Analyzing the Popularity of Hai Di Lao Through Digital Marketing Methods

Shiwen Song[1,a,*]

[1]*Department of Digital Humanities, King's College London, London, WC2R 2LS, England (UK)*
a. shiwen.song@kcl.ac.uk
*corresponding author

Abstract: This paper examines the marketing strategy of Hai Di Lao, a successful Chinese hot pot restaurant chain that has achieved significant growth in recent years. This paper focuses on Haidilao's marketing strategies, specifically the effectiveness of social media, mobile app, and search engine marketing. The research methods used in this study include a literature review and analysis of articles related to social media and app marketing, as well as user behavior on different platforms. The paper also highlights the importance of online marketing methods, such as the use of online celebrities and incentivizing customers to leave comments and write reviews through different platforms, in addressing the shortcomings of Hai Di Lao's marketing efforts. This paper aims to investigate the shortcomings of Haidilao's marketing strategies and propose effective solutions to address these issues. This research can provide insights and suggestions for catering companies to improve their marketing methods and ultimately increase their sales. The suggestions are beneficial for Haidilao to generate brand awareness, attract new customers, and increase customer loyalty. The paper argues that Hai Di Lao can improve its marketing strategy by investing in social media and app marketing, using online celebrities, incentivizing customers to leave comments and write reviews, and tailoring marketing efforts to specific user groups. By implementing these strategies, Hai Di Lao can increase brand awareness, customer loyalty, and ultimately, sales.

Keywords: Hi Di Lao, marketing methods, brand awareness

1.   Introduction

The success of Haidilao, a Chinese hot pot restaurant chain, has been widely reported in the news in recent years. Haidilao's popularity can be attributed to its excellent customer service, unique dining experience, and innovative marketing methods. However, despite the success, there are still some shortcomings in the company's marketing methods. In this paper, the author will explore the ways in which Haidilao can improve its marketing strategies to maintain its success in the future.

One way Haidilao can improve its marketing strategies is by focusing more on social media and app marketing. As mentioned in the research by Xuanyi Guo and Ruotong Zhai, investing capital and manpower in social media and app marketing will have a greater impact on the sales of Haidilao [1]. By using different platforms, such as Tiktok tag, Hot Search, and Meituan, Haidilao can encourage customers to write comments and share their experiences, which can increase brand awareness and customer loyalty.

Another article, written by Han Li, suggests that Haidilao can improve its marketing positioning by understanding the user groups of different platforms and carrying out different propaganda models to avoid unacceptability caused by different user groups [2]. By conducting research and understanding the preferences and habits of users on different platforms, Haidilao can tailor its marketing strategies to different audiences, increasing the chances of success.

However, while focusing on social media and app marketing can be beneficial, it is also important to be aware of the limitations of traditional search engine marketing. Currently, most diners are not particularly concerned about a company's development, and therefore, investing less in search engine marketing may be appropriate. By reallocating capital and manpower to social media and app marketing, Haidilao can have a greater impact on sales and customer loyalty.

Lastly, to effectively improve marketing strategies, it is necessary to evaluate the success of marketing efforts. Based on the experiment Wu et al. conducted, the authors suggest using a system of recommendation evaluation in social e-commerce to analyze the effectiveness of marketing strategies. By evaluating the success of different marketing strategies, Haidilao can identify areas for improvement and continue to refine its approach [3].

Haidilao's success has been driven by its unique dining experience and innovative marketing methods. However, to maintain this success, it is essential for the company to continuously evaluate and improve its marketing strategies. By focusing more on social media and app marketing, understanding different platform audiences, reallocating resources, and evaluating marketing efforts, Haidilao can continue to be a leader in the hospitality industry.

To achieve the research objectives, qualitative research methods will be utilized. First, a comprehensive literature review will be conducted to gain insights into effective marketing strategies for the food industry, the use of online celebrities in social e-commerce, and the user portrait theory.

The paper is structured as follows: In section 2, the literature review provides background information on effective marketing strategies for the food industry, the use of online celebrities, and the user portrait theory. Section 3 discusses the research methodology, including the survey and interview methods used to collect data. Section 4 presents the research results, including the current marketing strategies of Haidilao, customer behaviors and preferences, and employee insights. Section 5 proposes additional marketing strategies for Haidilao, including the use of online celebrities, various platforms, and understanding user behavior on different platforms. Finally, section 6 provides a conclusion and recommendations for future research.

