The Analysis of the Differentiation Strategy as Marketing Strategy of Haidilao

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Abstract: Haidilao has been in the leading position in the industry by virtue of its unique service approach. This paper evaluates the impact of the marketing strategy of differentiated services on consumers. To determine the pain points, mental activities, emotional changes, and behaviors of consumers during the dining process. The paper cite the marketing models of two brands for comparison. Haidilao's differentiated marketing model is more conducive to consumer repurchase than the experiential and celebrity effect marketing model. Haidilao has captured the hearts of most consumers in brand service concept, and the differentiation services helps to increase consumer loyalty. But small stores and high prices compared to competitors become the main threats. Through the stp analysis method, it was found that Haidilao is targeting the middle and high-end consumers among young people, both service and product are crucial factors to achieve success. With the change of time, consumers will feel no privacy because of the overly attentive service. The brand should maximize the use of modern technology for digital marketing and media outreach. This result could help Seabed establish a stronger foothold in the restaurant industry in the future and develop an optimal marketing strategy that takes into account consumer needs first.

Keywords: SWOT, STP, emotion, differentiation strategy, customer

1. Introduction

With the rapid progress of society, for consumers, the difference between the products they buy to the product in the sales process of service, service is also the best marketing weapon. It can be seen that the development of the market economy to a certain stage after the inevitable product that is service marketing, service marketing can be defined as a marketing concept.

China's restaurant industry chain restaurants have been in an extremely competitive situation, in such a mature industry is very difficult to survive and develop. According to Maslow's demand theory, consumer needs are divided into physiological and psychological needs, and physiological needs include nutrition, flavor, hygiene, and safety. These four aspects are the basic needs of consumers for the process of food consumption. People pay more and more attention to health, and more emphasis on eating healthy; there are also many consumers who like a store's unique flavor, but the flavor is their own cannot do. With the rapid development of the economy, people also pay more attention to the health of the diet, including the product itself, as well as tableware and staff personal hygiene, no one wants to go to a dirty-looking restaurant, the environment and the neatness of the service staff is also the first thing that consumers look for.

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Secondly, the psychological needs of consumers that is, the spiritual needs of consumers, including five popular needs, when consumers enter the restaurant, the service staff warmly receive their greetings, so that consumers feel welcome, popular with a basic requirement, that is, to be respected, respect the personality needs of consumers so that consumers feel that all services are "people-oriented" of thus creating a pleasant dining environment consumers will be willing to buy back. At present, many hotels in the business will encounter different needs for the taste of consumers, and even meet some consumers with religious beliefs, from the perspective of the brand, deeper digging consumer habits, to do the targeted introduction of dishes, so that consumers make the right choice, rather than forced to buy in the service process. In the entire restaurant consumption consumers have turned from blind to rational, their psychological focus is to spend every penny to get a real return, which is also the brand products and prices need to be seriously considered. Many consumers come to a restaurant to eat, in addition to dining accidentally there is an important purpose is to show their identity, so if the consumer even if the evaluation is not on point, the paper does not correct him may lead to consumers feel very humiliated in their hearts, especially in front of their friends then the restaurant brand may lose the opportunity for consumers to buy back.

Finally, the demand for convenience, many consumers in today's fast-paced life are more in pursuit of convenience, fast, the need for waiters as concise and clear service, not too cumbersome. So that consumers will feel that the whole dining environment is very pleasant.

In short, as a restaurant operator, the main purpose of marketing is to study and feel the needs of consumers more deeply, so that the subsequent product design and service design, and even environmental design will be more likely to be close to the hearts of consumers.

In the domestic market, there are some fast-growing enterprises, in 2015 Xianhezhuang was officially established, and in just two years, stores have exceeded 800 A, and throughout the country more than 300 cities. According to "Sohu News" published "two years stores break 800, scale directly after the bottom of the sea, the star effect is really so powerful", because the owner of the store is the star Chen, He, Chen He frequently appears in the hot pot store, and in the Xianhezhuang store shooting shake video, Kai to the role of star publicity to attract a lot of fans and customers. In addition to this also carried out the net red card mode, invited much net red to the store, and even shoot segments with the stars for media publicity.

