customers value most is the emotional value it provides. All respondents said that one of the reasons they consume freshly-made beverages is because it brings them the experience of enjoying the beverage. The Oxford dictionary explains enjoyment as ‘To get pleasure from something.’ Therefore, Gen Z consumers get pleasure from freshly-made beverages - the emotional value.

At the same time, Gen Z consumers value the functional value that ready-to-drink stores provide because the store becomes a place for them to work (study) and socialize.

### 3.2.4 Unmet Demand

According to statistics, Gen Z consumers’ expectations for freshly-made beverage stores include “healthier ingredients”, “more design-oriented products” and “more open information”. As shown in Table 3, 72.22% of Gen Z consumers of MTO tea stores want healthier ingredients. More than half of Gen Z consumers think the products need to be more design-oriented, and nearly half of Gen Z consumers want more information disclosure (disclosure of some business information). Meanwhile, 48.33%, 45%, and 35% of Gen Z consumers whose favorite stores are coffee shops believe these three needs are not being met.

### Table 3. Future expectation

<table>
<thead>
<tr>
<th>Feature</th>
<th>Coffee shops</th>
<th>MTO tea shops</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthier ingredients</td>
<td>29(48.33%)</td>
<td>117 (72.22%)</td>
</tr>
<tr>
<td>More products with a sense of design</td>
<td>27(45%)</td>
<td>83 (51.23%)</td>
</tr>
<tr>
<td>More open information (raw materials, costs, etc.)</td>
<td>21(35%)</td>
<td>79 (48.77%)</td>
</tr>
<tr>
<td>Better environments</td>
<td>20(33.33%)</td>
<td>47 (29.01%)</td>
</tr>
<tr>
<td>Open more chains</td>
<td>17(28.33%)</td>
<td>22 (13.58%)</td>
</tr>
<tr>
<td>Strengthening brand power</td>
<td>16(26.67%)</td>
<td>21 (12.96%)</td>
</tr>
</tbody>
</table>

**Number of valid fillings for this question**: 60

**Percentage of multiple choice options = number of times that option was selected ÷ number of valid responses.**
According to the data, Gen Z consumers generally believe that the value provided by the freshly-made beverage industry has three other consumer values to be improved.

First, the functional value. As people become more conscious about eating healthier, consumers are increasingly concerned about the impact of the food they consume on their health. One example is the freshly-made beverage industry, and whether it is coffee or MTO tea, there are many products with “milk flavor”. Due to cost and economies of scale considerations, most freshly-made beverages are flavored with non-dairy cream to give the beverage a “milky” taste. However, non-dairy cream is mainly made by artificial hydrogenation of vegetable oils such as soybean oil rather than milk. Studies have shown that non-dairy cream contains trans fatty acids, a substance that increases the risk of cardiovascular disease, diabetes, and cognitive impairment [9]. Therefore, for freshly-made beverages that use non-dairy cream, the functional value it provides in terms of health is insufficient.

Secondly, the combination of functional and emotional values. The essence of the sense of design demanded by Gen Z consumers is the combination of practicality and meaningfulness. Practicality refers to factors such as taste and the size (volume) of the product. Meaningfulness refers to factors such as the color and shape of the product. Only when the two are in harmony will the emotional and practical value produced achieve the effect of “$1+1>2$”. Therefore, it is the so-called “sense of design” [10].

Finally, cognitive value. The information disclosed by the merchant provides cognitive value, i.e., it increases the completeness of the information available to the consumer. Everyone wants to make the most satisfying decisions, i.e., deterministic decisions. However, the completeness of information available to humans determines the certainty of the decisions they make [11]. Therefore, consumers prefer to spend with businesses that disclose more information because they have more information completeness and certainty in their decisions.

### 3.2.5 Marketing platforms

Gen Z consumers who prefer different freshly-made beverages have different mediums to get information about the stores. As shown in Table 4, 70.99% of Gen Z consumers who prefer MTO tea stores learned about an MTO tea store through a friend’s recommendation; 47.53% knew about a store through a short video platform, and 36.42% got information about a store through social media. As shown in Table 5, for Gen Z consumers who prefer coffee shops, 63.33% of them learned about a coffee shop through a friend’s recommendation; 36.67% of them learned about a store through a display board, and 33.33% of them got information about a store through social media.