2. Haidilao Marketing Strategy

2.1. Brand History and Current Situation

Haidilao, a Chinese hot pot restaurant chain, was established in 1994 in Jianyang, Sichuan province, China. The brand has gained immense popularity in China and globally, with over 1,000 restaurants across 120 cities worldwide. Haidilao's philosophy of "customer first, employee second, shareholder third" drives its operational practices and decision-making, contributing to its success [4]. Additionally, the company provides extensive training and development opportunities for its employees, including on-the-job training, management skills, and leadership development programs [5]. Haidilao is committed to enhancing the dining experience for its customers, such as offering free manicures, games, and snacks to customers who are waiting for a table. The brand has also embraced technology, such as facial recognition and online reservation and ordering services, to provide personalized service and enhance the dining experience [6]. Overall, Haidilao's focus on customer service, employee development, and innovative use of technology has helped establish the brand as a leading player in the highly competitive Chinese restaurant industry.

2.2. Target Market and Customer Group

A recent study on the marketing mix of Haidilao Hotpot highlights that the brand's target market and customer group primarily consist of middle to high-income customers seeking high-quality service and personalized dining experiences. Additionally, the brand's emphasis on fresh and high-quality ingredients appeals to health-conscious diners [7]. The study further notes that Haidilao has expanded its target market to include younger customers interested in social media-friendly dining experiences. The brand has a loyal customer base, including locals and tourists, who trust the brand's reputation for quality and excellent service. Haidilao's marketing mix, which emphasizes high-quality service, fresh ingredients, and personalized dining experiences, has allowed the brand to attract a diverse range of customers while retaining its loyal customer base.

2.3. Marketing Methods and Effects

The research conducted by Jiayi Liu identifies the brand's innovative marketing strategies as a key driver of success. The study highlights Haidilao's offering of free manicures and massages to customers while they wait for a table and personalized service as key differentiators from competitors, which has contributed to its unique brand image [8]. The study finds that Haidilao's marketing efforts have led to high customer satisfaction, positive word-of-mouth, and increased customer loyalty. Haidilao's strong brand recognition and reputation for quality service have also enabled it to expand rapidly both domestically and internationally. Overall, the study concludes that Haidilao's marketing methods have been highly effective in establishing the brand as a leader in the hot pot industry and creating a loyal customer base.

Haidilao's commitment to customer service, employee development, and innovative use of technology has enabled it to become a leading player in the highly competitive Chinese restaurant industry. Its marketing mix, which emphasizes high-quality service, fresh ingredients, and personalized dining experiences, has allowed the brand to attract a diverse range of customers while retaining its loyal customer base. Haidilao's innovative marketing strategies, including free manicures, massages, and personalized service, have differentiated the brand from its competitors and created a unique brand image. Overall, Haidilao's marketing methods have been highly effective in establishing the brand as a leader in the hot pot industry and creating a loyal customer base, domestically and internationally.

3. Marketing Strategy Analysis

3.1. Search Engine Marketing

Haidilao, a renowned Chinese hot pot chain, has effectively incorporated search engine data into its digital marketing strategy to attract and retain customers. One way it has done this is by using search engines to inform its store location selection process. Yang et al. article reveals how Haidilao has leveraged data from sources such as social media, mobile devices, and online search behavior to choose store locations based on demand [9]. As a result, Haidilao has been able to locate its stores in areas with high demand for hot pot cuisine, leading to increased foot traffic and revenue.

Apart from using search engine data for store location selection, Haidilao has also employed search engines for advertising. In an article about Baidu, the authors discuss how Haidilao has taken advantage of Baidu's sponsored search advertising platform. Haidilao has optimized its advertising campaigns by utilizing the platform's advanced features, such as bid adjustment, real-time data feedback, and performance analysis [10]. The targeted ads have resulted in higher click-through and conversion rates, ultimately leading to increased revenue.

Overall, Haidilao's success in the food industry can be attributed to its effective use of search engine data in its digital marketing strategy. The company's approach to identifying and targeting high demand areas for its stores and optimizing its advertising campaigns through search engines will likely continue to drive its success.

