MARKETING SUGGESTIONS FOR SICHUAN HAI DILAO CATERING COMPANY, CHINA

YUE MENG

Bachelor’s Thesis
**Abstract**

Sichuan Hai Dilao Catering Co. Ltd. was established in 1994 in Jianyang city, Sichuan province, China. It is a direct-sale catering chain company which specializes in providing appetizing Hotpot food and high quality services for customers. With the high speed of development of catering industry in China, Sichuan Hai Dilao catering company is faced with more competitive pressures, therefore, marketing suggestions are important and necessary for company’s future development.

This thesis report can be divided into two parts: theoretical part and empirical part. The main concepts of theoretical part include marketing environment (competitive and demand), PEST analysis, SWOT analysis and marketing tools (product, price, place and promotion).

In empirical part, the study research utilizes quantitative method that invites customers to attend questionnaire survey and obtain customers’ feedback for Sichuan Hai Dilao catering company. The online questionnaire and printed questionnaire were released to customers at the same time. The purposes of research were to help the case company to understand specific requirements and realistic evaluation of customers better, and which aspects need to be improved to keep the current customers and also attract more potential customers.

In the end of the thesis report, the marketing suggestions are provided according to the current market situation of Sichuan Hai Dilao catering company and the customers’ opinions from research results, and the specific contents of suggestions are about product, services, price and promotional activities. With the help of marketing suggestions, Sichuan Hai Dilao catering company can gain stronger competitive ability, extend the market share and generate more profit in the future.

**Keywords**
Sichuan Hai Dilao, SWOT analysis, PEST analysis, marketing suggestion, marketing tool, Hotpot
CONTENTS

1 INTRODUCTION ......................................................................................................................... 8
  1.1 Introduction of Sichuan Hai Dilao Catering Company and its brand ......................... 9
  1.2 Main products of Hai Dilao Hotpot restaurant .............................................................. 10

2 SICHUAN HAI DILAO CATERING COMPANY IN CHINA AND ITS MARKET SITUATION ............................................................................................................. 13
  2.1 Competitive environment ............................................................................................... 14
  2.2 Demand environment .................................................................................................... 16
  2.3 PEST analysis of Sichuan Hai Dilao Catering Company ........................................... 16
  2.4 SWOT analysis of Sichuan Hai Dilao Catering Company ........................................... 21

3 MARKETING STRATEGY AND MARKETING MIX ............................................................. 25
  3.1 Process of marketing strategy ....................................................................................... 25
  3.2 Marketing mix ................................................................................................................. 27
    3.2.1 Product .................................................................................................................... 27
    3.2.2 Price ....................................................................................................................... 28
    3.2.3 Place ....................................................................................................................... 29
    3.2.4 Promotion .............................................................................................................. 30
  3.3 Marketing mix in Sichuan Hai Dilao Catering Company ............................................. 31

4 IMPLEMENTATION OF RESEARCH AND ANALYSIS OF THE RESULTS ............. 36
  4.1 Objective and method of the research ......................................................................... 36
  4.2 Result analysis of questionnaire survey ..................................................................... 37
    4.2.1 Background information of the respondents ......................................................... 37
    4.2.2 The respondents’ eating preferences and evaluation of Sichuan Hai Dilao
        Hotpot restaurant ........................................................................................................ 40
    4.2.3 Advises from the respondents ............................................................................. 51

5 SUGGESTIONS FOR SICHUAN HAI DILAO CATERING COMPANY ....................... 52

6 CONCLUSIONS ..................................................................................................................... 55

REFERENCES .............................................................................................................................. 57

APPENDICES
  Appendix 1 Questionnaire for customers of Sichuan Hai Dilao Hotpot restaurant
LIST OF IMAGES
IMAGE 1. Logo of Hai Dilao ................................................................. 9
IMAGE 2. Chinese Hotpot ................................................................ 9
IMAGE 3. Numbing Spicy Hotpot Base ............................................. 10
IMAGE 4. Mushroom Hotpot Base .................................................... 10
IMAGE 5. Seafood Hotpot Base .......................................................... 11
IMAGE 6. Tomato Hotpot Base .......................................................... 11
IMAGE 7. Nail Care and Shoe Polish Services .................................... 32
IMAGE 8. Warm Towel and Special Place for Children ....................... 32
IMAGE 9. Noodle Performance .......................................................... 34
LIST OF FIGURES

FIGURE 1. The business organization as a transformation system .................................. 13
FIGURE 2. The external and internal environment of customer relationship marketing .. 14
FIGURE 3. Four factors of PEST analysis ........................................................................... 17
FIGURE 4. Factors of restaurants selection in 2014 ............................................................ 19
FIGURE 5. Different types of food which are popular with customers ............................... 20
FIGURE 6. SWOT Analysis .................................................................................................. 22
FIGURE 7. Individual Product Decisions ............................................................................ 27
FIGURE 8. Elements of Service communication ............................................................... 30
FIGURE 9. The respondents’ age group .............................................................................. 34
FIGURE 10. Gender of the participants ............................................................................... 37
FIGURE 11. Current occupation of the participants ............................................................. 38
FIGURE 12. The participants’ monthly income ................................................................. 39
FIGURE 13. The first Hotpot restaurant that comes to participants mind ............................ 40
FIGURE 14. The frequency of consuming of customers in Hai Dilao Hot pot restaurant 41
FIGURE 15. Average amount spent on Hai Dilao restaurant .............................................. 42
FIGURE 16. Assessment of price level ............................................................................... 42
FIGURE 17. The ways to know about Hai Dilao Hotpot restaurant .................................... 43
FIGURE 18. The reasons for participants to choose Hai Dilao restaurant .......................... 44
FIGURE 19. The personal preference of food in Hai Dilao Hotpot restaurant ................. 45
FIGURE 20. The personal preference of service in waiting area ........................................... 48
FIGURE 21. Overall evaluation towards Hai Dilao Hotpot restaurant ............................... 49
LIST OF TABLES

TABLE 1. Product catalogue of Hai Dilao .......................................................... 10
TABLE 2. Top five Hotpot brands in China .......................................................... 15
TABLE 3. Participants’ satisfaction of the environment in Hai Dilao restaurant ........ 45
TABLE 4. Participants’ satisfaction of the food in Hai Dilao restaurant .................. 46
TABLE 5. Participants’ satisfaction of the services in Hai Dilao restaurant .............. 47
TABLE 6. Overall evaluation of the participants among different age groups......... 49
TABLE 7. Overall evaluation of the participants between different gender ............ 50
TABLE 8. Overall evaluation of the participants among different monthly income level .......................................................................................................................... 50
1 INTRODUCTION

With the improvement of living standards and high speed of development of catering industry in China, customers’ expectation and requirements on food and services have increased gradually. For purpose of improving customers' satisfaction and coping with intensely competitive pressure, increasing number of catering companies not only ensures the quality and variety of dishes, but pays more attention to marketing methods and has their own special feature. The sustainable marketing strategy methods which are beneficial to establish strong base of customers, maintain good customer relationship and strengthen the development of company.

As the case company, Sichuan Hai Dilao Catering Company is one of prominent catering company in China and achieves great success within a short time. The reasons for their success can make a positive effect on other companies. On the other hand, Sichuan Hai Dilao Catering Company also meet some challenges in domestic markets.

Therefore, the objective of this thesis report is to summarize the successful experience of the company and provide suggestions for their future development. In this thesis report, the marketing environment of Hai Dilai Catering Company has been analyzed comprehensively by using PEST analysis and SWOT analysis. At the same time, the author searches and concludes Hai Dilao Catering Company's marketing mix (product, price, place and promotion) which plays an important role in helping the case company to achieve success. In addition, the author takes the quantitative research method, designs questionnaire survey to collect customers' feedback and attitudes for the case company and the questionnaire survey includes online and print questionnaires. The questionnaire survey is an effective way that can reflect the customers' needs and requirements clearly for Sichuan Hai Dilao Catering Company and also help the case company to improve or change their product, price or promotional activities which are based on the demands of the customers. After summarizing and analyzing the results of marketing research, the author offers some marketing suggestions for Sichuan Hai Dilao Catering Company and the aims of suggestions are increase the customer satisfactions, attract more potential customers, keep loyal customers and expand the case company's market share.
1.1 Introduction of Sichuan Hai Dilao Catering Company and its brand

Sichuan Hai Dilao Catering Company was founded in Sichuan Provence in China in 1994. It is a large-scale enterprise specialized in direct chain operation in Sichuan style Hotpot and integrates features of Hotpots from different regions. With the rapid development and expansion of enterprise, Hai Dilao has developed near 110 chain stores (Hai Dilao Hotpot restaurant) in 29 cities in China in the last twenty years and has over 18,500 employees. Meanwhile, Hai Dilao Catering Company gradually turned their attention from the domestic markets to overseas. Up to now, there are 4 Hai Dilao Hotpot restaurants in Singapore, U.S.A and South Korea. (Hai Dilao official website 2014)

Hai Dilao Catering Company has ranked as one of “Chinese Catering Industry Top 100” for six years and listed in the “10 famous brand of Chinese catering chain stores” and “The Most Popular Hotpot Restaurant” which awarded by Chinese Cuisine Association (CCA). Hai Dilao Catering Company developing service strategy, adhering to the “service quality first, customer satisfaction first” principle of operation, taking innovation as the core value, changing traditional singular services, advocating personalized services and concentrating on providing excellent service (attentive, warm and comfortable) for customers. In the internal employee management, Hai Dilao imitates positive corporate value: to change the destiny with both hands and realize dreams through hard work. Moreover, the fairness and justice work environment, humanized management model provided by Hai Dilao has enhanced employees’ individual value and prompt them to work with high spirits and efficiency. (Hai Dilao official website 2014)

![Image 1. Logo of Hai Dilao (Hai Dilao official website 2014)](image)

The Chinese brand name “海底捞” means “dredge up from the sea”. The logo is an oval pattern, red as a symbol of the rising sun and white parts stand for rolling sea spray. The theme color of logo is red and it displays the Hai Dilao Catering Company is full of enthusiasm and vitality. Meanwhile, red is also the color of Sichuan style Hotpot soup base, vibrant red color logo mark can make customers easily associate with spicy food and then trigger the desire to eat.
1.2 Main products of Hai Dilao Hotpot restaurant

As the traditional Chinese food, Hotpot has a long history of more than 1000 years and it is still remaining popular in China. Preparation for the Hotpot is easy, setting a pot filled with simmering spicy soup or broth on a portable burner which can keep food simmering and putting different kinds of ingredients, such as meat, seafood, vegetables and bean products around the pot. The raw ingredients would be cooked in the boiling base soup and people could eat it with some condiments either. (Serious eats 2015)

![Chinese Hotpot](image)

Hai Dilao Hotpot restaurant launches varieties of food and tastes according to the different needs of customers. The menu can be divided into seven parts: soup base, handmade meatballs, meat and seafood, vegetables, special dishes, soy products and condiments. Customers are able to select the main course based on their preference. On the other hand, in order to make customers feel confident about the safety, Hai Dilao Catering Company guarantee that all raw food items in restaurant are issue with the certificate of origin, hygiene and freshness.

