



Research on Haidilao Service Marketing Strategy Management

Jiayi Liu^(✉)

Economics, State University of New York Stony Brook University,
100 Nicolls Rd, Stony Brook, NY 11794, USA
139221019@qq.com

Abstract. With the rapid development of society and economy, China's national income has further increased, and the pursuit of quality of life has become higher and higher. The development of the catering industry has also changed from the initial independent and scattered stores to the development direction of corporate branding. Haidilao was established in 1994. After more than 20 years of development, Haidilao has become the leading brand in China's catering industry. With more than 20 years of experience in the catering industry, it has developed to provide consumers with good food and services., to meet the growing demand for food and services of consumers, the hot pot brand it operates is particularly favored by consumers, and its unique service marketing strategy makes it a benchmark in the hot pot industry, but there are still some problems in its service marketing. Improve. This paper takes the problems and countermeasures of Haidilao service marketing as the topic, in order to provide reference for the research in related fields, and also to provide reference for the service marketing of other enterprises.

Keyword: Haidilao Service Marketing Research on problems and countermeasures

1 Introduction

With the rapid development of society and economy, China's national income has further increased, and the pursuit of quality of life has become higher and higher. The development of the catering industry has also changed from the initial independent and scattered stores to the development direction of corporate branding. Haidilao was established in 1994. After more than 20 years of development, it has become the leading brand in China's catering industry. The high quality service makes Haidilao one of the hottest brands in the catering industry. This article focuses on the improvement of Haidilao's customer satisfaction, and explores its superior service marketing strategy, in order to provide reference for the development of Haidilao.

2 Definition of Basic Concepts

2.1 The Meaning of Customer Satisfaction

Customer satisfaction is the translated name of English Customer Satisfaction, referred to as CS. Customer satisfaction is actually a kind of psychological reaction of customers.

© The Author(s) 2023

V. Gaikar et al. (Eds.): FMET 2022, AEBMR 227, pp. 607–613, 2023.

https://doi.org/10.2991/978-94-6463-054-1_66

Marketing guru Philip Kotler defines customer satisfaction. He believes that a person's sense of pleasure or disappointment can be formed by comparing the perceived effects of a product with expectations [1].

2.2 The Importance of Service Marketing

2.2.1 Good Customer Service is the Foundation of Enterprise Survival

There is an interdependent relationship between an enterprise and its customers. No matter what the nature of an enterprise itself is, to survive and develop better, it must provide customers with products or services that satisfy them. Therefore, enterprises need to pay close attention to the real needs of customers, which is conducive to grasping the needs of customers and selling products. Continuously improving customer satisfaction can turn old customers into long-term customers. It can be said that improving customer satisfaction is the foundation of enterprise survival [2].

2.2.2 Customer Satisfaction is the Driving Force of Enterprise Development

The psychology of customers is dynamic, so their needs change every day. For a product to have a high-intensity life cycle, the quality and characteristics of the product must be aligned with the psychological state of the customer. Therefore, enterprises must not only understand the current needs of the target market, but also predict the future needs of the target market, and even create products that exceed customer expectations, so as to create a competitive advantage and remain invincible. Organization managers must change their roles, analyze and consider consumers' needs from their perspectives and interests, and enhance the core competitiveness of products and services to improve customer satisfaction and bring more development space to the enterprise. Only in this way in order to achieve the leap-forward development of the enterprise.

2.2.3 Improving Customer Satisfaction is the Eternal Goal of an Enterprise

It is not easy for enterprises to gain their own place in the fierce market competition. If an enterprise wants to be invincible, it must have its own core goals and be competitive among similar enterprises. For enterprises, if they want to beat their competitors in the same industry, the most fundamental way is to improve the effectiveness of the quality management system, so as to master core resources and obtain permanent customers. Among them, improving customer satisfaction is the eternal part of the organization. Strategic management objectives [3].