The brand has established a good reputation as "delicious, not expensive", the brand's main business scope of stores and takeaway services. The reason why the prawns are loved by the majority of consumers is not only because the prawns are made from the classic ancient method recorded in the "Ling Table Record" and the "Qi Min Wu Shi", but also because the prawns contain a variety of important ingredients that people need to strengthen the body and the effect of the consumers. Wang Po prawns before opening a new store will be carried out before the purchase of a pot to send a small pot of marketing model, in this way not only to attract consumers and give consumers the opportunity to buy again. Many consumers don't like to take advantage of small bargains, they just prefer to buy items that they find cheap.

This paper takes the differentiated business model of Sea bed restaurant as the entry point and analyzes people's needs for service providers with Maslow's needs as the first. Based on the literature review, Smith's theory analysis was applied to conclude that the brand's market position is mid- to high-end young. Using swot analysis for a comparative analysis of the Seabed brand, existing research has found that differentiated services lead to positive emotions among consumers and that positive emotion when making judgments may lead to less positive reflection and critical thinking.

The structure of the article is organized as follows: Firstly, this paper introduces the basic situation of the Haidilao brand and the marketing model of the brand. Secondly, it analyzes and draws some conclusions through both swot and stp, and finally, it puts forward suggestions for the Seabed brand through the conclusions.
2. The Description of Haidilao

With the diversity of food, taste, culture, and geographical preferences, the market size of the Chinese F&B industry has continued to grow in recent years. The Chinese food and beverage industry has segmented this, such as Chinese food, Western food, hot pot, and Japanese food are popular with most Chinese people. According to the analysis of "China Business Intelligence", the Sichuan hotpot will occupy in 2022. Founded in 1994, Haidilao brand is a large multinational private enterprise that operates mainly in Sichuan hot pot and integrates the characteristics of hot pot from all over the world. The company always adheres to the concept of "service first, customer first", takes innovation as the core, changes the traditional standardized, single service, advocates personalized special service, and is committed to providing customers with pleasant dining services; in management, advocates "hands change fate In management, the work advocate the value of "hands change fate", create a fair and just working environment for employees, implement personalized and affectionate management mode, and enhance the value of employees[1]. In the eyes of the brand, all services are "people-oriented" and it is crucial for consumers to experience different services and different dishes than other companies. Differentiating services compared to other brands will bring consumers a pleasant dining experience, which will encourage consumers to increase the probability of return and reduce critical thinking.

Haidilao has a wide range of operations, with more than 300 directly operated restaurants in over 100 cities in China, including Beijing, Shanghai, Shenzhen, New York, Tokyo, Seoul, and Singapore. The company also has a number of self-operated restaurants, including Hanshu Chinese Cuisine, Eighteen Boil Noodle House, Five Grains Three Meals, and Miao's Fried Chicken. Haidilao also has a number of companies under its umbrella, including Beijing Weihai Management Consulting Company Limited, Shuhai (Beijing) Food Company Limited, Yihai International Holdings Limited, and Jinghai Commercial, which have excellent reputations in the fields of e-commerce, finance, retail, logistics, and technology.

According to the report released by "Seabed Media", Seabed has been listed on the list of "China's Outstanding Management Companies" for four consecutive years and has long been committed to comprehensively improving the core competitiveness of its hexagonal warrior's Insight into consumer needs "people-oriented" to create a happy dining experience for consumers Currently, according to Seabed With more than 100 million members More than 378 million people dined at Seabed Loh in 2021. As well as the latest report by CNA, Haidilao was selected for the Fortune China ESG Impact List in 2022. Haidilao's social responsibility is also reflected in times of crisis in the community. when extreme heavy rainfall hit Henan Province in July 2021, more than 50 Haidilao stores opened for free, providing shelter and free catering services. during the massive new crown pneumonia epidemic in Shanghai from March to May 2022, Haidilao stores also opened for community group purchases, sold simple meals, hot pot dishes, self-heating food, etc. The company also made every effort to maintain supply. Fortune also mentions that in 2021, Seabed Liao partnered with Ant Forest to help combat desertification in Northwest China. It is also actively camping for greener restaurants, aiming to reduce the average electricity consumption of a single store by 10%, water consumption by 5%, waste generation by 10%, and wastewater discharge by 5% by the end of 2025 using 2018 as the base year; and reduce greenhouse gas emissions by 12% from 2022 to 2026 for a million yuan of operating revenue, using 2021 as the base year (Fig 1).