**TABLE 1. Product catalogue of Hai Dilao Hotpot restaurant (Hai Dilao official website 2014)**

<table>
<thead>
<tr>
<th></th>
<th>Number(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soup base</td>
<td>10</td>
</tr>
<tr>
<td>Handmade meatballs</td>
<td>14</td>
</tr>
<tr>
<td>Meat and seafood</td>
<td>31</td>
</tr>
<tr>
<td>Special dishes</td>
<td>8</td>
</tr>
<tr>
<td>Vegetables</td>
<td>20</td>
</tr>
<tr>
<td>Soy products</td>
<td>10</td>
</tr>
<tr>
<td>Condiments</td>
<td>6</td>
</tr>
</tbody>
</table>
The Hotpot base as the essence of Hotpot can directly affect the taste of food and customers’ satisfaction. With wonderful flavors not only can Hai Dilao Hotpot restaurant attract more potential customers, but also retain customers even increase customer loyalty. There are four special flavors of Hotpot base which are win warm praise from customers:

![Image 3. Numbing Spicy Hotpot Base](image3.png)  
**IMAGE 3. Numbing Spicy Hotpot Base (Hai Dilao official website 2014)**

“Numbing Spicy” Hotpot (pure canola oil used)  
This is the classic flavor of Sichuan Hotpot and following a special blending method along with improvements by a Hai Dilao dietitian. Naturally red, the aromatic chill peppers fills up customers’ senses and bring a numbing-spicy sensation that is rich and elegant. (Hai Dilao official website 2014)

![Image 4. Mushroom Hotpot Base](image4.png)  
**IMAGE 4. Mushroom Hotpot Base (Hai Dilao official website 2014)**

Mushroom Hotpot  
Using various types of porcini mushrooms with chicken broth as the base, after meticulous blending methods, the soup base simmers to a deep tea-like color. (Hai Dilao 2014)
Seafood Hotpot
This is a popular Hotpot base if customers are looking for something light. After cooking foods in this soup base, the soup becomes a drinkable delight and customers can find quality oyster, scallop, crab and shrimp all together in this delicious Hotpot. (Hai Dilao official website 2014)

Tomato Hotpot
This soup base is made from locally grown tomatoes, juicy red, plump and simmered with fresh tomato juice. The sourness is mellow and the flavor rich with a hint of sweetness. This Hotpot helps to stimulate customers’ senses and promote appetite. (Hai Dilao official website 2014)
Marketing means the process, a series of business activities which can bring value to customers, partners, entire society and also achieve organizational goals in the creation, communication, dissemination and exchange of products or services. It mainly includes planning, designing, pricing, distribution and promotion. (Kotler 1999, 7)

**The business organisation as a transformation system**

![Diagram of business organisation as a transformation system](image)

FIGURE 1. The business organization as a transformation system (Worthington and Britton 2006, 5)

The existence of the commercial companies is to input from the environment, such as, raw material, capital and workforce so as to create and provide the products or services which can satisfy customers’ purchase demand. The value can be increased in this process of transformation, and this transformation of inputs into outcomes is a simple model and common feature of the business companies. (Palmer and Hartley 2009, 4)

The marketing environment plays an important role in affecting company to establish and develop good relationships with customers. The most of decisions are made by the analysis of company’s marketing environment and the company need to pay more attention on its marketing environment. There have two factors which influence the marketing environment: external factor and internal factor. The external environment consists of demand, competition and interest groups, and the internal environment consists of business mission, profitability and resources. (Lahtinen and Isoviita 1994, 56)
External environment

The external environment consists of the macro environment and the micro environment. The macro environment includes the societal factors which do not affect the business immediately and out of control of company, such as economic, natural, technological, political and demographic factors. The micro environment comprises all actors that affect company’s ability to operate business directly or indirectly. Customers, competitors, suppliers, publics and intermediaries belong to the micro environment. (Palmer and Hartley 2009, 7-13)

The external environment is influenced by various factors which mainly include customers, competitors and interest groups. Before analyzing the external environment, the company has to clarify the need and requirements form customers, know about the main competitors and their products, and also some institutional factors such as laws, regulations, traditions and cultural habits. (Lahtinen and Isoviita 1994, 57)

2.1 Competitive environment

Competition has significant impact on the external marketing environment. In competitive situation, the customers can choose alternative options to satisfy their demands. In order to deal with the increasing competitive pressures and gain more competition superiority, the company has to know more about the main competitors and
make some marketing decisions which are based on the information of competitors. For example: find out which kind of companies are main competitors, what are the features or shortcomings of competitors’ products or services, business operation, are competitors entering or leaving and how the competitors get their current position. (Lahtinen and Isoviita 1994, 71)

The companies can analyze their competitors as following parts:
Form of competition, such as the number of competitors, difference of products or services, competition tools and role of competition like the way that companies operate in the competitive environment. (Lahtinen and Isoviita 1994, 71)

The competitors consist of direct competitors and indirect competitors. The direct competitors are the companies which provide similar varieties of products or services to common customer groups. The indirect competitors mean the suppliers who offer different types of products or services which also can satisfy customers’ same demands. (Wisegeek 2014)

The Hotpot industry has developed strongly in China because of its characteristics of easy replicability, standardization and operation. The fewer production processes and uniform configuration of Hotpot base and spices ensures the stability and consistency of Hotpot. Therefore, the growing number of Hotpot brand and restaurants has appeared and provided more options for customers. On the hand, the rapid development of Hotpot also increases competitive pressure for existing Hotpot enterprises.

**TABLE 2. Top five Hotpot brands in China (Chinese catering industry annual analysis report 2014)**

<table>
<thead>
<tr>
<th></th>
<th>Chinese Hotpot Brand</th>
<th>Number of restaurant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>De Zhuang Hotpot</td>
<td>469</td>
</tr>
<tr>
<td>2</td>
<td>Little Sheep Hotpot</td>
<td>432</td>
</tr>
<tr>
<td>3</td>
<td>Hai Dilao Hotpot</td>
<td>118</td>
</tr>
<tr>
<td>4</td>
<td>Qin Ma Hotpot</td>
<td>398</td>
</tr>
<tr>
<td>5</td>
<td>Xiao Tiane Hotpot</td>
<td>354</td>
</tr>
</tbody>
</table>

It can be seen clearly from Table 2 that De Zhuang Hotpot, Little sheep Hotpot, Qin Ma Hotpot, Xiao Tiane Hotpot and Hai Dilao Hotpot consist of most influential Chinese Hotpot brand in 2014. In daily operational activities, Hai Dilao Catering Company has to face these four formidable competitors in Hotpot industry market. Because of all of Hai Dilao Hotpot restaurants are operated directly by Sichuan Hai Dilao Catering Co. Ltd
and no franchises, the number of restaurant is less favorable that other four Hotpot enterprises. But, depending on the higher quality services which compared with others and characteristic flavor which recognized and well received by customers, Hai Dilao Hotpot has won a considerable success and expanded their market share in recent years.

2.2 Demand environment

Demand means the amount of specific products or services which the customers intend to purchase at a given price. The demand can be estimated by the volume of total sales and it also affect company’s sales volume and market share. In the same industry, the demand of company’s products or services has a threat to competitive pressure from similar products or services provided by other companies. Before launch new products or services to the market, the company needs to forecast the amount of customers’ demand, because the correct estimations can reduce some unnecessary loss for company. (Lahtinen and Isoviita 1994, 63)

The willingness to buy and the purchasing power are two key factors which influence customers to make purchase decisions. The psychological factors, social factors and marketing activities affect customers' willingness to buy, such as needs, attitudes, motives, lifestyles, family, culture, age groups and promotional activities supplied by the company and competitors. The purchasing power is also important for customers, disposal income and availability of credit can affect the purchasing decision directly. Other influential factors consist of institutional factor, like laws, policy and regulation, economic factor, seasonal fluctuations. (Lahtinen and Isoviita 1994, 63)

2.3 PEST analysis of Sichuan Hai Dilao Catering Company

PEST analysis is one of the most commonly used and valuable analytical tool, it helps company to understand and assess the factors which influence the performances and activities of business in external environment, identify the direction for long-term and stable development in future. PEST analysis can be divided into four parts: “P” for Political, “E” for Economic, “S” for social and “T” for Technological. These four parts cover most of external factors that can affect company. Moreover, the PEST analysis shows the how external factors affect the company in different ways and some companies would be more influenced by one factor than other three factors. (Gregory 2000, 49 and 52)
FIGURE 3. Four factors of PEST analysis (Fullen 2006, 78)

PEST analysis of Sichuan Hai Dilao Catering Company

Political factors:
- Chinese government attaches great importance to economic and legal system. Chinese economy has been in the phase of rapid growth since reform and opening up to the outside world. In order to encourage the development of small and medium-size enterprises, the government has established and improved relevant laws and regulations in recent 30 years. Enacting and implementation of Chinese Corporate law, SME Promotion law, Chinese provisional regulation and other laws and regulations have provided necessary guarantee for the existence and development of Sichuan Hai Dilao Catering Company. (Anquan 2012)

- Forceful policy support. The Chinese Government has formulated forceful policy support to promote and regulate the development of catering industry. For example, according to the Administrative Measures for the Licensing of Catering Services, the units or individuals apply for engaging in catering industry has to obtain a Catering Service License, observing food safety standard and requirement, assuming responsibilities for customers and society, ensuring food hygiene quality and accepting the public supervisions. The high operating threshold of food and beverage management is conducive not only to catering industry goes on the track
of sound progress, but also reduce the resistance of the future development for Sichuan Hai Dilao Catering Company. (Anquan 2012)

Economic factors:

- In recent five years, China’s economy takes on the characteristics of high-standard and smooth growth with various economic indexes generally positive. Stable macroeconomic environment, adequate market supply, stabilize food price and inflation rate which monitored and controlled by government are able to create favorable conditions for sustainable development of Catering industry.

