



Chinese Restaurants in the U.S.: Qualitative Examinations of Current Obstacles and Breakthroughs

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Abstract. This research study aims to explore the cultural identity and economic significance of Chinese cuisine in the United States, as well as the challenges faced by Chinese restaurants in the current market. By contrasting the successful business strategies of successful Chinese restaurants with those that have struggled, this study analyzes a case study of HaiDiLao, a well-known brand of Chinese hot pot, and examines how its unique and strategic approach has led to success in the United States. The findings of this research provide important guidelines for future entrepreneurs seeking opportunities in the food industry in the United States, with a focus on Chinese cuisine. The study sheds light on the cultural differences and challenges that must be overcome to achieve success in this market and provides insights on how to effectively navigate these challenges.

Keywords: Restaurant Management · International Expansion Strategy · Authentic Chinese Cuisine · Business Model

1 Introduction

Within Chinese culture exists a variety of types of food, including the traditional Chinese dinner, Luwei, Szechuan, hot pot, and more. Chinese dishes are designed to serve multiple purposes and symbolize prosperity and goodwill, such as dumplings for reunions, noodles for birthdays, and more.

Furthermore, the food industry plays a significant role in the livelihoods of Chinese immigrants in the United States. Many Chinese immigrants have established themselves in the food industry, opening small diners and restaurants, through which they have been able to integrate into American society and achieve success in the land of opportunities. The food industry has provided a means for Chinese immigrants to preserve their cultural heritage and traditions, while also serving as a conduit for their integration and prosperity in the United States. Restaurants can represent more than a business to Chinese Americans as everything in the bustling restaurant is a part of their legacy and a variation of their culture. However, a statistical chart from the New York Times [1] shows that Chinese restaurants gradually lose market share in metropolitan areas, a staggering signal of future decline.

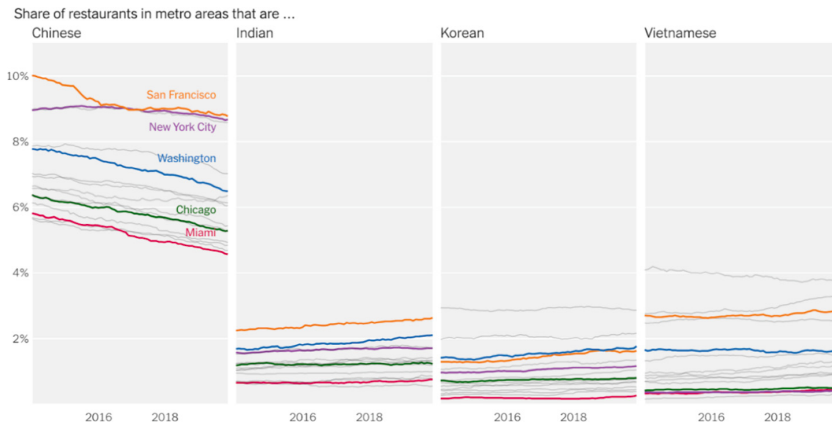


Fig. 1. Chinese Restaurants' Market Share in Metropolitan Cities in the U.S. [1]

Because of the struggles in the status quo, it becomes compelling to study and analyze the challenges and breakthroughs, based on their current circumstances and operation systems, that Chinese restaurants need to make to regain market share in the United States. Identifying the challenges and seeking solutions are significant contributors to the revitalization of Chinese restaurants, the Chinese-American community's bonding with American society, and a crucial part of entering the mainstream of the restaurant industry (Fig. 1).

2 The Myth of Real Chinese Food: Authenticity and Americanization

First, the misconception of what is considered authentic Chinese food has brought a considerable challenge to the survival of Chinese restaurants. According to Erway's article, most Chinese eaters "have disdained Americanized Chinese food" [2]. The conflict over authentic Chinese food and modified American Chinese food has bothered not just the eaters, but also restaurant owners.