The work’s operating income from 2016 to 2021 for the Haidilao hot pot brand to support the impact on Haidilao's revenue due to the new crown virus and the "woodpecker" program.
In recent years, the market size of China's food and beverage industry has continued to grow. Affected by the epidemic, resulted in a loss of 965 million yuan. 2020 In the full year, Seabed achieved revenue of 28.6 billion yuan, an increase of 7.8% year on year. Affected by the epidemic 2020 in the first half of the year, resulting in a loss of 965 million yuan. Along with the improvement of the epidemic, as of December 31, 2021, the revenue of Seabed Rao Company was 41.1 billion yuan, an increase of 43.7% compared with 2020, despite the highest operating income record again, but the loss, for Seabed Rao to 2021 is also a challenging year, in terms of the epidemic environment, the domestic new crown pneumonia occasionally rebound, overseas stores received a greater impact, for this reason still on people's livelihood The impact on people's lives is still significant. In addition, according to the "Woodpecker" plan, 260 restaurants have been permanently closed under this plan, and the reasons for the closure include: some commercial areas have not yet reached maturity and have low customer traffic, and the high density of restaurants in the restaurant. As China's largest hot pot chain and the most popular hot pot restaurant abroad, promoting economic growth and driving consumption back an important driver.

3. Marketing Strategies Analysis

3.1. The Angle of Social Media

In the age of the internet, digital marketing is the most efficient tool to drive customers' action and boost advocacy [2]. As a popular catering brand with ambitions to open its chain stores worldwide, Haidilao Hotpot has employed a marketing mix strategically with both traditional and digital marketing. Such marketing strategies have enabled the brand to expand its global market and meanwhile preserving its old businesses in China.

Many people browsing Shake Yin, Little Red Book, and other social media platforms, will find some netizens or even stars to the store to experience free experience packages and review this, this way Kai to the star effect of the marketing approach, the opposite is some fans will blindly follow the wind led to other consumers for the product misjudgment. There are even some bloggers who apply for discounts on products for the majority of consumers after experiencing brand-related services to attract more consumers.

Haidilao also through the joint cap with Netease cloud music will be hot pot and music combined with the "hot pot social" play, and the three kingdoms launched hot pot hero Aloe special sen-
sation, and Ant Forest cooperation to launch a special hot pot and with Suntory and other brands to co-brand the way to spread the role of marketing.

Nevertheless, there are some missing advertisements about the brand, for example, "Sleepy and tired, drink Red Bull"[3]. Although there are many people on the social media platform who will brush to the bottom of the sea characteristics of the service, he lacks a point that can catch the eye of consumers. Media marketing will definitely bring more customers and more enhancements to the seabed, thus making social media marketing a better marketing model for brands [4].

3.2. Caring Services on Customers' Psychological Needs

When consumers enter the restaurant of Haidilao, they will feel the enthusiasm and concern of the staff. In the long queue, the employees will chat with consumers to eliminate the boring and unpleasant mood of queuing. And WiFi password stickers will be posted at the door of Haidilao to avoid the embarrassment of consumers asking for them. Haidilao also allows customers to enjoy their delicious food through personalized service, which can be enjoyed for free by customers waiting in line for snacks, fruits, and games even in some restaurants and some adults bring their children to eat Haidilao. At that time, waiters will give free dolls or toys to young children to make them happy.

Consumers will find a special table which with more than 20 kinds of dipping materials. To achieve consumers' various tastes, the lower surface of the small material table will be placed neatly, and clean tableware for consumers to obtain. In the middle of every 2 or 3 tables, a staff member will be set up to provide customers with help at any time. In this case, customers can even experience the service without pouring water by themselves, which is also a characteristic of Haidilao one of the services, if required, the waiter will provide cleaning service during the meal, and a large number of employees can also clean more efficiently after the customer's meal is over.