3.2. Social Media Marketing

Social media has become an increasingly important platform for companies to engage with customers and build their brand image. Haidilao Hot Pot, a popular Chinese restaurant chain, has recognized the importance of social media and has actively used it to market their brand. As identified in the case study on Haidilao, social media can play a critical role in identifying opinion leaders and influencers during a brand crisis [11]. In particular, Haidilao has leveraged social media to not only promote their brand but also to address customer complaints and concerns in real-time. Haidilao has utilized various social media platforms, including Weibo and WeChat, to share news and promotions, and to respond to customer inquiries. For example, during the COVID-19 pandemic, Haidilao used Weibo to share updates about their sanitation practices and promote their takeout and delivery services. Additionally, Haidilao has employed social media influencers to help promote their brand and products. These influencers, who have large followings on social media platforms, help to increase brand awareness and attract new customers to the restaurant chain. Overall, Haidilao's use of social media has been effective in promoting their brand and engaging with customers.

The use of social media for marketing has become increasingly popular in recent years, and it is evident that Haidilao has recognized the importance of this platform in building their brand image. By utilizing social media platforms such as Weibo and WeChat, Haidilao can reach a large audience and engage with customers in real-time, which helps to build trust and brand loyalty. Additionally, Haidilao's use of social media influencers has been effective in increasing brand awareness and attracting new customers. The case study on Haidilao has shown that social media can play a critical role in identifying opinion leaders and influencers during a brand crisis, which can help companies respond quickly and effectively to customer concerns and maintain a positive brand image. As such, it is important for companies to continue to invest in social media marketing and to stay up-to-date with the latest social media trends and platforms.

3.3. App Marketing

Haidilao has utilized various digital marketing strategies to reach a broader customer base. WeChat marketing has been an essential tool for Haidilao to communicate with customers and increase brand awareness. The company has leveraged WeChat's features such as Moments, WeChat stores, and mini-programs to engage customers, promote products, and offer exclusive discounts. WeChat has also enabled Haidilao to use influencer marketing by partnering with key opinion leaders (KOLs) to promote their brand and products. The study on WeChat marketing of the catering industry from consumers' perspective highlights the effectiveness of using WeChat for marketing, where consumers have a high willingness to interact with catering brands on WeChat [12].

Apart from WeChat marketing, Haidilao has also focused on promoting its brand through food review apps, which play a significant role in the catering industry. The company has leveraged these platforms to collect customer feedback and use it to improve their products and services continually. Haidilao has encouraged customers to leave reviews, share photos, and recommend their favorite dishes on the app. Through these reviews and ratings, Haidilao has been able to increase its visibility and improve its brand reputation. The study on an efficient POI recommendation model based on user characteristics and spatial-temporal factors shows that these review apps play a vital role in attracting customers to restaurants. The model uses factors such as user preferences, location, time, and social

influence to recommend restaurants to users, increasing the chances of customers visiting Haidilao based on positive reviews and ratings [13].

Overall, Haidilao has effectively utilized various digital marketing strategies, including WeChat marketing and promotion through food review apps, to attract and engage customers. These platforms have enabled Haidilao to communicate with customers, increase brand awareness, and improve customer satisfaction through continuous feedback collection and improvement of products and services.

4. Suggestions

4.1. Improving Haidilao's Marketing Strategies

Haidilao's marketing strategies, as noted by Guo and Zhai, are overly simplistic and traditional, relying heavily on offline advertising and promotional events [1]. To enhance brand image and loyalty, Haidilao needs to adopt a more comprehensive and innovative approach that includes digital marketing strategies and online platforms such as social media to better connect with younger consumers who prefer online interaction. A more personalized and interactive experience for consumers can be created through a comprehensive marketing strategy. Additionally, Haidilao should emphasize its unique features and values, such as customer service and food quality, to create a distinct and recognizable brand identity that will strengthen customer loyalty and retention. To maintain and increase brand image and loyalty, Haidilao must adopt a more comprehensive marketing strategy that combines traditional and digital methods.