An authentic Chinese dish, braised beef, is not the most popular in the US. The preparation for this dish, including blanching the beef to get rid of the blood in meat tissue, braising the beef in a seasoned broth with star anise, bay leaves, and Chinese cinnamon, and leaving the soup to simmer for more than 90 min was necessary to create such a dish [3]. The preparation is time-consuming and onerous, requiring several cooks to use multiple pans and saucepans. However, this long wait dampens diners' spirits regardless of the efforts. Hence, the restaurant may fail to meet the demand for speed if insisting on authentic culinary techniques. Moreover, American eaters adore Americanized Chinese food better as the food is often modified to suit the taste and flavors of Americans [4]. Thus, transitioning from authentic Chinese food to an American version will cater to a larger audience, which is necessary to secure Chinese restaurants' success in the United States (Fig. 2).

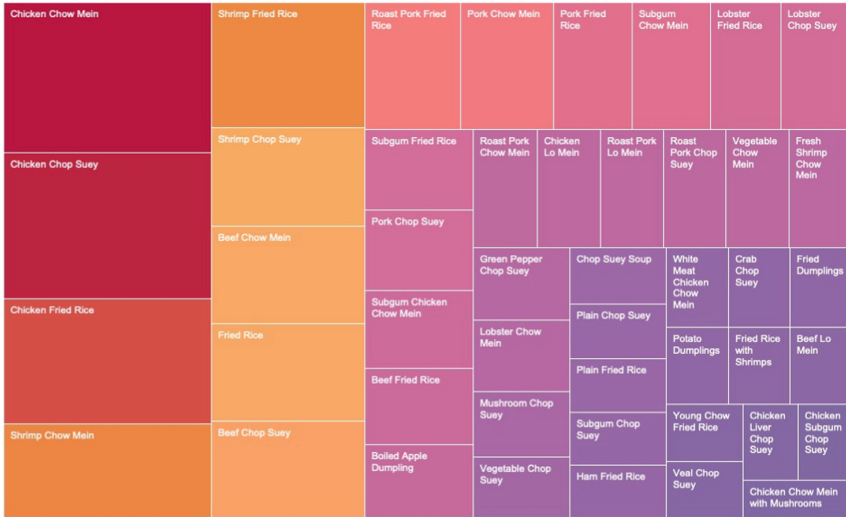


Fig. 2. The 50 Most Popular Chinese Dishes are American Chinese Food. None is Authentic Chinese Food [5]

To begin with, flavor is the key element for changes. According to Finamore’s analysis [6], the top ten most popular foods in the U.S. include burrito bowls, cheeseburgers, and more. Based on this list, it is noticeable that Americans prefer raw vegetables, meat, dairy products, and especially cheese in their diet. As for the cooking approach, they prefer baked food, fried food, and wraps, with a heavy emphasis on multiple dips to choose from. Therefore, such ingredients and culinary approaches lead to a light flavor. Only two of the 50 most favorite foods in America are Chinese: wonton soup and sesame chicken.

The popularity is not hard to explain. Wontons, usually with shrimp or chicken fillings, are rich in protein. Besides, the soup is a clear broth with vegetables, containing very few spices but some herbs. This taste matches American eaters’ preferences. As for sesame chicken, even though it has nothing in common with traditional American food, its taste is similar to burgers: deep-fried juicy meat, crispy batter, and sweet and sour coating. These features bear the resemblance of the patty, the crunchy lettuce, and the ketchup.

On the other hand, most Chinese food emphasizes salty, spicy, sour, sweet, and bitter flavors [7]. In authentic Chinese dishes, these flavors create a rich taste and showcase mastery of cooking. However, to cater to American eaters, a reduction in bitterness and saltiness, a balance in sourness and sweetness, and a tailored touch of spiciness according to the eaters’ needs are major changes to make.

