

Analysis of the Operation Mode of Quzhou Haidilao Hotpot Based on the Marketing Theory of 4Cs

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The 4Cs reset the four basic elements of the marketing mix with consumer demand as the guide. It emphasizes that companies should first put the pursuit of customer satisfaction in the first place, rather than deciding on sales channel strategies from the perspective of the company, and finally, they should also implement effective marketing communication with consumers in mind. Recently, the “service” of Haidilao Hotpot has had a bad reputation, and more and more consumers are complaining that the “service” of Haidilao Hotpot is plummeting. With the increasing number of negative comments from netizens, we studied and understood the 4Cs theory and proposed improvement strategies for the current situation of its operation under the guidance of 4Cs theory. We learn the application of 4Cs theory by analyzing the operation strategy of Quzhou Haidilao Hotpot restaurant, and deepen the learning and understanding of the theory from practice.

Keywords: Haidilao Hotpot, the Marketing Theory of 4Cs, marketing research, service

Introduction

Research Significance

According to the study of related literature, this paper systematically summarizes and describes the current situation of marketing of Quzhou Haidilao Hotpot, deeply studies the application and practice of 4Cs theory, summarizes the successful experience of marketing through the combination of theory and practice and analyzes its problems, and proposes corresponding solution measures according to the knowledge learned.

Introduction of 4Cs

4Cs marketing theory, also known as “4C marketing theory”, was proposed by the American marketing expert Professor Lauterpen in 1990, and the traditional marketing of the 4Ps corresponding to the 4Cs theory. It is oriented to consumer needs and resets the four basic elements of the marketing mix: consumer, cost, convenience, and communication. It emphasizes that companies should firstly put the pursuit of customer satisfaction in the first place, followed by efforts to reduce customer purchase costs, then pay full attention to the convenience of the customer’s purchase process, rather than deciding the sales channel strategy from the perspective of the company, and finally should also implement effective marketing communication centered on the consumer.

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Overview and Development of 4Cs Marketing Theory

Four Essential Elements

1. Consumers: target consumer demand, the first to understand, research, analysis of consumer needs and wants, rather than first consider what products companies can produce.

2. Cost: the cost that consumers are willing to pay, first to understand how much consumers are willing to pay to meet their needs and wants (cost), rather than first pricing the product, that is, how much money to consumers.

3. Convenience: the convenience of consumers; the product should be considered how convenient for consumers to use.

4. Communication: Consumer-centric implementation of marketing communication is very important, through interaction, communication, and other ways, the enterprise internal and external marketing constantly integrated, the interests of both customers and enterprises invisibly integrated together.

Evolutionary Process

The 4Cs theory is to replace the 4Ps into the modern era. In 1990, Robert Lauterpacht challenged the 4Ps with the 4Cs theory, arguing that the concept to be held in marketing should be “pay attention to the consumer” instead of the traditional “pay attention to the consumer”. Based on the 4Cs marketing theory, integrated marketing is becoming a new favorite among marketers, which regroups advertising, PR, promotion, consumer buying behaviour, and even employee communication, which were once considered to be independent of each other, into a whole.

In the process of practice, some limitations of 4Cs are gradually revealed. 4Cs is customer demand-oriented, but there is a problem of reasonableness of customer demand: If companies only passively apply the needs of customers, they will certainly pay huge costs, according to the development of the market, and should seek to establish a more proactive relationship between companies and customers; 4Cs is customer-centric marketing, but it fails to reflect the relationship marketing idea, and does not solve the operational problem of meeting customer needs.

Role of the 4Cs

This marketing concept is also deeply reflected in corporate marketing activities. Under the guidance of the 4Cs concept, more and more companies pay more attention to the market and consumers, and establish a closer and more dynamic relationship with customers. In May 1999, the big name Microsoft, under the auspices of its CEO Balmerd, also began a comprehensive strategic adjustment, so that Microsoft no longer just follows the baton of the company’s technical experts, but pays more attention to the market and the needs of customers. Chinese companies such as Kolon, Henderson, and Lenovo have become pioneers and beneficiaries of the practice of the 4Cs theory through marketing changes and the implementation of an integrated marketing approach based on the 4Cs strategy.