4.2. Targeting the Right Audience

Haidilao can enhance its marketing efforts by tailoring its marketing messages, content, and promotions to appeal to the unique audience on each platform, rather than using a one-size-fits-all approach. As discussed in the article written by Li, it is essential to understand the demographic and psychographic characteristics of the target audience on different social media platforms to promote products or services effectively [2]. Therefore, Haidilao should consider the unique characteristics and preferences of its target audience on different platforms, such as Tiktok/Kwai, WeChat, and Weibo, and tailor its marketing strategies accordingly. For example, Haidilao could use visually engaging content on Tiktok and Kwai, while using a more informative and educational approach on WeChat. Similarly, Haidilao could leverage user-generated content on Weibo, as it has a large and active community of food bloggers and enthusiasts. By targeting the right audience with a tailored approach, Haidilao can maximize engagement and impact, thereby building a stronger brand image and increasing brand loyalty among its target audience.

4.3. Minimize Investment in Search Engine Marketing

Haidilao has enjoyed considerable success in the catering industry, largely thanks to their unique marketing strategies. The company's current marketing efforts, particularly via social media and mobile apps, have been effective in generating brand awareness, attracting new customers, and increasing customer loyalty. Social media marketing has become a crucial component of Haidilao's marketing strategy. They leverage platforms such as WeChat, Weibo, and Douyin to promote their brand and engage with their customers. The company can continue to invest in these platforms and even expand their reach by exploring new social media channels. Mobile app marketing is also crucial for Haidilao. With the growing popularity of food review apps such as Dianping, it is critical for Haidilao to maintain a positive presence on these platforms by encouraging customers to leave positive reviews and feedback. Additionally, Haidilao can invest in creating their own mobile app

that offers customers personalized promotions and an overall better dining experience. While search engine optimization (SEO) can be helpful in attracting new customers, it is not as vital to Haidilao's marketing success as social media and app marketing. Therefore, the company can reduce its investment in SEO to focus more on social media and app marketing. By allocating their resources towards these channels, Haidilao can continue to improve their marketing strategy and increase their sales [9].

4.4. Additional Online Marketing Strategies

Haidilao's marketing efforts have a few weaknesses, such as inadequate use of social media and app marketing. However, these shortcomings can be addressed by leveraging online celebrities and various platforms. Using online celebrities to endorse products is a successful approach for social e-commerce, according to Jing Wu and Yi Lei [3] Additionally, by motivating customers to leave comments and write reviews through platforms such as Tiktok tag, Hot Search, and Meituan, Haidilao can improve its brand reputation and customer loyalty. By incentivizing customers with snacks and red envelopes, they are more likely to engage in these activities, resulting in more exposure for the brand. These tactics align with the user portrait theory, as mentioned in Han Li's paper, which emphasizes the significance of understanding the target audience and customizing marketing efforts to their preferences and interests [2]. By implementing these strategies, Haidilao can enhance its marketing methods and maintain a strong presence in the highly competitive food industry.

4.5. Understanding User Behavior on Various Platforms

To address Haidilao's marketing weaknesses effectively, it is critical to understand that users on various platforms have distinct preferences and habits. Hence, conducting comprehensive research and gaining a deep understanding of the various audience groups present on different platforms and applications is crucial. By doing so, Haidilao can customize its marketing efforts to appeal to specific user groups and avoid any unacceptability that may arise from a lack of understanding.

As Wu et al. discuss in article, the use of incentives such as online celebrities and various platforms (e.g., TikTok tag, Hot Search, Meituan, etc.) can be an effective way to spread awareness of Haidilao's marketing methods and address their shortcomings [3]. This can be accomplished by encouraging users to write comments and providing rewards such as snacks and red envelopes.

However, it is crucial to recognize that different platforms necessitate different marketing approaches. As a result, Haidilao must conduct comprehensive research and gain a general understanding of the user groups present on various platforms. By doing so, Haidilao can tailor its marketing efforts to the

5. Conclusion

This paper examined the digital marketing strategies of Haidilao, a popular hot pot chain in China. Through analyzing their social media and app marketing tactics, as well as their search engine marketing efforts, people can see that Haidilao has been successful in building a strong brand identity and engaging with customers. However, there are still areas where they can improve, such as diversifying their content and expanding their reach on different platforms.

Based on the research, the author found that Haidilao's use of social media and app marketing has been particularly effective. By creating engaging and interactive content, as well as offering exclusive promotions and rewards, they have been able to increase customer loyalty and drive sales. Additionally, their focus on customer service, such as their famous hot pot rituals and free amenities, has helped to create a unique and memorable dining experience that encourages word-of-mouth

promotion. While their search engine marketing efforts have been less prominent, it is important to note that this may not necessarily be a weakness for Haidilao.