Furthermore, as for meat sources, Chinese people value the nutrients in food rather than its appearance. Animal body parts, sometimes intimidating and appalling to look at to westerners, are essential in Chinese cuisine [8]. As a result, popular dishes made from animal body parts such as chicken feet, stomach, and bone marrow, regardless of their richness in collagen protein, should be deserted because they are not typical of

the American diet. A great example of food accommodated for American eaters is chop suey [9]. The dish was first introduced in America by southern Chinese immigrants, who preferred organ meat in their diet. The authentic chop suey included chicken gizzards and calf's tripe, which were later replaced by chicken breast, shrimp, or pork which are popular in American culture. Such modification increased the popularity of chop suey and made it a vintage Chinese American food.

These changes in flavor, ingredients and cooking styles are not as challenging as it sounds, since they do not overthrow the Chinese gastronomy art but heavily count on the core of Chinese cooking skills. The reason why Chinese cuisines are so diverse is because of its flexibility. That is to say, by changing several seasonings or ingredients, a new dish is created. For example, a traditional Chinese dish, spicy and sour boneless chicken feet, can be easily altered to meet Americans' preference by swapping chicken feet for chicken breasts while other parts of the recipe remain the same.

3 The Curse and Bless of Kinship: Obstacles in Restaurant Management

Second, the current dominant business management in Chinese restaurants needs to be modified for greater breakthroughs.

Restaurant management can largely decide the survival and healthier growth of the restaurant. This is because management secures the efficiency of staff members as well as guarantees a positive dining experience for eaters. That is to say, according to *247 Waiter* [10], catering to customers' needs, solving customer complaints, properly training the staff, providing performance-based perks, as well as creating a fun working environment are crucial.

However, management is usually ignored in most Chinese restaurants and the aforementioned business tactics are overlooked.

One example is Li's experience working at a Chinese restaurant as a part-time job, which was both physical and psychological torment for her [11]. Not only was she scolded and bullied by other restaurants and staff like the head cook, but she also mistreated and received a certain extent of microaggression from the customers, who joked about her Chinese last name and usually left her a 10% tip. Other servers who were not born in the US and did not speak English as their first language received even more malicious treatment. The managers were absent when they were expected to take action on behalf of the victimized staff. Therefore, failed management can traumatize the working staff and lead to an even worse working atmosphere that results in a high turnover rate. The core issue lies in the overemphasis on kinship in Chinese restaurants.

According to Lee [12], most Chinese restaurants heavily rely on kinship for managerial positions and staff. On average, a medium-sized Chinese restaurant includes 4 cooks and 4 to 5 servers, who are usually relatives of one another. Thus, conflicts such as workplace bullying, low pay, and managers' inaction are often solved as family issues and, therefore, are often downplayed. This phenomenon is prevalent in Chinese restaurants in the US.

However, to help the restaurant succeed, Chinese restaurant owners should stop taking advantage of their kin employees and focus on building a sustainable and professional workplace. Managers should provide regular training to the service in terms

of etiquette and skills. Such training requires patience and mutual understanding. The common management tools in Chinese restaurants such as intimidation and scolding are only counterproductive in American culture. The managers should dedicate themselves to building a trusting and friendly working environment. In this case, senior working staff bullying new service, which is quite common in Chinese restaurants, could be precisely solved. Managers should focus on the harmonious relationship of the staff instead of dodging conflicts or inciting even more hostility [13]. Last but not least, managers should treat all staff fairly including respecting their private time, offering a reasonable salary, and allocating the correct amount of shifts. Instead of sugar-coating inhumane exploitation of staff's personal time as a sacrifice for the family, restaurant managers should own up to the fact that manipulation of their kin who heavily depend on them for a livelihood is unethical and should be loathed.