3 Analysis of the Current Situation of Haidilao Service Marketing

3.1 The Development and History of Haidilao

Haidilao was established in 1994. After more than 20 years of development, it has hundreds of stores in many well-developed first- and second-tier cities in China. Even in several other countries, there are layouts. On March 25, 1994, Haidilao Hotpot City,

Jiayang City, Sichuan Province officially opened. It was successfully listed on the Hong Kong Stock Exchange in September 2018, and the final issue price was determined to be HK\$17.8 per share. With its hot pot food features and high-quality service, it has been recognized by customers, and its consumer-centric development strategy and management strategy have also enabled Haidilao to open more than 100 stores in the development process of more than 20 years. The honors are countless.

3.2 Strategic Analysis of Haidilao Service Marketing

3.2.1 In the Salary System, Employee Service is the Performance Evaluation Point

Haidilao's famous one-person hot pot accompany eating doll service; for ladies with long hair, the waiter would hand over rubber bands and hairpins; if the customer brought a child, the waiter would even help feed and play games with the child, etc. For customer service, Haidilao implements the principle of complete market segmentation, and treats each consumer as a special set of service content. The reason behind such completely personalized service is that Haidilao's salary system takes employee service as the performance appraisal point, and employee salary is directly linked to customer satisfaction, so such individualized standards can be implemented [3].

3.2.2 Establishing a Special Optimization Mechanism for Service Innovation

Haidilao has an innovation committee composed of regional general managers. After ideas are collected, they are reported to the committee, which is then screened and good things are promoted in various branches across the country. Zhang Yong requires almost every employee to constantly put forward some innovative suggestions. Haidilao has established a "golden idea list" for employees to evaluate their golden ideas every month. After evaluation, each employee will be rewarded 200–2000 yuan. This approach encourages employees to innovate boldly and continuously optimize the service mechanism.

3.2.3 Unifying and Standardizing Service Process

The stores of Haidilao adopt the direct operation model of the headquarters, and each store is strictly controlled and has unified standards. The design style of the store is unified, and the service process is unified: when you sit down at the door, the waiter will bring a hot towel to wipe your hands, and will also give rubber bands and glasses cloth. Customers are offered free manicures, shoe shines, hand guards, as well as snacks and free drinks. The basic dishes provided in the store, staff clothing, management mode, etc. are strictly implemented in accordance with unified standards, and strive to bring customers a high-standard experience.

3.2.4 Executing Actual Comprehensive Personalized Service

Haidilao requires every employee not to "abide by the rules" and should be more flexible about the details of the service process. This process of customer consumption is almost always the face-to-face service of service personnel facing customers. Due to the different

consumption psychology of customers, it is impossible to have the same consumption method. This requires service personnel to understand the needs of customers, and to respond quickly and provide personalized services in a timely manner. This not only ensures service reliability, but also improves customer satisfaction.

4 Existing Problems of Haidilao Service Marketing Strategy

4.1 It has Unreasonable Overservice

Many customers come from Mu Haidilao's "special service". One of the most popular service cases is a customer who went to Haidilao for dinner. Because he came to dinner alone, the waiter brought him a companion doll to make him feel less alone. There are too many similar examples. Haidilao has a reputation for "perverted service" for two main reasons: First, Haidilao's service is unique in the mass catering industry, and no other catering company has reached this level. Second, Haidilao's per capita service is unique. For a hot pot restaurant with a per capita consumption of about 100 yuan, it can provide services that even many high-priced restaurants cannot, and customers will find them worthwhile. The "perverted" service has indeed opened up Haidilao's reputation, but it also made some customers feel uncomfortable, some customers feel that the excessive service infringes on their privacy.