In a special service in Haidilao, waiters will ask a single population whether they need a teddy bear to sit across from them. Finally, when the waiter realizes that the consumer is celebrating a birthday, the employees will celebrate customers' birthdays by singing the birthday song sending some free products, and even preparing birthday cakes for customers on their birthdays.

In recent years, blind boxes have been loved by young people. After the meal, Haidilao hotpot will give consumers different series of blind boxes to increase their good mood of consumers. After the consumer's meal is over, Haidilao Hotpot will also provide small snacks and candy to help consumers cut the grease and clear their breath.

Through the analysis of big data, most of the consumers are young women, firstly because the taste of Haidilao hotpot is loved by the majority of people, secondly because of the service of Haidilao, and finally because this brand can order half of the products, many young women are curious about the dishes but eat very little of this kind of situation has a good solution.

According to the "law of the peak" although consumers come to the restaurant at the beginning to wait for the seat of the unpleasant, to the end of the whole dining process of service and the final gift make the consumer's mood change. Emotions are considered to be a major factor in understanding the perception of the service experience. In such a humanized dining process, free services eliminate the unpleasantness of waiting for a seat. The prefect and considerate service of Haidilao make consumers feel positive emotions. Positive emotion is likely to lead to a positive reaction and less critical thinking when making judgments [5].

Research has shown a link between customer positive emotions and behavioral intentions. According to Donovan and Rossiter, the pleasure derived from the service environment influences in-store behaviors such as spending levels, amount of time spent in the store, and willingness to revisit. Consumers who experience positive emotions are more willing to return. Furthermore, people in positive emotions are likely to engage in positive word of mouth.
However, Haidilao's service is also a pain point. Their effusive welcome and passionate service may discomfort or embarrass some consumers. To some extent, their meticulous "help" may invade consumers' privacy. So Haidilao's service could have a negative effect on some consumers' dining process.

These can pull in the distance with consumers, constantly create topics, form brand word-of-mouth marketing communication, establish a good brand image, and attract target groups.

4. SWOT Analysis

The swot analysis method consists of Haidilao Hot Pot is known for its unusual and attentive customer service and high-quality products. Thus, Haidilao has its own unique label, forming the brand's own impression and reflecting the unique characteristics of the brand. The first impression that comes to mind when people think of Haidilao is the service that is different from other merchants, so the Haidilao brand can stand out in the homogeneous category.

4.1. Strength

Haidilao Hot Pot is known for its unusual and attentive customer service and high-quality products. Thus, Haidilao has its own unique label, forming the brand's own impression and reflecting the unique characteristics of the brand. The first impression that comes to mind when people think of Haidilao is the service that is different from other merchants, so the Haidilao brand can stand out in the homogeneous category.

In terms of service, consumers need to order from their iPads before they dine, and the server collects their preferred options from their orders, creating a good user profile for them in this way, with minimal information. From there, recommendations are made based on the consumer's preferences for the next meal. With the "customer preference profile", the brand is able to push the relevant activities or new products closer to the consumers' needs and can better meet their needs.

Thus, Haidilao focuses on "thousands of people and thousands of flavors", which means that Haidilao will satisfy every customer's taste. There are 13 kinds of pot bottoms to choose from. Consumers can choose different degrees of spiciness and concentration according to their needs. Haidilao customizes pot bottoms by adding or subtracting raw materials [6].

In terms of products, Haidilao is diversified in terms of shabu-shabu, pot base and even dipping sauces. The shabu-shabu includes the well-known vegetables, soy products, mushrooms, seafood, meat, and meatballs, and Seabed Loh has its own "Lopai specialties" which include Lopai bean flower, slippery beef, tripe, thousand-layer tripe, yellow throat, New Zealand lamb and sliced barbless balsa, known as Seabed Loh's eight specialties. After the emergence of the epidemic has restricted the travel of many consumers in order to cause consumers cannot eat the situation of the seabed restaurant, has been the seabed restaurant brand and suppliers get along very well and also established a strong trust, through the help of suppliers and partners, the seabed restaurant can expand more product lines. For example, you can often see the bottom of the sea, dip, etc. in the supermarket. Through the insight of Haidilao brand, many young people order the most tomato pot base, in response to the pain point of some young people who want to eat hot pot but have a lot of time for a lunch break, and secondly, eating hot pot will make clothes and hair dyed with the smell of hot pot, thus having a bad influence on the workers around. So the brand even recently launched a tomato-flavored ground beef, after the market verification through this way, and according to consumer satisfaction and market demand in all aspects of a very good record.

