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Stinky tofu tycoon a Changsha success story

Aromatic snack loved by most; prepackaged diversification key to firm's fame

By ZOU SHUO in Changsha
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For most, it smells somewhat odd, yet tastes delicious. If every city had its own unique dish or snack, the one defining Changsha, capital of Central China's Hunan province, should be its "fragrant" stinky tofu.

The popular offering is made after soybeans undergo various processes such as sifting, soaking, grinding, filtering, boiling and fermenting. Raw bean curd is soaked in brine, emitting a pungent smell that can be a turnoff for the uninitiated.

In fact, frankly put, people either love it or hate it.

Stinky tofu is what has helped the business venture of Lu Lucheng, CEO of Hey Hey Black, transform from a street stall in 2009 into a food chain with more than 1,800 locations nationwide.

Every day, more than 800,000 squares of stinky tofu are sold by the company, making it a representative for local foods in Changsha.

The company's sales revenue reached more than 500 million yuan (\$69 million) last year, which means it has basically recovered losses from the COVID-19 pandemic, Lu said.

Changsha stinky tofu dates back to the Qing Dynasty (1644-1911) when a woman began frying discarded tofu in tea oil and stumbled upon a dish that would become a pillar of Hunan's thriving street food culture.

The black tofu cubes with a funky odor possess unique qualities for seasoned local chefs. By examining the color, shape, scent and texture, they select the best bean curds and deep-fry them with oil. This is how a bowl of crispy stinky tofu is made.

There are numerous stinky tofu stores in the city, but what makes Lu's brand special is that his products are poked with holes and filled with broth and local chili sauce, before being garnished with coriander and diced radish.

"We also stick to the traditional way of making stinky tofu and adhere to it to the extreme," he said.

The tofu is super crispy on the surface, just like crackers, and tender on the inside, maintaining the original softness of tofu, he said.

"When you go to the extreme, the iconic Changsha stinky tofu becomes delightful for visitors, who find this dish lives up to its reputation."

At Huangxing South Road pedestrian street, a bustling commercial section of Changsha's Tianxin district, 39-year-old Luo Caiti bought a bowl of stinky tofu from a Hey Hey Black shop recently.

Tourists holding bowls of stinky tofu were seen everywhere, with many lining up to buy freshly made servings at the company's stores in Wuyi business center where the street is located, a must-visit for tourists.

Luo also took to Changsha from Guangdong province and could not



Employees prepare stinky tofu snacks at a Hey Hey Black store in Changsha, Hunan province, in May 2023. PROVIDED TO CHINA DAILY



Crowds throng a Hey Hey Black stinky tofu store on Huangxing South Road in Changsha, Hunan province, in May 2023. PROVIDED TO CHINA DAILY

wait to try the famous stinky tofu after arriving in the city.

"It tastes very good and spicy, perfect for someone like me who prefers food with a strong taste," she said.

Luo said she had seen posts of the stinky tofu pictures on social media platforms and had been longing to try for a long time, and it did not let her down.

Liu Rong, a Hunan native, also bought the stinky tofu from Hey Hey Black, which she said tastes better than other brands she has tried before.

The 32-year-old also bought other prepackaged foods from the store, which she intended to give to her col-

leagues in Guangzhou, Guangdong.

"Many of my colleagues know about the brand as it has really become very popular, and they have asked me to buy some for them," she said.

The prepackaged food has been a key business for the company, which now accounts for around 60 percent of its sales revenue, Lu said.

The company sells more than 130 types of prepackaged local foods at its stores and it wants to bring Hunan's local food nationwide and even to the whole world, he said.

It conducted much research and product searches across the province to select the most repre-

sentative food items to sell in its stores, he said.

The company first started to sell prepackaged foods because just selling stinky tofu, which usually is sold at around 10 yuan a serving, could not cover rent and overhead.

The rent for their first store, which is only 8 square meters along Huangxing South Road, was 6,000 yuan per month, and it could only make 300 to 500 yuan a day, barely covering costs, he said.

There are large numbers of people on the street who want to buy stinky tofu, but it has always been a cheap snack, meaning that even if the chef's work is very hard to fry the tofu, sales revenue can not be very

high, so it started to sell other local foods at higher prices, Lu said.

Therefore, stinky tofu became the perfect item to attract customers to its stores, which are also filled with other more expensive local prepackaged foods, thus successfully increasing sales volume at its stores, he said.