<table>
<thead>
<tr>
<th>Table 4. Gen Z consumers know an MTO tea shop in different ways</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends’ recommendation</td>
</tr>
<tr>
<td>Short video platforms</td>
</tr>
<tr>
<td>Social mediums</td>
</tr>
<tr>
<td>Display boards (electronic, non-electronic)</td>
</tr>
<tr>
<td>SMS</td>
</tr>
<tr>
<td>Leaflets</td>
</tr>
<tr>
<td>Others</td>
</tr>
<tr>
<td>Number of valid fillings for this question</td>
</tr>
<tr>
<td>Percentage of multiple choice options = number of times that option was selected ÷ number of valid responses.</td>
</tr>
</tbody>
</table>
**Table 5.** Gen Z consumers know a coffee shop in different ways

<table>
<thead>
<tr>
<th>Method</th>
<th>Count (n)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends’ recommendation</td>
<td>38</td>
<td>63.33%</td>
</tr>
<tr>
<td>Display boards (electronic, non-electronic)</td>
<td>22</td>
<td>36.67%</td>
</tr>
<tr>
<td>Social media</td>
<td>20</td>
<td>33.33%</td>
</tr>
<tr>
<td>Short video platforms</td>
<td>16</td>
<td>26.67%</td>
</tr>
<tr>
<td>SMS</td>
<td>10</td>
<td>16.67%</td>
</tr>
<tr>
<td>Leaflets</td>
<td>8</td>
<td>13.33%</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>6.67%</td>
</tr>
</tbody>
</table>

Number of valid fillings for this question: 60
Percentage of multiple choice options = number of times that option was selected ÷ number of valid responses.

According to the data, the medium for Gen Z consumers to learn about a store mainly comes from their social circle. Whether it is from the recommendation of friends or the introduction of bloggers and friends on social media, the marketing of freshly-made beverages to Gen Z consumers cannot be separated from human interaction. This reflects the social value that freshly-made beverages provide to Gen Z consumers. Because Gen Z spends so much time on social media, they pay a lot of attention to their social circles by sharing their consumer behavior with a brand as a “ticket” of its consumer group. They gain a sense of identity with that consumer group [2]. Therefore, Gen Z consumers connect with the brand by recommending freshly-made beverages to their friends or sharing their consumption experience on social media, i.e., gaining social value.

4. **Discussion**

4.1 **Product development based on main consumer groups**

Based on the findings of 3.2.1: the main customers of MTO tea stores are women, while the main customers of coffee shops are men, the paper suggests merchants should develop products for their main customers in a targeted manner.

For MTO tea stores, attracting female customers is efficient for increasing sales. According to the data in this study and related studies, most of the motivations for females to buy MTO tea drinks come from friends’ recommendations and merchants’ advertising and marketing [12]. Since it is difficult for merchants to force customers to recommend products to their friends, it is crucial to capture the attention of female customers in terms of advertising. According to research, females prefer colors with longer wavelengths, also known as warm tones, such as red and orange. At the same time, higher brightness colors will make female eyes feel comfortable [13]. Therefore, for MTO tea stores, bright warm colors should be used as much as possible when advertising to popularize or design products.

For coffee shops, attracting male customers may not result in a significant increase in sales. According to related studies, it was found that Gen Z males tend to be demand- and habit-oriented in their consumption of freshly-made beverages [12]. According to the findings in 3.2.2, Gen Z consumers in coffee shops tend to consume 3-5 cups of coffee a week. As a refreshing beverage, coffee is more functional than MTO tea drinks, i.e., it provides functional value to customers. At the same time, coffee is also an ‘addictive’ drink, meaning drinking coffee has become a habit. With these two assumptions in mind, this paper believes that developing products specifically for Gen Z males for coffee shops will not significantly increase sales. The most important thing in the minds of male consumers is the functional value provided by the coffee shop itself, which is not affected by advertising. Therefore, coffee shops should reduce costs while maintaining product quality if they want to increase profits while ensuring a high repurchase rate of Gen Z male consumers.
Although male customers or potential male customers may not increase their purchases due to advertising, coffee shops that want to tap into the customer base of female Gen Z consumers can refer to the paper’s suggestions above for MTO tea stores.

4.2 Consumption

According to the findings in 3.2.2, mainstream Gen Z consumers currently have a monthly disposable income of less than $296. Meanwhile, both coffee shop and MTO tea store consumers agree that the price of a freshly-made beverage should be less than $7.44. Although the majority of Gen Z consumers are about to enter the workforce, resulting in a significant increase in their disposable income, this paper argues that consumers’ attitudes toward price will not change if the value of freshly-made beverages does not increase.

4.3 Direction of development

According to the findings in 3.2.4 of this paper, Gen Z consumers want freshly-made beverage stores to offer ‘healthier products’, ‘more design-oriented products, and ‘more information disclosure’ in addition to their original services. These requests provide a direction for further development.