Current Situation

Operation Status of Haidilao Hotpot

In the industry of hot pot, there is less differentiation and it is difficult to make great innovations in dishes. In the case of Haidilao Hotpot, the current products that exist in Haidilao include: a wide variety of pot bases with different flavors that can meet the different needs of different customers for pot bases: There are all varieties

of meat, vegetables, mushrooms, etc. Haidilao Hotpot is also expanding the variety of dishes that can meet the preferences of different consumers; Haidilao Hotpot will also provide different flavorful staples, snacks, and small material stations, such as doughnuts, patties, sour cheese, etc., to attract young customers. At the same time, Haidilao Hotpot will also provide different drinks, beverages and liquor are available, and some stores also offer self-service milk tea for customers to choose from. Although the hot pot market is difficult to come up with very distinctive innovations, but from the development process of Haidilao Hotpot, it did make a lot of efforts in innovation, such as the four-gong pot base, half of the dishes, the introduction of uncommon dishes, self-service dipping sauces and snacks, etc., which all belong to the innovative means of Haidilao Hotpot.

Although the above-mentioned innovative means are easy to be imitated by others, Haidilao Hotpot is still constantly looking for innovative breakthroughs and striving to be the leader in the industry. Therefore, Haidilao Hotpot has launched many Netflix dishes and various delicious dipping sauces, which are promoted through online platforms to attract consumers to the store and create momentum for the enterprise.

Analysis of the Disadvantages of “Haidilao

1. High pricing of dishes: As we all know, the fresh ingredients, reliable quality, good dining environment, and unique services of “Haidilao Hotpot” have been recognized by many consumers, but this also means that “Haidilao Hotpot” has to invest a lot in ingredients, environment, and services in order to make its overall level higher than other restaurants. The overall level of the restaurant is higher than that of other catering companies, so the pricing of the dishes will be higher than others. According to the survey, the price of “Haidilao Hotpot” is 30% higher than the industry average, and the high pricing of dishes has become the disadvantage of “Haidilao Hotpot”. At present, China’s overall income level is pyramidal, for the pursuit of cost-effective people; it is likely that they will not go to the bottom of the sea-consumption, but choose other alternative restaurants. Of course, people who have the financial strength will not care about the pricing of the dishes of “Haidilao Hotpot”, but this part of the people is a minority, so “Haidilao Hotpot” is not very friendly to the middle-income and lower consumer groups.

2. There are disadvantages in the way of operation: In order not to damage the brand reputation, “seabed fish” to facilitate the implementation of unified management, the use of direct operation, refused to join. After continuous exploration, in the branch personnel management, “Haidilao Hotpot” chooses the training mode of master with apprentice, select the more outstanding staff in their mature stores for training, and let them memorize and understand the core essence of corporate culture and the key to the management style of Jingqing, after a series of training for assessment, through the assessment of the staff to arrange new stores for independent operation. After a series of training, we will conduct an assessment, and those who pass the assessment will be assigned to new stores for independent operation, so that the cycle will be repeated and branches will be opened continuously. However, this model has great disadvantages: One is that it takes a long time to train qualified managers, which is not conducive to the rapid opening of stores, and the second is that if there are no personnel who eventually pass the assessment, the new stores of “Haidilao Hotpot” will not be able to open because there is no suitable manager. This model of master with apprentice lasts long and slow, compared with large-scale training; the number of results is insufficient, resulting in certain difficulties in gaining market share for the bottom of the sea.

3. The nature of the industry is vulnerable to the general environment: The restaurant industry is a kind of service industry, and the nature of its own industry determines that the company is very vulnerable to the

environment in which it is located. When the environment of the overall economic downturn or industry conditions are low, “seabed fish” business is bound to decline. For example, the Chinese New Year is the peak period for the restaurant industry to make profits, but this year, the sudden outbreak of the new crown epidemic has caused a huge crisis in the entire social economy, the home quarantine measures have caused a total social stagnation, many service industries are facing unprecedented difficulties, and the restaurant industry is one of the most affected industries. The company’s main business is dine-in catering, which is also the company’s main source of income, under the impact of the epidemic. “Haidilao Hotpot” with million losses, according to the company’s financial report, January 26, 2020 to March 12, 2020 period, closed down the company’s business. According to the company’s financial report, between January 26 and March 12, 2020, “Haidilao Hotpot” closed all domestic stores to cope with the spread of the epidemic, and overseas stores also considered whether to continue to operate according to local conditions, as appropriate.