A great example of an employee-friendly Chinese restaurant is Mei Mei in Boston. Their wage system, including the coverage of 50% of health insurance premiums for workers, provides staff with a sense of security in a generally hostile working environment in the restaurant industry [14]. Moreover, they run an open book management and profit-sharing program, in which all the staff can actively participate in the operation and strategic planning of the restaurant. This action greatly boosts workers' enthusiasm and helps create a deeper bond and a sense of belonging. As a result, compared to the average turnover rate of 73% in the industry, Mei Mei kept it below 19% [15].

To make these changes happen, Chinese restaurant owners and managers need to rethink their relationship with staff. The close kinsmen relationship brings the natural benefit of keeping the turnover low, but instead of exploiting the kinship, Chinese restaurant owners need to change their mindset and think of the restaurant and all the staff as a big family. Moreover, Chinese restaurant owners could have more strategic plans and a clear vision for their enterprise instead of just focusing on the current profits at hand. Finally, to build a successful business in the long run, they need to embrace the fact that investments and staff in the early stage are necessary for the healthy growth of the restaurant.

4 Bridge the Cultural Gap: Rebranding Chinese Restaurant

In general, establishing appropriate business branding is essential to the success of all restaurants. Creating restaurants' unique business branding can help managers determine their restaurants' unique value within the market which increases competitiveness. For example, some important factors to consider include the restaurant's target customers, the look of the restaurant, a catchy slogan, and the amount or quality of staff [16]. A well-planned business branding can lead restaurants to prosperity and efficiency while the opposite holds too; an unreasonable business branding can eventually lead to poor operation and potential bankruptcy.

According to Mindlin [17], most Chinese restaurant menus are "crowded" with lines and rows of boxes and photo inserts because of Fujianese restauranters' preferences. This trend is carried out and followed by many Chinese restaurants, driving the menu to look similarly monotonous everywhere. Yet, these types of menus may confuse American customers who are much less influenced by Fujianese culture. Therefore, the failure

in branding lies in the huge gap between Chinese and American cultures. That is to say, to succeed in taking up marketing share in a foreign country, some concessions and adaptations need to be made. A case study in restaurant branding is the Happy Valley Village restaurant in Hacienda, CA, a small brand featuring Northeastern Chinese cuisines and has a few locations across Canada and North America. Based on its menu, google reviews, and some external research information, there seem to be several suggestions that the restaurant could adopt to improve.

Firstly, most seating is arranged in a big lounge area where the environment is generally loud and crowded during meal times [18]. For individuals who are seeking a private place to talk while eating, this restaurant would most likely not be its priority. Thus, when renovating, the restaurant should allocate space for private dining as well as crowded seating to satiate the demand of all people. Additionally, some google reviews complained that servers are exclusively Chinese and have obstacles speaking English which can be difficult for non-Chinese individuals to understand and order [19]. Besides, because of language barriers, servers need help communicating effectively with diners, which leads to great conflicts. Despite most customers being individuals with Chinese backgrounds, it remains important for the restaurant to be able to present itself in English fully. Therefore, Chinese restaurants should equip English-speaking (native or at least fluent) staff and non-English speaking staff to serve their target customers better and improve the restaurants. This is not caving in and giving up its identity, but a step forward to better expose and promote itself to a bigger audience.

Furthermore, there are Chinese food businesses that did a great job with catchy slogans and promotions. For example, Six Walnut Milk is a Chinese beverage that has become increasingly well-known for its catchy slogan and promotion technique. Six Walnut Milk, by its name, is made from walnuts which are scientifically proven to protect children's brains and "improve cognitive performance in adults"[20]. Six Walnut Milk further advocates their beverage by creating a slogan: "If you use your brain often, drink Six Walnut Milk soon." Even though the slogan loses a certain charm when translated into English, it catches on, and people in China can almost finish the second sentence automatically when hearing the first one. The product also states that Six Walnut Milk can help customers, such as hardworking students and white-collar workers, to recover faster from fatigue, which has been a successful tactic to attract customers. These tactics had been quite successful as many individuals had been brainwashed to believe that Walnut milk can help evolve more intellectually. Its branding and its slogan have arguably played an important role in the sales of this type of beverage. It has successfully caught people's desire to be smarter and advocate for its products fulfilling that desire. Similarly, to ensure widespread popularity, Chinese restaurants could also come up with unforgettable slogans that can be imprinted in customers' minds.