According to relevant studies, there is much room for improvement in the healthiness of today’s freshly-made beverages. The extensive use of non-dairy cream instead of light cream in MTO tea beverages and the use of large amounts of syrup can have health implications [9]. Comparatively, the coffee industry uses less of both, but for some innovative coffee beverages, the amount of both is the same as MTO tea beverages. This shows the lack of freshly-made beverage products in the market with a health theme. As the quality of life of Generation Z is getting higher and higher, consumers are not only looking for the emotional value provided by taste when buying freshly-made beverages but also the functional value provided by the healthiness of the beverage. Therefore, bundling the brand with the concept of healthiness while maintaining the original service of freshly-made beverages will make customers willing to pay a higher price for the product. One example is replacing the recipe’s non-dairy cream with a healthier substance, using light cream directly, and replacing the syrup with zero-calorie sugar or some flavor enhancer that is not harmful to humans.

According to the findings in this paper 3.2.5, Gen Z consumers gain social value by purchasing products. In other words, they try to show their taste by consuming a certain product and sharing it on social media or even using it to find people with the same taste. Therefore, freshly-made beverages as a commodity have a potential social value, which will only be realized when consumers share their consumption of freshly-made beverages on social media. However, for freshly-made beverages in general, their availability and price make it difficult to be used as a tool for consumers to show their taste in daily life. Because when a product transitions from the promotion stage to the daily marketing stage, consumers no longer see it as a new thing. When it becomes an everyday consumer product, consumers no longer recognize its potential social value, just as people do not share their toilet paper purchases on social media. Therefore, as a freshly-made beverage merchant, how should they make consumers consistently gain social value of your goods and thus help build your brand image? It’s up to the merchant to work on the design of products. The harmony between practicality (taste, size, etc.) and meaningfulness (color, shape, etc.) will greatly increase consumers’ desire to share. As consumers find a sense of group identity by posting freshly-made beverages, the brand is linked to their image to a certain extent. Therefore, they will spontaneously defend the brand and recommend the product to their friends. Those who also appreciate the product design will share the product with their social media platforms, thus creating a virtuous marketing cycle.

At the same time, some Gen Z consumers would like to see more information disclosed by freshly-made beverage businesses to gain cognitive value. This paper argues that the information mentioned here can be internal to the company or external. Internal information can include the origin and quality of raw materials, whether the container material is environmentally friendly, etc. External information is often about public causes, such as charity, taxation, and employment. The disclosure of such information will enhance the brand power of the business, making Gen Z consumers more trustful of
the brand and enhancing customer loyalty. At the same time, with more information available to consumers, they can make the best choice and have a good consumer experience.

5. Conclusion

5.1 Summary of findings

First, this paper finds that in the freshly-made beverage industry, Gen Z consumers of MTO tea drinks are mainly female, and consumers of coffee shops are mainly male. (All the above genders are biological genders.) Since female consumption is more likely to be influenced by external factors than male’s, businesses in the freshly-made beverage industry need to design products specifically for female preferences to increase sales effectively. Using brighter, warmer colors in product design will increase females’ willingness to consume, as this is the color that females prefer more frequently.

Secondly, this paper found that consumers tend to accept a single drink price of no more than $7.44, so it is recommended that businesses do not exceed this figure in their pricing.

Finally, the paper finds that the value offered by the existing freshly-made beverage industry does not fully meet the demand of Gen Z consumers. Health-conscious Gen Z consumers are more likely to purchase products with healthier ingredients for the same taste. Therefore, businesses should try to choose healthier sugar substitutes and light creams in selecting ingredients. Since Gen Z consumers have been exposed to the Internet since childhood, they have a strong willingness to share, so social media is indispensable for businesses marketing to Gen Z consumers. One effective way to motivate Gen Z consumers to increase the frequency of spontaneous sharing of products on social media is to improve the design of the products. Their influence will prompt friends to buy, and when friends buy and appreciate the product, they may also share it on their social media, eventually creating a virtuous cycle. Moreover, merchants should disclose more internal and external information about their companies to facilitate consumers to make the best choice while increasing user stickiness.

5.2 Research significance

As the future main workforce of China, Generation Z is undoubtedly the main customer group of various industries. They have been in the atmosphere of the Internet and freshly-made beverage culture since they were born, so there is still great room for growth in the Chinese freshly-made beverage industry as their wealth gradually increases. With this in mind, this paper has studied Chinese Gen Z consumers in the freshly-made beverage industry through a questionnaire. Based on the findings, we propose suggestions for further consumer positioning, product development, and marketing in the freshly-made beverage industry.

The paper also provides a direction for further research for readers who want to study the Chinese Generation Z. Further research could be conducted on the marketing of Gen Z products from a social media perspective or on the consumer behavior of Gen Z in the freshly-made beverage industry. For example, by collecting consumer preferences for brands and studying the success of popular brands.

References


[5] Qingshan capital’s consumption report in 2021: definition and characteristics of generation Z.