- In 2014, Chinese Ministry of Commerce has proposed taxation reducing policy for Catering industry. Guang Zhou, Hang Zhou and Zheng Zhou are the three of pilot cities and be chosen for an experiment with new tax reduction policy. (Wang 2014)

- According to statistics from Chinese Cuisine Association, the number of national taxes and fees about catering industry has up to 46 so far, including 12 taxes and 34 different kinds of fees. In China, every provincial government is responsible for set the catering tax rates and fees in accordance to the actual situation. The statistics show that some catering enterprises have to bear catering tax which account for about 40% of turnover. Therefore, if the taxation reducing policy can be implemented on a national scale, the pressure on catering enterprises will be eased and whole catering industry will obtain a better development. (Wang 2014)

Social factors:

- Catering industry in China
  According to nationwide catering industry annual analysis report 2014, the total income in catering industry was 27860 billion RMB with year-on-year growth of more than 9.7% in 2014 and end up the three consecutive years downtrend from 2011. Meanwhile, Hotpot industry keeps the positive situation of lasting growth, the total income of Hotpot industry increased by 11.2%. “Chinese Catering Industry Top 100” shows that Hotpot industry has accounted for one-third in 2014 and is the biggest rise in all Catering Industry. Above all, the Hotpot Industry has a bright development prospect in China. (Chinese catering industry annual analysis report 2014)

- Demand diversification
  Along with the high-speed development of Chinese economy and per capita income increase, the people’s power of consumption and consumption level has improved
Chinese people stopped surviving and begun pay more attention to living quality. Increasing number of people would like to spend money to have meal in restaurants for a change, thus, the demand and requirements for Catering Industry has increased constantly in recent ten years.

![Figure 4: Factors of restaurants selection in 2014 (n=3000) (Chinese catering industry annual analysis report 2014)](image)

We can see from the chart in Figure 4 that a third of customers choose the restaurant based on the specialties and unique flavor, 31.2 % of customers pay more attention to health and safety of dishes. It shows that more and more customers willing to pursue brand quality, taste characteristics and nutrition of food in daily life. The third influence factor is Dinning environment and account for 15.6 %. Many customers are attracted by good environment easily at first glance. Moreover, there are 13.5 % of customers that consider about the price level, reputation and service quality of restaurant take up 3.5 % and 2 % respectively, and the location and privacy of restaurant are also affect selection form customers but in a small proportion. (Caiyin 2014)

- Population and Cultural habits
  Because of the large population, China has a huge consumption power of catering. Plus, the notion of “Food is the first thing for people” is one of the most important and essential idea in Chinese civilization life. Thus, catering industry has enormous consumer base and broad space for future growth in China.
On the basis of Figure 5 chart of the customer’s taste preference, we can understand that Sichuan style traditional dishes (18.9 %) and Hotpot (12.6 %) have strong and a wide customer base in China. Otherwise, due to the cold weather in winter, the more positive motivation for customer choose Hotpot stems from the believe that eat Hotpot is capable of keep out the cold efficiently. Therefore, Hotpot is the most popular with customers, especially for people from northern China.

In recent years, Hai Dilao Catering Company focus on making the perfect integration of traditional authentic Sichuan style Hotpot with modern trendy dining habit, providing health and delicious Hotpot food, pleasant environment and high quality services for customers. These factors prompt Sichuan Hai Dilao Catering Company obtain the success and to be a strong performer in Chinese catering Industry. (Hai Dilao official website 2014)

Technological factors:
- As the high speed of development of catering industry in China, catering companies have formed an open competitive situation with brand and quality operation and also entered a new stage. Nowadays increasing attention has been paid to the technological innovation and scientific management method in catering industry, and the centralized distribution has found an increasingly wide utilization in Chinese catering enterprises.
In 2009, Chinese Cuisine Association has invested and developed an e-procurement and material management platform (Easy Purchase 100) for national catering industry. Its electronic operate platform is able to integrated comprehensive resources from industrial organizations, catering enterprises and raw materials supplier in an effective way. By using this new platform, Most of catering enterprises can be provided a set of systematic solutions for online purchase, sale and inventory. It is good for catering enterprises to enter and adopt the modern purchasing management system quickly, and establish a safe and reliable supply channel. As a result that improves the whole level of catering industry management and achieves enterprises’ aims of cost reduction, profit margins expansion and safety guarantee of materials. (Chihe 2014)

2.4 SWOT analysis of Sichuan Hai Dilao Catering Company

SWOT analysis is used to evaluate and determine the company’s competitive strengths, competitive weakness, opportunities and threats. It is a scientific analysis method which combines the company’s internal resources with the external environment. Strengths include the adequate internal capabilities and resources, positive brand image, high quality of products and services, market share, cost advantages and etc. Weakness means the internal factors which have negative impact on company’s performance, such as lack of key technology, disordered management, high cost structure, capital shortage and limited facilities. Opportunities are positive factors which can help company make use of its advantages and build good relationship with customers, including unfulfilled customer need, new technologies, new market and loosening of regulations. Threats are negative factors which increase company’s difficulties and challenges in achieving its business objectives, for example, trade barriers, competitors, change of customer preference, economic recession and etc. (Kotler and Armstrong 2012, 77)
**FIGURE 6.** SWOT Analysis: Strengths (S), Weaknesses (W), Opportunities (O), Threats (T). (Kotler and Armstrong 2012, 78)

SWOT analysis of Sichuan Hai Dilao Catering Company

**Strengths**

- The core business of Hai Dilao Catering Company is not the food but the services. In Hai Dilao Hotpot restaurant, customers can find the feeling of “God”. By using warm and attentive services, Hai Dilao Hotpot restaurant has been widely identified, won the trust and praise from majority of customers and established an enterprise image. High-quality services are useful for Hai Dilao to attract more potential customers and keep customer loyalty. (Feng 2014)

- Hai Dilao Catering Company focuses on continuous innovation on their dishes and services, such as Double Flavor Hotpot without dregs and Hai Dilao-beef, etc. Not only the Hotpot, Hai Dilao also provides some special dishes, Hai Dilao hand-pulled noodles are hugely popular with customer when began to sell. (Hai Dilao official website 2014)

- Hai Dilao serves mainly Sichuan Style hotpot while mixing the pick of other style hotpot. Improved and unique formula of Hotpot base is satisfied for normal Chinese tastes. Moreover, because of the traditional food habits, most of customers prefer to choose Hotpot. (Feng 2014)

- Hai Dilao has advance logistics and supply chain management system as well as modern distribution centres. It can ensure the speed of delivery and adequate
supply of raw materials. In addition, Hai Dilao Catering Company also has own soup base factory and lamb factory which provide safe and hygienic food material mainly and allow customers to eat at ease. (Hai Dilao official website 2014)

- Hai Dilao Catering Company's successful operation and generous profits provide strong capital support for future development in all aspects.

**Weaknesses**

- Because of the mode of direct chain operation, Hai Dilao only opened in 118 restaurants in Beijing, Shanghai, Nanjing and some big cities in China, it lead to limitation of coverage, hinder the developing tendency across the China and adverse to gain more market share of Hotpot industry. (Hai Dilao official website 2014)

- Due to increasing cost of food and labour resource, Hai Dilao Catering Company has to face severe pressure of operational costs.

- Lack of marketing concept and method, improvement of brand awareness is relied mostly on customers’ word of mouth. (Feng 2014)

- Compared with other Hotpot restaurants, the price of dishes in Hai Dilao Hotpot restaurant is higher than average price level.

**Opportunities**

- With the China’s economy have maintained the momentum of sustained and rapid development in recent years, higher level of people’s living standard, changes of consumption concept makes catering industry have huge potential for growth in long term.

- Chinese government has launched relevant support policy for catering industry. (Wang 2014)

- Nowadays, the speed of development of E-commerce has beyond our expectation, various electronic channels, such as the Internet and mobile app have created new online trading and marketing platform.

- Hotpot is a traditional Chinese food and it has strong local characteristics. It is favoured by Chinese people because of the features of great taste and easy to
prepare and cook. Besides, most of Chinese people have a habit of eating Hotpot.