Overall, the research results suggest that a tailored approach to digital marketing, with a focus on social media and app marketing, can be highly effective for companies in the catering. By creating engaging and personalized content that resonates with their target audience, businesses can improve their brand identity, customer loyalty, and ultimately, their bottom line.

The significance and impact of this research lie in its contribution to the understanding of digital marketing strategies in the hospitality industry, particularly in China. As digital platforms continue to play an increasingly important role in how consumers make dining decisions, it is crucial for businesses to stay up-to-date with the latest trends and best practices. The insights provided by this paper can serve as a guide for other businesses in the industry to develop effective digital marketing strategies that can help them compete in the modern marketplace.

One limitation of this study is that it only focused on Haidilao's digital marketing strategies in China. Future research could expand the scope of the study to include other countries or regions to see how digital marketing strategies differ in different cultural contexts. Additionally, more research could be conducted on the specific impact of Haidilao's digital marketing strategies on their overall business performance, such as revenue and market share.

In conclusion, Haidilao research suggests that a tailored approach to digital marketing, with a focus on social media and app marketing, can be highly effective for restaurants. By creating personalized and engaging content that resonates with their target audience, businesses can improve their brand identity, customer loyalty, and ultimately, their bottom line. Haidilao's success in implementing these strategies can serve as a guide for other businesses looking to improve their digital marketing efforts.

References

[1] Guo, X., Zhai, R.: A study on the effect of Haidilao's brand marketing strategies on brand image and loyalty. Proceedings of the 2021 3rd International Conference on Economic Management and Cultural Industry (ICEMCI 2021). (2021).

[2] Li, H.: Optimizing short video platform based on User Portrait Theory——take Kuaishou app as an example. 2021 International Conference on Applications and Techniques in Cyber Intelligence, pp. 180–185. (2021).

[3] Lei, Y., Wu, J.: A system of recommendation evaluation in social e-commerce. 2021 International Conference on Education, Information Management and Service Science (EIMSS). (2021).

[4] Jie, X.W., Liu, Y.H.: Exploring Haidilao service creativity: The perspective of Maslow's hierarchy of needs. Proceedings of the 2017 2nd International Conference on Humanities and Social Science (HSS 2017). (2017).

[5] Liu, Z., Wan, X.: Employee potential development: Haidilao high growth enlightenment. Open Journal of Business and Management 07(03), 1173–1182 (2019).

[6] Haidilao Homepage, https://www.haidilao.com/about/, last accessed 2023/04/14.

[7] Kuek, T. Y., Ng, H. S., Sharma, H., Yeoh, L. K., Yuan, Y. H., Zhang, L. K., Zhang, J. H.: The impact of marketing mix on customer satisfaction in Haidilao Hotpot. Advances in Global Economics and Business Journal 3(2), 117-129(2022).

[8] Liu, J.: Research on Haidilao service marketing strategy management. Proceedings of the 2022 2nd International Conference on Financial Management and Economic Transition (FMET 2022), pp. 607–613. (2022).

[9] Li, J., Wang, T., Wu, H., Wu, Z., Xu, M., Zhou, J.: Demand driven store site selection via multiple spatial-temporal data. In Proceedings of the 24th ACM Sigspatial international conference on advances in geographic information systems. pp. 1-10. (2016).

[10] Fan, M., Guo, J., Li, P., Miao, S., Sun, M., Zhu, S.: Mobius. Proceedings of the 25th ACM SIGKDD International Conference on Knowledge Discovery & Data Mining. (2019).

[11] Chen, R., Huang, Y., Lin, J., Zhang, J.: Identifying opinion leaders in social media during brand crises: a case study on Haidilao hot pot. Review of Integrative Business and Economics Research 8(3), 24 (2019).

[12] Liang, M., Xu, S., Wang, M.: Wechat marketing of catering industry from consumers' perspective —taking "Haidilao" and "Little sheep" as examples. Journal of Service Science and Management 09(03), 255–262 (2016).

[13] Liu, D., Mei, X., Xu, C.: Exploring an efficient poi recommendation model based on user characteristics and spatial-temporal factors. Mathematics 9(21), 2673 (2021).