5 Case Study: HaiDiLao

HaiDiLao is a Chinese chain hot pot store that was first founded in Sichuan, China in 1994. Similar to other brands of hotpots, HaiDiLao simply provides soup bases and food choices for their consumers to boil. Yet, HaiDiLao was able to stand out from the countless other hotpot brands in China as demonstrated by its continuously growing annual revenue before COVID-19 started [21].

As HaiDiLao stabilized its popularity and market share in China, it started to spread its ambition by opening chain stores overseas. Most of these are opened in major and populated areas across the western hemisphere including Los Angeles and New York in the United States, Vancouver and Toronto in Canada, and other major cities such as London and Hong Kong across Europe and Asia.

HaiDiLao's current success is based on various factors including its delicious food and materials and wonderful customer service. Other than the standard hotpot dishes such as lamb and beef, HaiDiLao offers a variety of food choices, including regional specialties such as lamb brain or duck intestines. While other hotpot stores can refrain from supplying these foods because of their limited catering audience and low sales, HaiDiLao kept these unique dishes which ended up satisfying many consumers and encouraged more consumers to try them for the first time. By doing so, HaiDiLao successfully expands the possibilities of hotpot and distinguishes itself from its competitors. Furthermore, HaiDiLao is most noted for its wonderful service. Several examples can demonstrate this. In some locations, especially in mainland China, HaiDiLao stores would provide customers with activities to do during long tedious lineups. In the waiting area, HaiDiLao provides customers in line with free board games to reduce boredom [22]. This way, when customers concentrate on their activities, they often become less impatient and less conscious of time. A long thirty-minute lineup can simply resolve into one round of chess. Additionally, HaiDiLao provides customers with complimentary fruits and snacks during the waiting time [22]. Thus, customers can feel valued and respected despite the long lineup. These details can seem trivial, yet they increase customers' experiences.

6 Conclusion

Food lies at the center of Chinese culture and is often regarded as a catalyst for bonding. Therefore, Chinese restaurant owners, aspiring to prosper in the land of America, put their hope in food and let food carry their dream. Even though the restaurant industry is inherently taxing and hectic, the industrious Chinese people fear not the hustle but are dedicated to working. Their restaurants do not merely provide them with upward mobility that to some, is a pathway to middle-class, but also become their family heritage that spans many generations.

However, regardless of the high hopes, the business operations of Chinese restaurants still need to improve. The incomplete americanization of authentic Chinese dishes impedes Chinese restaurants from becoming mainstream since they fail to cater to a greater audience. Moreover, arbitrary restaurant management breeds high turnover rates and a hostile work environment. Lastly, old-fashioned branding restrains Chinese restaurants' potential and halts the growth of popularity.

To tackle these issues, Chinese restaurant owners need to fix their conflicting feelings of americanization and set aside their obsession with authenticity. Instead, they should take the initiative to refine their dishes to meet the American eaters' needs. Furthermore, the owners should make inroads into restaurant management and stress the importance of well-trained staff and effective managers. At last, in the 21st century, a modern rebranding, including a chic restaurant look, slogans, promotions, etc., can fasten Chinese restaurants' speed of taking up market share and spreading their brand.

The narrative of Chinese restaurants embodies the long struggle of Chinese immigrants and their faith in a better future. To transition to the next chapter, measures need to be taken for greater changes. The rise of Chinese restaurants will speak of a finer adaptation to American society, a more scientific managerial style, and an improved and modern business model. Moreover, it will demonstrate better living conditions and higher social status for Chinese Americans, who will no longer be perpetual foreigners on this land.

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