Competitive Nature of Haidilao Hotpot

Most of the enterprises in the industry have a competitive and cooperative relationship, and their interests are closely linked with each other. As part of the overall corporate strategy, the fundamental goal of the competition strategy is to maximize their own interests, so there are bound to be conflicts and confrontations in the process of strategy implementation. The competition among enterprises is usually expressed in terms of price—product and service, etc. The strength of competition is affected by many factors. Generally speaking, the following situations will lead to increased competition: First, the industry is low entry threshold, and there are many competitors. Second, the market tends to be mature, and the demand for products is insufficient. Third, price cuts and discounts and other low-end promotion methods are prevalent. Fourth, the competitor offers similar products or services, and the user switching costs are not high. Fifth, it is more expensive to withdraw from competition compared with continuing competition. The main business of “Seabed” is hot pot; in the restaurant market, hot pot is popular with the public for the convenience of consumption and good taste, but there are many hot pot brands; the more popular hot pot brands are Little Sheep, Dai Mei, Ji Ji Hong, etc. These hot pot brands also occupy a place in the market, with many consumer groups; they have a greater advantage in the fight with the “seabed fish”. From a comprehensive point of view, the ability to compete with rivals in the industry is still not to be underestimated.

Analysis of Haidilao Hotpot Based on 4Cs Marketing Theory

Consumer

Haidilao’s service begins when consumers step into the waiting area: first of all, from the time consumers walk into the eyes of the service staff at the entrance of Haidilao, immediately smile service, go up, and ask if they want to dine, if there is space available in the store, guide consumers into the door, if you need to wait for a seat, then guide customers to the waiting area, and for its number, if you do not want to stay in the waiting area, you can WeChat sweep code, and the public number will be given to consumers. Second, in the waiting area, the service staff will provide hot towels, snacks, drinks; then, after entering the store dining, seating to provide hot towels, provide rubber bands for long-haired customers, provide cell phone film and fruit plates, and in the ordering process will also introduce products for Gu Rong, always pay attention to customer needs during the dining process, and provide customers with corresponding small materials, after the meal. Finally, there are additional services, such as birthday customers will sing songs together, and a customer will be provided a large

doll to accompany their meal, free manicure service, etc.; it can be said that the service process of Haidilao Hotpot is more comprehensive.

Cost

According to the relevant network data collected, by the end of 2021, the average consumption of Chinese consumers in the hot pot type of food and drink within 51-100 yuan accounted for the most to the proportion of about 48.2%, consumption amount of 100-150 yuan accounted for 30.7%, consumption amount of 150 yuan or more accounted for 14.1%; it can be seen that the majority of consumption within 100 yuan are ancient. On the contrary, the per capita consumption level of Haidilao Hotpot, in 2019, in second-tier cities are 99.4 yuan, rising to 105.7 yuan in 2020, 6.3 yuan more, and the first-tier cities rose to 116.2 yuan in 2020, up 6 yuan compared to 2019; however, in the first half of 2021, the per capita consumption of customers fell to 107.3 yuan. In fact, it is not difficult to conclude that in 2020, affected by the epidemic, all enterprises have encountered great difficulties; in order for the enterprise to survive, price adjustment is necessary, but from the data of 2021, although the price of the product has been adjusted, but compared to other hot pot brands, the metal consumption water opening of the sea bottom is still on the high side. Under the new economic normal, the public's food and beverage consumption pattern has changed from high-end consumption to daily consumption. Hot pot is a fast food product; although consumption does not belong to the high-end type, but the pricing of "Haidilao Hotpot" dishes than the same type of restaurant business is much higher, which led to the problem of low cost performance. In the questionnaire survey, for the cost performance of "Haidilao Hotpot", 89 people think that the cost performance is average, 60 people think that the cost performance is low, only 34 people think that the cost performance of "Haidilao Hotpot" is high. The proportion of consumers who think the cost performance of "Haidilao Hotpot" is average or even lower is as high as 62.73%.

Convenience

In the early days of Haidilao's business, there was no service model as detailed as it is now. Rather, it evolved into the unique service model that brings absolute convenience to customers now, through continuous improvement. Haidilao provides free tea break service to attract customers to settle down in the store even if they do not eat hot pot and provide tea. Haidilao also provides free photo taking and photo washing service, which greatly satisfies the urgency of customers for photo commemoration. In the dining process, there will be a special waiter service to clean up the dinner plate and pour drinks and other convenient services, to provide anti-dirty apron and deodorant and hair ring can facilitate the dining of female customers. In the bathroom, cleaning utensils such as mouthwash are provided so that customers can travel fresh after eating. There are also many meticulous Haidilao services in the hot pot restaurant industry which are relatively unique and more convenient for customers.