Threats

- Food safety and quality issues have been regarded by increasing number of customers, Chinese government gradually strengthen regulation of food safety, set up tightened inspection and supervision system and it bring impacts to whole catering industry. (Wang 2014)

- Chinese catering culture has to face the shock and challenge from Western catering culture. More and more Western catering brand garrisons the Chinese market in quick succession, such as McDonald’s, Pizza Hut and etc. Meanwhile, most of customers, especially young customers are willing to try western taste. (Wang 2014)

- Hai Dilao has to against the competitive pressure from other Hotpot Company. On the one hand, a large number of Hotpot enterprises imitate Hai Dilao’s successful operation concept which is customer oriented and deliver good results. On the other hand, new brands of Hotpot have appeared in numbers in catering market and it will pose threats to existing Hotpot brands. What more, some Hotpot restaurants launch the special Hotpot buffet and it becomes increasingly popular in Chinese customers. (Wang 2014)

- With the faster life pace, many Chinese customers tend to choose fast-food or buffet to save both time and money.
Marketing strategy refers to the company's overall vision and planning for a period of time in marketing development. The company intends to achieve profit maximization and build good relationships with customers by using marketing strategy. In today's competitive marketplace, the company has to change traditional customer management and make all actions centred on customers gradually in order to obtain and maintain more customers from competitors. The company cannot satisfy the demand of all customers, therefore, the company has to divide the market into different segments, choose the target customer groups, and design related strategies to create customer value and build profitable relationships with target customers. (Kotler and Armstrong 2012, 72)

3.1 Process of marketing strategy

The process of marketing strategy involves market segmentation, market targeting, differentiation, and positioning. The marketing segmentation and targeting help the company to decide which customer groups are main service targets and understand their demand clearly, and the market differentiation and positioning identify how the company serves and creates value for customers. (Kotler and Armstrong 2012, 225)

Market segmentation: the process that the company defines and divides a market into clear segments according to the buyers' demand, characteristics, behaviours, and other factors. The basic types of customer market segmentation are geographic, demographic, behavioural, and psychographic segmentation. In addition, market segment means the specific groups of buyers that have similar characteristics or needs, and give predictable responses to the marketing activities. (Kotler and Armstrong 2012, 215)

Market targeting: the process of the company estimates and evaluates different market segments and decides exactly which market segment will be the focus of marketing efforts. (Kotler and Armstrong 2012, 225)

Differentiation: the company differentiates its products, services, or brand which can be distinguished from competitors' by customers. The differentiation tools include product, service, personnel, channel, and image differentiation. (Kotler and Armstrong 2012, 213)
Positioning: the company takes relative actions which are conducive to leaving the clear, deep and distinct impression about product, service or brand in target customers’ mind. (Kotler and Armstrong 2012, 214)

In today's intense competition situation in market, the marketing strategy is a key factor that determines company's strategic marketing direction, developing emphasis and model of business operations which combine with company recourses. The company designs and decides the marketing strategy according to the actual market circumstance, a suitable strategy is useful for company to create more value for customers, adapt to the market changes, increase competitiveness and achieve its growth goal. (Liu 2014)

The marketing strategies consist of aggressive strategy, defensive strategy and adaptive strategy. Aggressive strategy is one type of strategy that the company intends to pursue changes, take the initiative to challenge the competitors in the market and put huge investment in research and development of product and service. The core of aggressive strategy can be a new technology, innovative product or service which has attractive performance characteristics, and it enhance the company's advantages of differentiated competition. (Liu 2014)

Defensive marketing strategy means the actions taken by the company to confront threats from the market. The aims of defensive marketing strategy are protect the company's market share, mind share, profitability and product positioning, and reduce the risk of loss in market competition. This marketing strategy is more suits for the market leaders and applies most to existing customers directly. The company needs to identify the strengths from competitors in market firstly, and then make related response options, such as change the product’s price, improve the threatened products or services, create incentives for distributors and increase the product and brand awareness through adventing. (Mso 2014)

Adaptive marketing strategy refers to the company changes or reforms its marketing mix according to collect and analyse customers’ feedback actively. This marketing strategy is useful for the company to adapt to changes in particular market environment and build and strength the brand loyalty though satisfying customers’ demand. The benefits of adaptive marketing strategy include wining customers’ trust and loyalty, knowing more about customer groups and enhancing the brand identity and image. (AED 2014)
3.2 Marketing mix

The marketing mix, also known as the 4p’s of marketing. It is an important marketing tool that the company can use to promote the image of brand. 4P is the combination of product, price, place and promotion. All the elements of marketing mix have impact on each other and the company modify each elements based on the market changes and demands. The aim of marketing mix is to satisfy target customers’ needs, build up favourable brand image and unique selling point which can attract more potential customers for the company. (Kotler and Armstrong 2012, 75)

3.2.1 Product

Product is anything that can be provided to meet the particular requirements and demand of market. It includes tangible goods, ideas, information or services which are used for serves and satisfies customers’ need. As the basic of competitive tools in marketing mix, the satisfied tangible or intangible products are favourable for the company to attract more potential customers and also build profitable relationship with target customers. (Kotler and Armstrong 2012, 248)

Services belong to one form of products and include some activities, benefits or other intangible products. With the development of world economy, the importance of services at different industries is getting more attention. Therefore, a growing number of companies begin offer both product and services that bring more value to their customers. (Kotler and Armstrong 2012, 248)

The product and service decisions are divided into three levels: individual product decisions, product line decision and product mix decisions.

Individual product decisions:

![Image of product attributes, branding, packaging, labelling and product support services](image-url)

FIGURE 7. Individual Product Decisions (Kotler and Armstrong 2012, 253)

As can be seen from the Figure 7, the individual products decision consists of product attribute, branding, packaging, labelling and product support services. Before the
company announces the launch of new products or services, the marketers need to make individual product decision for each product or service. Specifically, product attributes includes product quality, product style and design, and product features. These characteristics of products or services are able to impact customer satisfaction directly. Branding means the company uses a particular name, symbol, sign or a combination of these to identify the products or services that can be picked out from the competing companies by customers. Packaging and labelling are used for protect, identify the product or brand and also attract customers’ attention. Product support services mean the company add new services or change the current services based on the feedbacks from the customers. (Kotler and Armstrong 2012, 258)

Product line decision: product line means the group of related products which have similar functions, features and same customer groups. The length of product line (the number of items in product line) is an important factor that influences the manager to make product line decision. (Kotler and Armstrong 2012, 258)

Product mix decision: product mix includes all the products lines and items offered by company to the customers. (Kotler and Armstrong 2012, 259)

3.2.2 Price

The price refers to the monetary value of a product or a service. It is a visible competition tool and important factor which affects the customers’ choice. For the company, the price can help company to understand the value of product or service in customers’ mind. (Lahtinen and Isoviita 1994, 119)

The price is the essential factors which not only affect the sales volume and company’s profitability directly, but also image of brand and company’s competition. Before pricing the products or services, the company has to estimate and control the cost, analyze the current market structure, situation of market supply and demand, customer psychology and also other factors. (Lahtinen and Isoviita 1994, 119)

As the one of most important tools of marketing, the price is the only factor which can obtain benefits for company, the rest of factors of marketing mix need to spend corresponding cost. Moreover, the price is also the most flexible factor which can be changed or adjusted quickly. (Lahtinen and Isoviita 1994, 119)
Price discounts and terms of payment

Discount means the sellers reduce the price of products or services for the buyers in a period of time. In general, early-payment, off-season sales and large volume purchases are enabled most of companies to lowers the price level or offer the discount and allowance for attract or reward their customers. In addition, the company needs to consider discount and allowance carefully, and guarantee these promotional activities would not affect the profits. (Kotler 1999, 472)

Discount has different forms, such as cash discount, quantity discount, seasonal discount and functional discount. Cash discount means the sellers provide lower price for the buyers who can pay on time. Quantity discount is offered for the buyers who have purchase a large quantity of products. At a specific time, the sellers give seasonal discount to encourage the buyers to purchase out-of-season products. Functional discount is designed for trade-channel members who have specific functions, like selling, storing and etc. (Kotler and Armstrong 2012, 343)

The terms of payment is also an important and competitive elements in price decision, there have three different terms of payment: prepayment, cash payment and credit payment. The sellers and buyers can choose the term of payment which is most appropriate for the specific situation. (Lahtinen and Isoviita 1994, 144)

3.2.3 Place

The place decisions consists of the industrial companies’ place decisions and the service companies’ place decisions. (Lahtinen and Isoviita 1994, 147)

Sichuan Hai Dilao Catering Company belongs to the service company. Therefore, the company need to pay more attention on two questions:

a) How to make the customers get to the company more easily?
b) How to make the purchasing or usage of services for customers more easy? (Lahtinen and Isoviita 1994, 147)

To be specific, the external accessibility decisions and the internal accessibility decision compose the service company place decision. The elements of external accessibility decisions consist of location of company, traffic conditions, opening hours, parking facilities, decoration and so on. And the elements of internal accessibility decision are
about service environment, brochure and guidance material, personnel accessibility and willingness to serve, product and service display, variety of product rang and etc. (Lahtinen and Isoviita 1994, 158)

3.2.4 Promotion

The purpose of promotion is to bring the product and company to the public’s attention, to influence attitude, to improve company image and to make sales. The two aspects of promotion are personal selling and sales support.