Both advantages have boosted the customers’ loyalty to the brand. It has also been observed that for Haidilao Hotpot chain stores that enjoy a high level of customers loyalty, customers’ commitment towards the brand and the store’s service quality both play an active role in positively affect-
ing customers’ loyalty, with the former believed to result from the product and service quality [7]. The intellectual property of Haidilao Hotpot is another strength that makes the brand increasingly competitive. According to [6] the numerous copyrights and patents the brand harbors improve its customer service by motivating its employees, enabling it to enjoy high customer loyalty and therefore set premium charges, creating a positive feedback loop that boosts loyalty.

4.2. Weakness

Unfortunately, although the customer feedback has been agreeable, Haidilao Hotpot suffers from a low return on its investment [8]). Besides, within the brand, the organizational culture that encourages turf wars among departments can lead to potential instabilities and limitations for future developments [8]. Under the brand philosophy of delivering happiness on the table, Haidilao Hotpot has been going so far as to ignore the interests and concerns of external stakeholders, which can give rise to problems in public relations [8].

It is common to see very long lines of customers waiting for their meals during the peak hours of noon and evening. According to the research data, the average store area of Seabed Loy is smaller than that of other brands of hot pot restaurants. For the non-loyal consumers, give up during the waiting process and choose other brands of hot pot restaurants. In such a case, Seabed restaurant will lose some potential consumers.

4.3. Opportunity

From the perspective of our country's current economic development, the economy is in a state of rapid development, and most families have embarked on a "well-off" income. At the same time, the concept of consumption has also changed a lot, so the bottom of the sea can have a great opportunity.

From the point of view of the entire hot pot catering field, the seabed fish and the same industry, such as gluttonous glutinous feeding, Ba Shu Wang Po prawns, and other brands to the meticulous and thoughtful service will also win the hearts of many consumers.

Finally, from a realistic point of view, most consumers in China are concentrated in the post-90s and post-00s period, with the pressure of the workforce, teenagers, the family workforce, especially the family kitchen has been reduced, thus not only for the development of the brand and even the entire restaurant industry provides the possibility.

4.4. Threat

With the rapid development of the economy, people have their own standards for quality of life and quality of diet. The Red Star News reported: Recently, it was revealed that the bottom of the pork belly chicken hot pot was made of powdered brewed packets, which led to a lot of dissatisfaction among the loyal consumers of Seabed restaurant, many of whom thought that the 94-yuan expensive pot base was made after hours of boiling, and would be inclined to drink the soup because of the freshness of the soup base. There is even news that the undersea restaurant powder brew kit contains elements that are a threat to people's health.

Industry competition has intensified, and hot pot restaurants and related catering industries have grown rapidly. From time to time, safety and hygiene incidents have occurred in Haidilao and the industry as a whole, which has reduced the loyalty of consumers.

Second, the pace of life in most of the country is relatively fast, and the hot pot is relatively slow in terms of meal times. Compared with some fast-food industries such as McDonald's KFC, etc. will be under some threat.
The last point is the price, compared with the above-mentioned Ba Shu Wang Po prawns and Gluttony Gluttony, the price of the bottom of the sea is two to three times higher than theirs. In the same industry, for some consumers for the service is not so high requirements may not choose the Seabed Rao brand.

5. STP Analysis

Differentiated marketing is to create products and services with individuality by virtue of the brand's own strengths to win in the peer competition. Based on the stp strategy, it can help enterprises to correctly divide the target market and quickly find the market positioning, thus improving the accuracy of marketing. The following is divided into three main steps, namely market segmentation, target market, and market positioning.