4.2 Misalignment Between Pricing and Consumer Expectations

At the beginning of 2020, the outbreak of the new crown pneumonia epidemic has greatly affected the traditional catering industry. Haidilao, the benchmark in the hot pot industry, was particularly affected. Each Haidilao store has restrictions on the number of tables and the number of customers that can be served, and employees cannot work at full capacity. Due to increased labor costs and the cost of certain ingredients, the company decided to adjust the prices of certain dishes in the store. For this price increase, there are comments on the Internet: "I haven't started retaliatory consumption, but Haidilao has begun to retaliatory price increases." It can be seen that consumers are unwilling to pay for Haidilao's losses in the epidemic. At the price, Haidilao must make concessions and adjustments to improve customer satisfaction.

4.3 The Value-Added Services are not Diversified Enough

Haidilao has five well-known value-added services: parking service, waiting and welcome service, ordering service, catering service and after-dinner service [4]. When a guest drives to Haidilao, the parking attendant will immediately come forward, proactively and very politely suggest valet parking; no matter when the guest intends to eat, the waiter will warmly guide the guest to their seat as soon as they enter the door superior. If they happen to have no seats, they will immediately direct guests to the waiting area and deliver a variety of snacks. After the seat, the waiter of Haidilao will introduce the special dishes in detail, and the waiter will also take the initiative to remind the guests that half of various ingredients can be ordered, so that the dishes will be more abundant.

Fully experience comfort and enjoyment. Immediately after the guest has finished their meal, the waiter will deliver the gum, smile and say goodbye to the guest. Free shoe shine and manicure services are available at the store entrance. Men get free shoe shine, while women get free manicures. These value-added services are the unified standard of Haidilao. They have been used for many years without much change, so there is no way to make customers feel fresh.

4.4 Marketing has Changed Too Quickly

The core of Haidilao's brand value is "a good hot pot can speak for itself". In the past, Haidilao used less media to promote its brand, and more energy was used to build a good brand image. It is established for the perfect experience for every consumer. However, today's Haidilao has also started network marketing of major media, and has also begun to follow the trend to do promotions with discounts on dishes. This has indeed expanded Haidilao's influence and attracted some customers, but it also deviates from Haidilao. The original intention of "good hotpot will speak for itself" has aroused doubts and dissatisfaction among consumers.

5 Countermeasures and Suggestions for the Marketing Strategy of Haidilao Service

5.1 Differentiating Personalized Service in Specific Ways

The essence of over-service is the lack of service ability and the performance of low service quality. Internally, because service personnel cannot distinguish the core expectations of customers, they provide value-added services that are harmful to customers, which not only leads to customer dissatisfaction, but also leads to increased various costs and potential risks for the enterprise [5]. As an employee of Haidilao, we need to consider what the core expectations of customers are and how to provide customers with the most valuable services in this position. At the same time, every manager must consider what the core task of a position is, how to reflect and adjust according to the actual situation.[7].

5.2 Optimizing Dish Pricing

The price of Haidilao's dishes has always adopted a high gross profit policy on the must-order items, in order to increase sales revenue and increase corporate profits, and adopted a pragmatic and reasonable price policy on the selection of items, so as not to let customers due to price factors. Have scruples so that customers can eat well. The new crown epidemic in 2020 has caused a large number of catering companies to enter a state of debt management, and Haidilao is no exception. Profits in 2020 have experienced negative growth throughout the year, and liabilities have also been increasing. However, customers cannot bear the losses through the price increase of dishes.. In order to solve the current predicament, we can optimize the pricing standards of dishes. For example, the original dishes will not be changed in any way, but the dishes can be priced by adding new dishes, issuing Haidilao peripherals, beverage innovation, and small ingredient innovation. Optimization.

5.3 Providing a Variety of Value-Added Services

The purpose of value-added services is to make customers feel value for money. Haidilao has now achieved the highest value-added services in the industry, many of which remain unchanged throughout the year. Originally, value-added services could not be protected as patents. Now, a large number of merchants have begun to imitate Haidilao and provide various special services. In response to such a situation, Haidilao is bound to make some corresponding changes to deal with these competitions [7]. Take manicure, for example, this value-added service has always been favored by female customers, but its operation time is too long, and it always requires a lot of waiting time. So for customers who want a manicure but are unwilling to wait, can you send a small nurse? What about nail polish? Haidilao's peripheral products have now begun to be gradually produced, including Haidilao's bags, earrings, etc., which can be added to the peripheral products, such as figures, dolls and other elements that young people prefer to provide more personalized value-added services.