![Diagram of Service Communication](Lahtinen and Isoviita 1994, 171)

Personal selling is one of promotional activities that salespeople present the product or service to customers by face-to-face. The salesperson attempts to persuade the customers to buy or leave impression about products at least. (Lahtinen and Isoviita 1994, 171)

Sale support can be divided into three parts: advertising, sales promotion and public relation. Advertising belongs to one of non-personal marketing communication which displays the product, idea or service to customers by using public media platform, such television, internet, posters, cinema and etc. The seller undertakes responsibility for advertising and pays the cost of it. (Lahtinen and Isoviita 1994, 171)

Sale promotion consists of the promotional activities which aim at stimulating the sellers to sell the company’s product or services more profitably and encouraging customers to purchase. And for sales promotion, there are two main target groups, one is the company’s own sales organization, the other one is the customers. (Lahtinen and Isoviita 1994, 265)

Public relations means the company organize related activities which can establish good relationships with its different interest organizations and the objective of the public
relations is to make consumers understand and respect their operation. Public relations is an essential marketing communication tool to improve the image of company, product or service and it creates long-term but indirect impact on company. (Lahtinen and Isoviita 1994, 265)

3.3 Marketing mix in Sichuan Hai Dilao Catering Company

Product
Hai Dilao Catering Company has always insisted the principle of “providing organic, health, nutritional and characteristics food and high quality services for customers”, and devote continuously to researching and developing new Hotpot food variety. On the basis of Sichuan style flavor, Hai Dilao Catering Company keep on launching different kind food to satisfy demands from customers, such as special dessert, drinks, sipping sauces, fruit plate and cooked wheaten food. Hai Dilao Catering Company take into account age of customers, sex, regional and seasonal factors for every new dishes, they stick to offer one or two Hotpot base soup in every year and three to five species of dishes. In order to make customer feel confident about the safety of food, Hai Dilao have stringent control system to ensure the fresh and high quality of raw material, and list nutritional and origin information on the branch which can be found easily in all Hai Dilao Hotpot restaurant. Besides, In China, most of customers are used to bring their own bottle to restaurant, for deal with situation and promote their own drinks, Hai Dilao hotpot restaurant actively recommend special drinks which made by themselves to customers, and offer services of “free tasting” and “unlimited refill after pay for one time”.

Service
Hai Dilao Catering Company believes that positive word of mouth from customers can create greater benefit, they prefer invest heavily in customer services rather than spend much money on advertisements, therefore, Hai Dilao Catering Company requires their employees try to work out for best and archive customer satisfaction as much as possible.

Hai Dilao Hotpot restaurant not only offer special services in some aspects, but form an integrated service system for customers. The reason that Hai Dilao Hotpot restaurant’s services leave a lasting impression on customers is because Hai Dilao Catering Company solves the general problems which existed in Hotpot restaurants, such as the problem about customer wait for a table, parking and order dishes. High quality services can reflect respect for customers and customers would be likely to neglect the taste of food if they feel valued. Hai Dilao Catering Company seizes this psychological
characteristic of customers and pays more attention on attentive services in order to gain more potential customers and retain loyal customers. The objective of Hai Dilao’s services is beyond the customer satisfaction and achieves customer delight. In the fierce catering market competition, Hai Dilao’s detailed services exceed customers’ basic requirements and expectations and help customers to create good awareness about products and services in Hai Dilao Hotpot restaurant and improve brand loyalty.

Some specific examples:
For most of Chinese customers, they would rather leave or choose other restaurants than wait for a table at the restaurant. Even only few minutes wait it can lead to customers’ feeling of boredom, according to this situation, Hai Dilao hotpot restaurant set up the special waiting and rest area for customers and provides different services to help customers kill the boring time and be willing to waiting for seat in restaurant, such as nail care, chess games, computer for surfing in the Internet, magazine, shoe polish, unlimited supply of snacks, drinks and fruit for customers etc. There is no charge for customers to enjoy all services in seat waiting area. Particularly worth mentioning is the Hai Dilao hotpot restaurant is the first to make the combination between nail care and catering services in China. The innovation about value-added services in waiting area is beneficial to Hai Dilao Catering Company attract more new customers and reduce potential customer loss.

When customers order the dishes, the waiters of restaurant will introduce and recommend the dishes patiently with smile for customers, especially for new customers. If the customer orders too much dishes to eat, the waiter would be concerned about the interest of customers and recommend customers to order half portion of dishes for avoiding unnecessary wasting. At the same time, the apron and glasses cloth will be offered for customers to prevent boiling and steaming hot pot base soup spill on clothes and fog up the eyeglasses. If some customers with long hair, the waiter will help customers to scramble up or keep the hair by hairpin in case of the hair comes down to dishes. During the meal, the waiters would replace the warm towel or clean napkin for customers actively at about twenty minute intervals. Besides, when the customers finish the meal, the chewing gum would be provided for customers to freshen the breath.

In the restroom, the customers can find some hair and skin care products, such as styling gel, brush sets, cream for face or hand. There also have special place for children, the restaurant would arrange the waiters to play game with kids and keep their safety.
Overall, Hai Dilao Catering Company’s service passion is not blind and it has certain predictability, the waiters have already prepared related items and provide before the customers ask for. Their detailed services bring an enjoyable consumption experience for most of customers in the process of eating in Hai Dilao Hotpot restaurant. Moreover, in Chinese catering market, Hai Dilao Catering Company is well known for attentive services, their characteristics service model has been created large profits and also widely imitated and instantly recognized by other catering companies in recent years.

![Image 7. Nail Care and Shoe Polish Services](Hai Dilao official website 2014)

![Image 8. Warm Towel and Special Place for Children](Hai Dilao official website 2014)

Price
Hai Dilao Catering Company list their food at medium-high price level, specifically, the Hotpot base soup’s price is from 48 to 98 RMB, the price of meat and sea food is between 30 and 100 RMB, the prices of vegetables including bean products, cooked wheaten food and desserts are below 35 RMB, dipping sauces are priced 8 RMB for each customer and special drinks made by restaurant only takes 5 RMB. In addition, customers can order half portion of all food except hotpot base soup for half of price. Based on the questionnaire made by author, it concluded that the average spending is 80-150 RMB for one customer and most of customers can accept the price level and average expenditure in Hai Dilao hotpot restaurant. (1 RMB=0.0421 Euro)
Place
Hai Dilao Catering Company makes use of efficient logistics distribution system and four distribution centres which are based in Sichuan, Zhengzhou, Xi'an and Beijing respectively to integrate procurement, processing, storage and delivery. And they insist the centralized purchase and unified distribution for ensure all food materials’ quality and safety.

About location, the location of restaurant is a key factor which can affect customer traffic directly. All Hai Dilao hotpot restaurants have the following features:

- Convenient transportation, developed traffic area is not only useful for customers to have meal in Hai Dilao Hotpot restaurant, but also for their logistics operations.

- Convenient Parking, all Hai Dilao Hotpot restaurants have own free parking space and customers can enjoy free valet parking services.

- Flourishing region, the requirement for location of restaurant on Hai Dilao official webpage shows that the restaurant at least around commercial, shopping centres or local famous dining street which generates over 15 million visits on every day.

- Located in capital cities or developed cities. Hai Dilao Catering Company operate company-owned model and only open their restaurants in capital cities or developed cities in China and in order keep high quality of services, Hai Dilao Catering Company strictly control the number of theirs restaurants.

On the other hand, Hai Dilao launches take-away services in some special cities. Customers can enjoy Hai Dilao Hotpot in wherever they want.

Promotion
Hai Dilao Catering Company’s promotion strategy is not focusing on traditional promotion activities, such as advertising, sales promotion and etc. Hai Dilao Hotpot restaurant pays more attention to distinctive service that can attract a large number of customers and brings more loyal customers as well.

They strengthen the quality of services which like an invisible advertising and be communicated in customer group widely, by using their featured and considered services to establish brand image, leave deep impression on customers and make customer connect good service with Hai Dilao Hotpot restaurant.
Hai Dilao Catering Company’s specific promotions:

Making noodle performance, If the customer order Hai Dilao style noodle, the chef will come to customer and show off their skills of noodle making, pulling, cutting and tossing noodles, the dance actions will be added to increase performing effect. The fascinating noodle promotional activity is very popular with customers and it attract a lot of customers to have a meal at Hai Dilao Hotpot restaurant for watch making noodle performance.

Keep improving the existing services and offer new services for customer, such as prepare some celebration activities and gift for customer who choose Hai Dilao Hotpot restaurant on birthday, provide special food, soft seat cushion and chair pads for elder, toys and kids meal for children.

Build customer membership, Hai Dilao Hotpot restaurant prepares membership card for loyal customers. When customers get the membership card, they can enjoy 12 % discount and also can charge money into it. At the same time, customers also can register and log into the Hai Dilao’s office website and win bonus point for gift redemption.

In summer, Hai Dilao Hotpot restaurant would send their employees to provide free cold drinks for passengers in street which have high flow of people. It is a good way for Hai Dilao Catering Company to promote their brand visibility and image.

IMAGE 9. Noodle Performance (Hai Dilao official website 2014)
Marketing research is a systematic, purposeful and scientific method to gather, record and analyses information and data about marketing issues. The role of marketing research is conducive to understanding about the present status and development tendency of market, providing objective and accurate reference materials for company’s market prediction and marketing strategy.

4.1 Objective and method of research

The objective of marketing research is collect customers’ reviews, degree of satisfaction and suggestion for Hai Dilao Hotpot restaurant, to analyze and conclude influence factors on customers’ restaurant choices. According to the result of the questionnaire and feedback from customers, Hai Dilao Hotpot restaurant is able to make changes or improvement to their current food, services, marketing method and even plan for the future expansion.

In this thesis, the author chose quantitative marketing research as the main research method and made a questionnaire survey for customers. A questionnaire is an effective way to collect comprehensive information for Hai Dilao Hotpot restaurant from their customers. After considering of major and target customer group of Hai Dilao Hotpot restaurant, the questionnaire was designed in two forms: An online questionnaire survey which will be put on the Internet (social-network platform) and a traditional paper questionnaire survey which is printed and placed on Hai Dilao Hotpot restaurant where customers can fill out the questionnaire based on their intention.

The questionnaire included eighteen questions, all answers are confidential and all identifying information will be kept anonymous. After the modification and advices from the thesis supervisors, the final questionnaire was published on Internet and hand out in Hai Dilao Hotpot restaurant from 3\textsuperscript{rd} of April in 2015 to 12\textsuperscript{th} of April of 2015, which is for 10 days.

According to the statistical results, there were 367 participants who finished the questionnaire in total, including 238 people who participated the online questionnaire and 129 customers who fill in the questionnaire paper in different Hai Dilao Hotpot restaurants at scheduled time. In order to keep conclusion realistic, the result analysis
and some suggestions for Hai Dilao Hotpot restaurant were made based on questionnaire survey data.