Hot pot gathering is the most popular mode of gathering, and consumers can feel happy eating hot pot. At the same time in China hot pot also has a very long history, different regions have different taste differences. Hot pot is roughly divided into Sichuan, Cantonese, northern, cloud, and other series. Secondly, from a geographical point of view, China's north-south climate and eating habits differ greatly, so Haidilao has only opened stores in the north. Haidilao originated from Sichuan, Sichuan's Sichuan hot pot is so popular because when people eat spicily, the brain nerves will release endorphin hormones to relieve the spicy feeling, and endorphins can be addictive. Pickled pepper phoenix claws on the market, bowl of chicken, and so on is because of this original and become the best-selling products [9].

On the basis of market segmentation, Haidilao adopts a differentiated marketing strategy, using its own resources to provide personalized and high-quality products and services to meet the needs of most consumers. Haidilao consumers have the following 3 characteristics: 1. most consumers are in groups of about 2-6 people; 2. most of Haidilao's stores are opened in commercial centers or areas with high traffic flow; 3. young people make up the majority of Haidilao's consumer base.

The current consumers of Haidilao are mainly young people, who tend to pay more attention to the attitude of the service and the taste of the products. These two aspects are also the point of the brand characteristics of Haidilao.

Haidilao positioning belongs to the high-end customers, per capita consumption in 70-100 yuan, in the entire hot pot industry is a high price, Haidilao also launched the "hot pot to home" service. In Haidilao, the waiters are divided into newcomers, second-level employees, first-level employees, advanced employees, foremen, and lobby managers, and have a very fine division in terms of staff positions. Secondly, Haidilao has opened chain stores in first and second-tier cities such as Beijing, Shanghai, Shenzhen, and overseas anti-China cities. Finally, the market positioning of Haidilao's products is for mass consumers who have a preference for taste.

Although the brand has made certain achievements in differentiated services and product diversification, gradually let consumers discomfort, service not only needs to do strong but also needs to do specialized, which requires the support of a digital platform system, according to the data cohabitation, the special needs of different industry groups, to make more targeted services, in order to gain consumer recognition. Digitization is an inevitable trend in the development of enterprises, Seabed is working hard on the expansion of digital applications and is committed to

Through the support of new technology to improve the consumer experience, and constantly improve the user consumption ecology. Secondly, for the food safety issues that arise from time to time, Seabed Fish can also participate in every aspect of product management through a series of digital means, including the selection of products for storage, checking the product information at any time, and can set labels for each product to understand the strengths and weaknesses of each product to facilitate rectification [10]. Finally, Seabed lacks media communication. Consumers see fewer advertisements about Seabed on TV or on various social media compared with other brands.
6. Conclusion

Overall, this study shows that with hot spots in the limelight in the modern world, it is valuable to analyze their marketing strategies to understand how these strategies make consumers more likely to return and how the brand stands out in the industry as a whole. Haidilao was chosen as a case study because it is considered one of the best restaurant brands in terms of service and is the most popular among young people. The analysis was done by analyzing the following two types of analysis: swot analysis of strengths, weaknesses, opportunities, and threats and step analysis of market segmentation, target market, and market positioning.

The swot analysis revealed that the differentiated product and service model effectively increased consumer loyalty. Compared with brands in the same industry, we found that customers increasingly want a personalized experience; they want a more stylish, professional, and enjoyable food and beverage service. Haidilao’s differentiated service approach will also increase consumer satisfaction and repurchase frequency. Secondly, Haidilao poses a threat to the brand in terms of small storefronts compared to its competitors in the same industry resulting in long waiting times for seating, long dining times by nature of hot pot, and high prices for individual items.

Smith's theory analysis method found that the target and positioning market of Haidilao is the middle and high-end consumers in the post-90s and post-00s. Because the thoughtful service captures the psychology of consumers, but young consumers are more concerned about privacy protection while pursuing unique experiences, the brand can solve the above problems through the marketing model of digital service. As well as through the study found that the brand of Seabed Rao is less in media publicity, the brand of Seabed Rao should use media communication to the maximum extent. The purpose of this paper is to propose a marketing strategy for the differentiated services of Seabed restaurant and to make relevant suggestions. The shortcoming of this paper is that it does not propose more in-depth differentiated service suggestions for the current restaurant market. In future research, more in-depth thinking can be designed for this aspect, more data can be analyzed, and relevant solutions can be obtained.

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