Meanwhile, another key to the company's success is standardization. "We want standardized stinky tofu so that customers can taste the same standard product every time they buy our product. We also made efforts to standardize our packaging, store design and the taste of other prepackaged foods," he said.

Looking back at his journey of entrepreneurship which started as a college student start-up, Lu said it is very difficult for college students to start a successful business alone and luckily, he had done so with a team of friends.

He would not recommend college students who do not have clear plans and grit to try entrepreneurship and they need to be fully prepared in resources, connections, intelligence and interpersonal skills.

They should also conduct field research in targeted industries before venturing into a business, and closely follow government policies, he said.

The local government in Changsha has given his business venture subsidies of 80,000 yuan and the local Communist Youth League of China also offered a grant of 60,000 yuan during the early stages of starting the business, which has helped greatly, he said.

Meanwhile, as Changsha wants to build itself into a popular tourist

city, it has offered great support to brick-and-mortar consumer-based stores, and has been very supportive of companies that think outside the box in terms of store decor, he said.

Since the early stages of his entrepreneurship, the company has benefited from the popularity of Changsha as it attracts a large number of visitors, Lu said.

"People come to the city to relax and enjoy delicious food, beautiful scenery and a cozy environment. It is one of the most vibrant and relaxing cities in the country. You do not need to prepare much before coming to Changsha for a couple of days and can never be dull in a city that never sleeps."

"The company utilizes live-streaming sessions, e-commerce, online stores and offline sales as its popularity is still limited in Changsha," he said.

It wants to pursue a more stable development this year and a major focus for the company is to enter overseas markets as it has tried all kinds of ways to expand domestic market sales.

"We want to bring Hunan's tofu products and chili sauce to overseas markets. The first target market is Southeast Asia where there is a large population of people with Chinese origins," he said.

"We are still exploring and might come up with a more detailed plan in the next half of this year, but we are certain about venturing into overseas markets."

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Ningji beverage stores 'tea-ing' off in Hunan

By ZOU SHUO in Changsha

The first Ningji store, a lemon tea brand, was opened in Tianxin district of Changsha, Hunan province, in February 2023. Three years later, the company operates more than 2,600 stores nationwide, and aims to expand its stores to more than 4,900 by the end of this year.

The company sells hand-mashed lemon tea in different flavors for less than \$2.77 per serving.

It has received two rounds of several hundred million yuan in investment from Endeavour, Shunwei Capital and others.

Wang Jie, co-founder of Ningji, said at the early stage of entrepreneurship she found there were more than 6,000 lemon tea shops in

Guangdong province, showing great market potential for the refreshing beverage.

However, lemon tea in Guangdong tends to be quite bitter. To cater to the markets in other regions, Wang and her team made lemon tea products that taste lighter and are wine free.

Young people also find the tea to be healthier than bubble milk tea, which has a high caloric content, she said.

The company chose to open its first store in Changsha because there are lots of young people in the city who are willing to spend money on food and drinks, she said.

The first store, which was only three square meters, was opened in the Nanmenkou area of Changsha,

with a monthly rent of just 2,000 yuan.

It was opened in winter, which is not a peak season for lemon tea, and they wanted to test which of their products would be popular during slacker times, she said.

They sold 300 yuan worth of lemon tea on the first day and in less than two months, daily sales revenue reached 15,000 yuan.

Meanwhile, the company only has eight direct sales stores, with most of its stores being franchised outlets.

Wang believes the relationship between brand and franchised stores should be similar to that of schools and students. The schools make policies and help supervise students to achieve better results, she said.

The company has built more than 3,600 mu (200 hectares) of land to grow lemon trees in Guangdong province and the Guangxi Zhuang autonomous region, supplying the key ingredients for its products.

Meanwhile, the average time for its franchised stores to turn a profit is about 12 months, as its stores are small and only need three to four employees with only pick-up orders.

Wang also spends lots of time hiring suitable talent for management positions, and she values candidates' ability to learn new things and cooperate with others.

She wants to hire more staff in different industries so the company can further expand to other sectors, she said.

Huang Cu, 21, an undergraduate



Consumers line up for Ningji beverages at a shopping center in Beijing in April. PROVIDED TO CHINA DAILY

student at Changsha University of Science & Technology said she believes lemon tea is a perfect match for Changsha's dining habits, whose food is spicy and heavy.

The tea is very refreshing, so it's

perfect during the hot summers, she said.

Moreover, you can see salespeople energetically making drinks by hand, adding new excitement to the buying experience, she added.