4.2 Result analysis of questionnaire survey

In the questionnaire survey, the questions can be divided into three parts. The first part is to ask some personal information about participants, such as age, gender, occupation and income level. In the second part, there are 12 questions which mainly focus on customers’ eating preferences, opinions and evaluation about different aspects of Hai Dilao Hotpot restaurant. The last part is prepared for customers to put forward their suggestions on needed improvements in specific aspects which Hai Dilao Hotpot restaurant has to pay more attention.

4.2.1 Background information of the respondents

In this part, the respondents need to answer four questions about their age, gender, current occupation and monthly income. These questions can help Hai Dilao Catering Company know more basic information about their customers who attend the questionnaire survey.

![Age groups](image)

FIGURE 9. The respondents’ age group

In the first question, the participants needed to choose their age group. We can see from Figure 9, there are only 23 customers and 24 customers in ages group of over 50 years and 42-50 years respectively, these two groups are account for 6.27 % and 6.54 %, and take up a small rate of total age group. However, the age group of 31-40 years has 152
participants attending the survey and it makes up 41.4 % which belongs to the largest customer group. As the second biggest customer group-age group of 21-30 also occupy 31.06 % of participants and was totally 114 participants. Otherwise, 54 participants are in the age group of under 21 years and they take up 14.7 % of the whole customer groups. At the same time, Figure 9 displays the main customer groups of Hai Dilao Hotpot restaurant, Hai Dilao Hotpot as the special flavor food is popular among young people. On the other hand, the customers from the age of 21-40 have higher and stable income source, plus the impact from foreign catering culture, and they prefer to spend more money not only to eat delicious food, but enjoy high level services in restaurant. Because the taste of food and good services provided by Hai Dilao Hotpot restaurant can satisfy the requirements from customers, Hai Dilao Hotpot restaurant designs and offers some special services for young people and it attracts more and more young customers.

![Gender Chart]

**FIGURE 10. Gender of the participants**

The second question was asking about the participants’ gender. According to the bar chart in Figure 10, the female customers are the main customer groups of Hai Dilao Hotpot restaurant. More precisely, 203 female respondents and 164 male participants filled the questionnaire, Female customers account for the larger proportion (55 %) and male customers take up 45 % of participants.
FIGURE 11. Current occupation of the participants

The third question was about current occupation of participants. Figure 11 clearly shows that the office employees account for the greatest proportion of the participants in questionnaire survey (36%). As for other categories, the percentages of self-employed businessmen and students are 30.52% and 15.3% respectively. By contrast, the participants who engaged in other work (such as teachers, doctors, and policemen) represent 9.5% of the total participants. The workers constituted only 8.7% and 32 workers attended the survey.

Based on the data concerning occupation, we can find that self-employed businessmen and office employees are willing to choose Hai Dilao Hotpot restaurant. On the one hand, most of self-employed businessmen and office employees in China have busy work hours and need to work overtime regularly, and they do not have much time to cook for themselves, especially for the dinner. Therefore they more likely get a meal at a restaurant. On the other hand, eating outside together with friends or families is also a way of entertainment in China, and most of customers will consider and choose the restaurant which has suitable price level and good eating environment as well. Hai Dilao Hotpot restaurant aims at high-and-mid-end customers with its special flavor of dishes, high quality services and pleasant dining environment. The price level of food in Hai Dilao Hotpot restaurant is, however, higher than other hot pot restaurants. Due to the stronger consumption capacity and modern consumption concept of self-employed businessmen and office employees, they more easily to accept and prefer to choose Hai Dilao Hotpot restaurant.
The fourth question was about monthly income level of participants. As we can see from the above chart in Figure 12 that there are seven income levels. Specifically, there were 93 participants who belong to income level of 4001-5000 RMB and they present the largest proportion (25%). The percentage of participants from income level of 3001-4000 RMB is 23% and it is the second largest amount of participants. The monthly income level of 2001-3000 RMB makes up 18%. 12% of participants’ monthly income is between 1000 and 2000 RMB, and 11% of participants do not have any income sources. And then, there are 6% of participants whose monthly income level is more than 5000 RMB. There are only 19 participants whose salary is under 1000 RMB and they represent the proportion of 5%.

Therefore, according to the data of monthly income level, we can find that more than half of participants belong to high-to-medium income group and they have higher capacity to pay. With the use of income level of their main customers, Hai Dilao Hotpot restaurant can adjust their current price level of dishes or set the suitable price for new products which will be launched in the future.

4.2.2 The respondents’ eating preferences and evaluation of Sichuan Hai Dilao Hotpot restaurant

There were 12 questions in this part and the respondents can choose the best option according to their personal experiences and attitudes towards Hai Dilao Hotpot restaurant. These questions consists of customers’ purchase frequency, average expenditure, evaluation about restaurant’s environment, food, services and price level, food preference and so on.
First four questions are about personal information from participants, and the next 13 questions are customers’ opinions towards some specific aspects about Hai Dilao Hotpot restaurant. The fifth question is “What is the first Hotpot restaurant that comes to your mind when you want to eat Hotpot?” there were different brands of Hotpot restaurants for participants to choose. It can be seen from Figure 13 that Hai Dilao Hotpot restaurant shows the same proportion (23 %) as A Little Sheep Hotpot restaurant. Specifically, Hai Dilao and A Little Sheep have 85 and 83 participants to choose respectively. Dai mei Hotpot restaurant accounts for 22 % of total participants. 15 % of participants think up De Zhuang Hotpot restaurant firstly and 14 % of participants choose Qi Hotpot restaurant. Only 3 % participants give other hot pot restaurant, such as Yaya Hotpot, 0048 Hotpot and etc.

This question is designed to make Hai Dilao restaurant realize their competitors in Chinese Hotpot industry. Based on the data collected from the survey, A Little Sheep and Dai Mei Hotpot restaurants are the main competitors and have a certain advantage in customers’ minds. Facing with intense competitive pressure, Hai Dilao Hotpot restaurant can invest more cost and effort on marketing mix, such as further improve quality of food and services, apply for new promotion method to attract more potential customers and deepen customers’ impression of Hai Dilao Hotpot restaurant.
It can be clearly seen from the pie chart of Figure 14 that 70% of participants (257 people) get a meal one or two times in Hai Dilao Hotpot restaurant in a month. In comparison, 84 participants eat in Hai Dilao restaurant for 3 to 5 times in every month and represent 23% of all participants. In addition, 5% of participants choose to go to Hai Dilao Hotpot restaurant more than five times and the number of these participants is only 26.

According to question 6, the customers who visit in Hai Dilao restaurant more than 3 times in one month can be defined as loyal customers. In order to keep and attract more returning customers and increase customers' frequency of consuming, Hai Dilao Hotpot restaurant can organize more loyalty programs, for example, offer some discount activities or special offers for loyal customers.
Question 7 was to find out the average private expenditure for one visit. 45 participants spend less than 50 RMB and they take up 12% of participants. The number of participant who spend between 50 and 100 RMB reach 167 and they makes up about half of proportion (47%) of all participants. There are 83 participants (23%) and 51 participants (14%) who present the group of 100-150 RMB and 150-200 RMB respectively. In addition, only 6% of participants spend more than 200 RMB for one visit.

In question 8, the result shows the participants’ evaluation about price level in Hai Dilao Hotpot restaurant. Nearly half of participants (48%) think the price level is average and acceptable. 28% of participant select option “Expensive” and percentage of participants who choose “Cheap” is 15%. There is 9% of participants who believe that the price of food in Hai Dilao Hotpot restaurant is higher than other restaurants, and far over their expected budget.

The survey result of questions 7 and 8 about customers’ average amount spent on Hai Dilao Hotpot restaurant and attitude towards price level of food provide effective data for manager of Hai Dilao Hotpot restaurant to make some changes and improvement in price and product strategy for their future development.
Question 9 asked about how the customers know and have impression about Hai Dilao restaurant. This question offered more than five options and participants could select more than one answer. Figure 17 reflects that a recommendation from others have the highest rate that accounts for 33% of participants. The second highest rate is Internet platform which takes up 27%. There are 15% and 6% of participants who know about Hai Dilao restaurant through advertising on billboards and TV. Moreover, there are 12% of participants that learned some information about Hai Dilao Hotpot restaurant by other ways, such as magazine, newspaper and so on. Only 8% of participants chose leaflets which give them the impression on Hai Dilao restaurant.

The result for question ten displays the reasons for participants to choose Hai Dilao Hotpot restaurant. Most of the participants (40%) put the quality of services on first
place and 21% of participants mention their high recognition of dining environment and atmosphere of Hai Dilao Hotpot restaurant. There are 20% of participants who are satisfied with the taste of food and 6% of participants put emphasis on the price. Besides, 9% of participants choose Hai Dilao Hotpot restaurant because of preferring location. Only 4% of participants select other reasons, such as to get the voucher of Hai Dilao Hotpot restaurant, company dinner and so on.

![Figure 19: The personal preference of food in Hai Dilao Hotpot restaurant](image)

In question 11, the participants were asked about their food preference. There were more than five options which were available for participants to choose. According to the data from Figure 19, it can be seen that meat is the most popular option which gained 136 votes from participants. The second popular option is sea food and was opted by 87 participants. The number of participants who preferred to select vegetables and bean products is 63 and 52 in this question, and there are 23 participants who would order cooked wheaten food for themselves. Finally, 6 participants choose option of “other” and the answers they gave included dessert, fruit and snacks.