5.4 Use Reasonable and Effective Marketing Methods

Before Haidilao became famous, Zhang Yong quietly applied for the registration of Haidilao's trademark at home and abroad, so when Haidilao opened stores in various places, it was already well-known, and he could soon open up the market locally and gain a firm foothold. At that time, Zhang Yong also had his own unique plan for Haidilao's marketing. Haidilao firmly believed that "gold and silver cups are not as good as customer's word of mouth." If you are not satisfied, there will be bad reviews; if you are satisfied, you will pass it on to other customers through word of mouth according to the customer's own understanding.[8] Of course, blindly relying on customer word of mouth is really slow to open up the market. In the later period, Haidilao adopted the "Haidilao body" marketing method and conducted marketing in major media. The effect is remarkable, but excessive marketing has lost the original corporate culture. Haidilao should find a balance between the two and conduct reasonable marketing.

6 Conclusion

After more than 20 years of development, Haidilao has now become a leading brand in China's catering industry. Its unique service marketing method and strategy make it a benchmark in the hot pot industry, but there are still some problems in its service marketing method that need to be improved. This article describes the importance of service marketing. Doing good customer service is the foundation of enterprise survival and understanding that customer satisfaction is the driving force for enterprise development, and improving customer satisfaction is the eternal goal of an enterprise. Through the strategic analysis of Haidilao's service marketing, it is found that some existing problems are unreasonable and excessive service, there is a deviation between pricing and consumer expectations, value-added services are not diversified enough, and marketing methods have changed too quickly. There are some suggestions for Haidilao's service marketing strategy, truly differentiated personalized services, optimizing dish pricing standards, providing diversified value-added services and adopting reasonable and effective marketing methods.

References

1. Bao Yi. Research on Customer Satisfaction of Catering Enterprises under the Background of “Internet +”——Based on Stakeholder Theory [J]. Journal of Taiyuan City Vocational and Technical College, 2018,6(06):65-72.
2. Dai Yingdong. Research on optimization of Haidilao service marketing strategy [D]. Zhengzhou University, 2019.
3. Lin Weibin, Liu Yilin, Wu Xiaoxia. Analysis of Haidilao’s Service Marketing Strategy——Based on Consumer Behavior Analysis [J]. National Circulation Economy, 2020(09):5-6.
4. Luo Hengtong, Wei Lixun. Research on the influencing factors of customer satisfaction in Haidilao——Taking Jiaxing as an example [J]. Modern Commerce and Industry, 2019, 000(009):76-77.
5. Lv Zhenkui. Service Marketing of Haidilao: Research on Haidilao Model Based on the Theoretical Perspective of Service Profit Value Chain [C]//. Proceedings of the 2011 International Conference on Informatio, Services and Management Engineering (ISME 2011) (Volume 3). Proceedings of the 2011 International Conference on Information, 2011:612–617.
6. Wu Jingya, Yang Ping. Analysis of Haidilao Service Marketing Strategy Based on Consumer Behavior [J]. Modern Marketing (Latest Issue), 2021(03):66-67.
7. Yan Shuailei. A Brief Talk on Customer Expectation Management Methods in Customer Satisfaction Management [J]. Fortune Today: China Intellectual Property, 2019, 000(006):156-157.
8. Zhu Yonghui, Liu Jiaqi, Wang Rujian. Haidilao conquers Taiwan? The influence of excessive service on attractiveness and customer satisfaction [J]. Research in Sports, Leisure and Dining, 2018, 13(1):17-37.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter’s Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter’s Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