Communication

1. Modernization of food and beverage, joint with service and entertainment industry: In the past, people only wanted to fill their stomachs and to match the food with the vegetables, but now people have a higher level of pursuit of food. The staff of "Seabed Fishery" treats customers with great enthusiasm and stands out among many catering companies with its impeccable service, which is even evaluated by consumers as "meat and potatoes service" and "perverted service". The "seabed fish" can be said to have created a service as a selling point of the brand model, which is considered the most humane; the worthiest of peer learning is the service of customers waiting for a table. As the service of "Haidilao Hotpot" is widely praised, coupled with the information age and the fast speed of network communication, people gradually put forward higher requirements for the

standard of catering services, and this change will in turn act on consumers, indirectly sculpting the choice of consumers.

2. Advocate and practice the concept of healthy diet: Modern people are very concerned about the safety and health of food, and “Seabed Fish” realizes that it must seize this demand and shape the image of safe and healthy catering to meet the psychology of consumers. In terms of food import inspection, Haidilao has established independent inspection laboratories in each logistics center to facilitate quarantine of incoming food, and has also signed safety agreements with food suppliers to ensure the quality and safety of food. According to “Haidilao”, with the increase in the number of chain stores, in order to ensure quality and reduce costs, they have established independent food ingredients, for example, the vegetable production base in Daxing, Beijing, their own production, their own sales, quality assurance at the same time so that the cost of back, food can also be an uninterrupted supply.

Proposed Haidilao Marketing Measures Based on 4Cs

Specialty Service Innovation

Product development strategy is a response generated by enterprises in response to opportunities and challenges, the essence of which is to develop new products in line with the consumer trends of the times by meeting the needs of consumers, and then achieve the purpose of expanding sales and increasing profits: The reason for the popularity of hot pot among many food categories is that, in addition to the richness of the dishes and the variety of flavors, the atmosphere created by its use is stronger than other meals, and because of this, many people who want to enter the catering industry will consider it as the first choice, resulting in extremely fierce competition.

The “Haidilao Hotpot” holds an important position in the market because of its high reputation, delicious taste, fresh ingredients, and enthusiastic service, and also has many loyal customers, but at the same time it is also facing great competitive pressure; Shujiuxiang, Xiaolongkan, Xiaotianwan, and other well-known brands are strong competitors, to “Seabed Fishery” a great threat. The main reason why “Haidilao Hotpot” is known by the public is its warm service, but in general, when customers choose to consume, the first thing they consider is the product itself, and only after that are other factors. Therefore, “Haidilao Hotpot” should carry out sustainable innovation, maintain the creative vitality of the enterprise, constantly develop new dishes and new pot base, find new outlets in the homogenized market, and establish product advantages. On the basis of ensuring the safety of the ingredients, add new pearls so as to attract more customers.

Efficiency of Talent Development

Talent development strategy requires the company to discover, identify, use, and retain talent. Discovering talents is the most basic step; managers have to pay attention to the people around them and train their insight in order to discover people with potential; identifying talents is the most fundamental step; managers have to identify excellent talents through years of accumulated experience, incorporate them into the company, and use them for the company: Using talents is the most crucial step; this stage is also a test of managers’ ability; managers have to know “Prescribe the right medicine”, and will be different elite on the most suitable position, so that their ability can fully demonstrate. Retaining talent is the most important step. Nowadays, the talent market is very mobile, and more and more excellent employees are jumping ships. Retaining talent means growth prospects. If you can't retain talent, the cost of the business will continue to increase. And to retain talent in the final analysis

is to retain the hearts and minds. The development of enterprises cannot be separated from the promotion of talent, only the collection of various types of talent, in order to make the enterprise's huge ship in the vast sea forward.

"Haidilao Hotpot" also developed a special university program the core of which is the "industry-academia" combination, the university as an important level of cooperation, from which graduates are recruited and trained to become the new store manager. The process of selecting the store manager is: First of all, those who are selected from the apprentices to enter the talent pool to participate in training, and then in the restaurant competent in more than 10 positions are eligible to take the examination, and after passing the examination also need the recommendation of the store manager to participate in the university training, complete the assessment to be promoted to the lobby manager, and finally need to be nominated again by the store manager to participate in training, through the assessment to be eligible to become a store manager.

Conclusion

The above analysis of Haidilao Hotpot marketing and discussion using the 4Cs marketing theory is by no means comprehensive, but it can be used as a starting point to provide meaningful reference for improving Haidilao Hotpot marketing strategies. Promoting an in-depth study of the 4Cs theory is the goal of the author's learning pursuit and shares research theories on the 4Cs in this paper to analyze the Haidilao Hotpot operation model. The purpose of this paper is to unveil the mystery of the noble term 4Cs and help the restaurant industry be able to revive and rejuvenate after the epidemic.

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