**TABLE 3. Participants’ satisfaction of the environment in Hai Dilao restaurant (n=367)**

<table>
<thead>
<tr>
<th></th>
<th>Satisfied (3)</th>
<th>Average (2)</th>
<th>Unsatisfied (1)</th>
<th>Average number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number %</td>
<td>Number %</td>
<td>Number %</td>
<td></td>
</tr>
<tr>
<td>Decoration</td>
<td>203</td>
<td>55%</td>
<td>147</td>
<td>40%</td>
</tr>
<tr>
<td>Tables and chairs</td>
<td>239</td>
<td>66%</td>
<td>99</td>
<td>27%</td>
</tr>
<tr>
<td>Tablewares</td>
<td>280</td>
<td>76%</td>
<td>53</td>
<td>14%</td>
</tr>
<tr>
<td>Restroom</td>
<td>214</td>
<td>58%</td>
<td>87</td>
<td>24%</td>
</tr>
<tr>
<td>Waiting area</td>
<td>257</td>
<td>70%</td>
<td>94</td>
<td>26%</td>
</tr>
<tr>
<td>Restaurant atmosphere</td>
<td>198</td>
<td>54%</td>
<td>76</td>
<td>21%</td>
</tr>
<tr>
<td>Uniform of waiters</td>
<td>235</td>
<td>64%</td>
<td>67</td>
<td>18%</td>
</tr>
</tbody>
</table>
As can be seen from Table 3, it displays the satisfaction degree on environment by the participants. There are three evaluation ranks: satisfied, average and unsatisfied, and the number “3” means satisfied, the number “2” means average and the number “1” means unsatisfied. The result of the question reflects current conditions of the basic facilities in Hai Dilao Hotpot restaurant.

According to question 12, more than half of participants feel satisfied with environment in Hai Dilao Hotpot restaurant, and the number of participants who are unsatisfied with environment is only a very small rate. More specifically, 55 % and 40 % of participants have satisfied or average evaluation towards decoration respectively and only 5 % of participants give their negative attitude. About the clearness of table and chairs, there are 95 % of participants who hold positive opinions, 76 % of participants are satisfied with the tablewares which accounts for the largest rate. The waiting area for customers wins the recognition from almost all the participants, that is 96 %. The averages of decoration, clearness of table and chairs and tablewares and the waiting area are all above 2.5. However, the number of participants who give bad feedback about restrooms and uniforms should be paid more attention by Hai Dilao Hotpot restaurant, 18 % of participants give their negative attitude and the averages of these two options are about 2.5. Moreover, the atmosphere of the restaurant also receives unsatisfied evaluations. The number of participants is over 93 for this which is the highest point and the average is 2.35. Therefore, Hai Dilao Hotpot restaurant need to make relevant changes on this aspect as soon as possible.

TABLE 4. Participants’ satisfaction of the food in Hai Dilao restaurant (n=367)

<table>
<thead>
<tr>
<th>Satisfied (3)</th>
<th>Average (2)</th>
<th>Unsatisfied (1)</th>
<th>Average number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number %</td>
<td>Number %</td>
<td>Number %</td>
<td></td>
</tr>
<tr>
<td>Freshness of food</td>
<td>198 54%</td>
<td>156 43%</td>
<td>13 4%</td>
</tr>
<tr>
<td>Taste of Hotpot soup base</td>
<td>215 59%</td>
<td>132 36%</td>
<td>20 5%</td>
</tr>
<tr>
<td>Taste of dipping sauces</td>
<td>143 39%</td>
<td>187 51%</td>
<td>37 10%</td>
</tr>
<tr>
<td>Desserts</td>
<td>198 54%</td>
<td>143 39%</td>
<td>26 7%</td>
</tr>
<tr>
<td>Drinks</td>
<td>136 37%</td>
<td>176 48%</td>
<td>55 15%</td>
</tr>
<tr>
<td>Fruits</td>
<td>187 51%</td>
<td>98 27%</td>
<td>82 22%</td>
</tr>
<tr>
<td>Special snacks</td>
<td>198 54%</td>
<td>113 31%</td>
<td>56 15%</td>
</tr>
</tbody>
</table>

In question 13, the participants needed to give their evaluation about food in Hai Dilao Hotpot restaurant. There were seven options listed in the survey and participants could select the satisfaction level presenting from their point of view.

As can be seen from Table 4, more than half of participants feel satisfied with most of the options about food, except option of “Taste of dipping sauces” and “Drink” which
take up 39 % and 37 % respectively. It provides effective information for Hai Dilao Hotpot restaurant to do some changes and improve customers’ satisfaction about these two options. For the unsatisfied level, the percentages of Drinks, Fruits and special snacks all exceed 10 %. In addition, only the averages of freshness of food and taste of Hotpot base soup are above 2.5, and other options are below 2.5. The bad feedback will influence the impression about Hai Dilao Hotpot restaurant and also increase a threat for customer loyalty. Therefore, these data should be paid more attention and then adopt timely adjustments.

**TABLE 5. Participants’ satisfaction of the services in Hai Dilao restaurant (n=367)**

<table>
<thead>
<tr>
<th>Services</th>
<th>Satisfied (3)</th>
<th>Average (2)</th>
<th>Unsatisfied (1)</th>
<th>Average number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number %</td>
<td>Number %</td>
<td>Number %</td>
<td>Average number</td>
<td></td>
</tr>
<tr>
<td>Waiting-time before arriving</td>
<td>156 43%</td>
<td>174 47%</td>
<td>37 10%</td>
<td>2.32</td>
</tr>
<tr>
<td>Communication capability of waiters</td>
<td>209 57%</td>
<td>132 36%</td>
<td>26 7%</td>
<td>2.50</td>
</tr>
<tr>
<td>Waiters’ attitude to the customers</td>
<td>263 72%</td>
<td>87 26%</td>
<td>7 2%</td>
<td>2.64</td>
</tr>
<tr>
<td>Waiting area services</td>
<td>271 74%</td>
<td>83 23%</td>
<td>13 4%</td>
<td>2.70</td>
</tr>
<tr>
<td>Reception service</td>
<td>175 48%</td>
<td>163 44%</td>
<td>29 8%</td>
<td>2.40</td>
</tr>
<tr>
<td>Promotional activities</td>
<td>156 43%</td>
<td>135 37%</td>
<td>76 21%</td>
<td>2.22</td>
</tr>
<tr>
<td>Take-away service (optional)</td>
<td>45 56%</td>
<td>34 42%</td>
<td>2 2%</td>
<td>2.53</td>
</tr>
</tbody>
</table>

The fourteenth question asked about participant’s evaluation of services in Hai Dilao Hotpot restaurant. The first six services are used in all Hai Dilao Hotpot restaurants in China. The last option of “take-away services” is only available in special cities in China, therefore, participants can base their answer on their real situation and to choose to answer or not. According to the statistics, 81 participants selected this option.

The result shows that the waiters’ attitude to the customers and waiting area services are widely recognized by the participants, and these two options gain more than 70 % of satisfied answers and less than 5 % of participants have opposite views, and the averages of this two options are both over 2.5. Besides, 21 % of participants are unsatisfied with the promotional activities, it accounts for a larger rate than other options and the average of this option is at lowest level (2.22). There are also 10 % of participants who think the waiting-time is long. Most of the customers will meet this situation because if there are so many customers that the waiters can no attend them all in time. About the take-away services, most of the participants give their positive attitude and the average is 2.53. Its result can encourage Hai Dilao Hotpot restaurants to increase the scale of take-away service and find more customers who can enjoy eating hotpot at home.
Figure 20 reflects that there are 102 participants who choose Nail care. This service is special for females and wins most of the support from female customers. The second popular service is to play computers and has 68 participants who prefer to surf the Internet when they are waiting for the seat. Then, 56 participants prefer reading during the waiting time. The number of participants who choose a chess game (43) and eat snack (45) is almost the same, and the number of participants who intend to polish their shoes is 34. At the same time, there also are 19 participants who selected other services, including chatting with waiters in the waiting area, listening music and doing some simple exercises.
Question 16 asked about participants’ overall evaluation and impression on Hai Dilao restaurant. There were five options from very good to very bad.

Based on Figure 21, the result can be concluded that more than half of the participants chose option of “good”, and 24.5% of participants selected “very good”. The proportion of participants who consider the overall evaluation to be average makes up 17.7%. It can be found that almost 96% of the participants give positive feedback. On the other hand, although only one chose “very bad”, there still are about 4% of participants who have negative attitude to Hai Dilao Hotpot restaurant.

TABLE 6. Overall evaluation of the participants among different age groups (n=367)

<table>
<thead>
<tr>
<th>Age group</th>
<th>Very good(5)</th>
<th>Good(4)</th>
<th>Average(3)</th>
<th>Bad(2)</th>
<th>Very bad(1)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 21</td>
<td>5</td>
<td>9%</td>
<td>36</td>
<td>67%</td>
<td>11</td>
<td>20%</td>
</tr>
<tr>
<td>21-30</td>
<td>34</td>
<td>30%</td>
<td>62</td>
<td>54%</td>
<td>15</td>
<td>13%</td>
</tr>
<tr>
<td>31-40</td>
<td>46</td>
<td>30%</td>
<td>84</td>
<td>55%</td>
<td>19</td>
<td>13%</td>
</tr>
<tr>
<td>42-45</td>
<td>3</td>
<td>13%</td>
<td>8</td>
<td>33%</td>
<td>11</td>
<td>46%</td>
</tr>
<tr>
<td>Over 50</td>
<td>2</td>
<td>9%</td>
<td>7</td>
<td>30%</td>
<td>9</td>
<td>39%</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>197</td>
<td>65</td>
<td>14</td>
<td>1</td>
<td>3.8</td>
</tr>
</tbody>
</table>

It can be seen from Table 6, there are 96% of participants whose age is under 21 give positive feedbacks and no one selects very bad. About age groups of 21-30 and 31-40, they have the same proportion of participants who chose the option of “Very good” and “Average”, and similar proportion of participants who chose the rest of options. Almost the half of participants (46%) who belong to age group of 42-45 selected average and it accounts for the largest rate. Only one participant whose age is over 50 chose “very
bad”. In general, Hai Dilao Hotpot restaurant is very popular with young people and most of young people have positive attitude towards Hai Dilao’s food and services. As the target customer group, the demand from young people should be paid more attention by Hai Dilao Catering Company. On the other hand, Hai Dilao Catering Company could prepare some special food or services for middle-age customers in order to expand the customer base and market share.

**TABLE 7. Overall evaluation of the participants between different gender (n=367)**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Very good(5)</th>
<th>Good(4)</th>
<th>Average(3)</th>
<th>Bad(2)</th>
<th>Very bad(1)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>Number  %</td>
</tr>
<tr>
<td>Male</td>
<td>39</td>
<td>24%</td>
<td>85</td>
<td>52%</td>
<td>33</td>
<td>20%</td>
</tr>
<tr>
<td>Female</td>
<td>51</td>
<td>25%</td>
<td>112</td>
<td>55%</td>
<td>32</td>
<td>16%</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>197%</td>
<td>65</td>
<td>14%</td>
<td>1</td>
<td>1%</td>
</tr>
</tbody>
</table>

In Table 8, there are 95% of male participants are satisfied with Hai Dilao Hotpot restaurant, 4% of male participants present the negative attitude and only one male participant chose “Very bad”. By contrast, the female participants who have positive attitude towards Hai Dilao Hotpot restaurant take up 96% and only 8 female participants selected “Bad”.

**TABLE 8. Overall evaluation of the participants among different monthly income level (n=367)**

<table>
<thead>
<tr>
<th>Monthly income</th>
<th>Very good(5)</th>
<th>Good(4)</th>
<th>Average(3)</th>
<th>Bad(2)</th>
<th>Very bad(1)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>Number  %</td>
</tr>
<tr>
<td>Under 1000 RMB</td>
<td>4</td>
<td>21.1%</td>
<td>7</td>
<td>36.8%</td>
<td>7</td>
<td>36.8%</td>
</tr>
<tr>
<td>1000-2000 RMB</td>
<td>7</td>
<td>16.3%</td>
<td>25</td>
<td>58.1%</td>
<td>9</td>
<td>20.9%</td>
</tr>
<tr>
<td>2001-3000 RMB</td>
<td>18</td>
<td>26.9%</td>
<td>38</td>
<td>56.7%</td>
<td>10</td>
<td>14.9%</td>
</tr>
<tr>
<td>3001-4000 RMB</td>
<td>22</td>
<td>26.2%</td>
<td>49</td>
<td>58.9%</td>
<td>9</td>
<td>10.7%</td>
</tr>
<tr>
<td>4001-5000 RMB</td>
<td>27</td>
<td>29.0%</td>
<td>53</td>
<td>57.0%</td>
<td>10</td>
<td>18.8%</td>
</tr>
<tr>
<td>Over 5000 RMB</td>
<td>4</td>
<td>20.0%</td>
<td>8</td>
<td>40.0%</td>
<td>7</td>
<td>35.0%</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>197%</td>
<td>65</td>
<td>14%</td>
<td>1</td>
<td>1%</td>
</tr>
</tbody>
</table>

Table 8 shows that the participants whose monthly income level belong to “2001-3000 RMB”, “3001-4000 RMB”, “4001-5000” or “Over 5000 RMB” give high marks for overall evaluation of Hai Dilao Hotpot restaurant, below 5% of these participants are unsatisfied with the overall evaluation and only one participant chose “Very bad”. Moreover, more than 5% of participants whose monthly income level below 1000 RMB hold negative attitudes. According to the data on Table 8, it can be seen that Hai Dilao Hotpot restaurant gains recognition widely from the participants who belong to the medium and high income group. This research result could help Hai Dilao Catering Company to make effective marketing decisions, especially product and price decisions.
4.2.3 Advises from the respondents

The last question is “In what areas do you think Hai Dilao Hotpot restaurant needs more improvement and suggestion for them?” There are some options that can be chosen and participants also can express their own opinions. The summing up the results shows that aspects about promotion and price were mentioned mainly. In addition, there are 176 participants present their answers and the rest of the participants comment nothing on this question.

In general, the results of questionnaire survey were collected smoothly and the analysis of questionnaire was beneficial to Hai Dilao Hotpot restaurant to realize which kind of improvement should be planned and made.
5 SUGGESTIONS FOR SICHUAN HAI DILAO CATERING COMPANY

The research results show realistic and comprehensive information about customers’ attitudes and satisfaction toward Hai Dilao Hotpot restaurant. After analysing the feedbacks from customer and searching more information on the Internet, the author lists some suggestions for Sichuan Hai Dilao Catering Company which will help them to have the better development in future.

Firstly, Hai Dilao Catering Company needs to strengthen efforts in quality and hygiene control. In recent years, the Chinese media has continued to report the news about quality problem of broth base soup and drink, hygienic issues about chefs’ non-standard food-making operation and waiters in some Hai Dilao Hotpot restaurants. Safety of food plays an important role in company’s brand building. Once the serious issues of product safety may happen, the company will lose the customers’ trust and it is hard to bring it back. Therefore, Hai Dilao Catering Company should improve enterprise internal management and control, operate effective food safety control system in whole process of food purchasing and processing. Then, intensive training for employees and increasing their quality and hygiene awareness would be important. On the other hand, Hai Dilao Hotpot restaurant should be encouraged to accept the supervision from public and customers, listen to the advices from customers and make related adjustment accordingly and timely, and trying to be a positive example in Chinese catering industry.

Secondly, according to the research result, it can be seen that the taste of food is not the most important factor which affects customers to choose Hai Dilao Hotpot restaurant. But, only the high quality services cannot attract and retain customers for long term. Hai Dilao Catering Company should increase the investments to enhance the taste of dishes and also improve varieties of food. The result of research reflects that most of the customers prefer order meat and sea food. Based on this data, Hai Dilao Catering Company can launch more varieties of meat and sea food on menu. More available choices are able to attract more customers to try new flavors in Hai Dilao Hotpot restaurant. On the other hand, the result shows that the fewer middle-age customers choose Hai Dilao restaurant, because in China most of middle-age customers have less interest in spicy taste of food. This situation suggests Hai Dilao Catering Company to bring more different Hotpot with broth base soup and more cooked wheaten food to increase the number of middle-age customers and market share.

Thirdly, take-away services gain satisfaction from most of the customers. However, Hai Dilao Hotpot restaurant only provides take-away services in special cities, and a limited
number of customers can enjoy this service. The research results display that most of feedbacks from customers are positive. It provides customer support and motives for Hai Dilao Catering Company to expend the coverage area of take-away services and make more customers enjoy eating delicious Hai Dilao Hotpot at home or anywhere.

Fourthly, Hai Dilao Hotpot restaurant’s main customers are office employees and self-employed businessmen. Their similar characteristics of the work bring good opportunities for Hai Dilao Catering Company increase co-operation with some companies and offer a set menu and separate rooms for business meeting dinners, different kind of company dinners etc.

Then, the result of research reflects that the restaurant atmosphere needs to be improved and customers prefer quieter environment to enjoy the dishes to satisfy this kind of requirement, Hai Dilao Hotpot restaurant could build more compartments or separate rooms in new Hai Dilao Hotpot restaurants and separate some tables by boards to decrease the influence of noise for customers.

Sixthly, it can be found after analysing the research results that large number of customers knows about Hai Dilao Hotpot restaurant through other’s recommendation. In order to deal with the pressures form competitive environment in Chinese catering industry, Hai Dilao Catering Company should apply for more promotion tools to enlarge their popularity and create good brand image. For example, Hai Dilao Catering Company can utilize the Internet (network) marketing to advertise their brand better. Nowadays, Internet marketing is popular with customers in China, especially Micro blogging marketing. Most of micro blogs users are young people whose age is between 20 and 39, and they also belong to the main customer groups of Hai Dilao Hotpot restaurant. Therefore, Hai Dilao Catering Company can create official account on the most popular and visited micro blog site such as SinaWeibo (Chinese twitter) to putting some advertising or discount information on popular online social platform and using network promotion to attract interest of young potential customers to visit nearest Hai Dilao Hotpot restaurant. Then, perfecting official website construction and developing Hai Dilao mobile app are also necessary, an elegant webpage, detailed introduction of different kind of dishes with pictures and latest information about new product or special offer for customers can increase their website and mobile app traffic, and get more people to hit likes. In addition, Hai Dilao Catering Company should extend the scope of online services. These include that customers are able to make reservation online, check the menu, order dishes by computer or mobile phone and pay online, and contact
online customer services timely and present related problems or leave feedbacks and suggestions.

On the other hand, Hai Dilao Catering Company can organize a loyalty program for customers and offer more discount activities for regular customers, such as a point card (have a meal in Hai Dilao Hotpot restaurant for 5 times and enjoy 15% discount or get special dishes for free), a VIP card (if the customer spend more than 500 RMB for visit, they will get a VIP card and enjoy 15% discount permanently).

Based on the data of the research, students occupy a certain proportion in customer groups. Because most of the students don’t have stable income, price level will influence their frequency of consumption, and the student discounts for students are available as a promotional activity for Hai Dilao Hotpot restaurant.

Finally, Hai Dilao Catering Company can organize and attend related catering festivals or activities to develop the company and brand image, increase sales and collaborate parties. Moreover, attending charity events with charitable organization or government is also an effective way to raise brand image in customer’s mind.
Along with the reform and openness to the world and rapid economic development in China, people's living standard and income level has improved, and the concept of consumption also has undergone great change. More and more Chinese are not only considering eating outside as a matter of living but it is also a means of entertainment or a way to meet families or friends. Increasing number of potential customer and encourages and supports form the Chinese government provide huge potentials for development of Sichuan Hai Dilao Catering Company. However, because of the comprehensive entrance of foreign catering brand and growing appearance of local Chinese catering company, the competition of Chinese catering industry becomes increasingly fierce. Therefore, the marketing suggestion for Sichuan Hai Dilao catering company’s future development is significant and required. In thesis report, the main objective is to analyze Sichuan Hai Dilao Catering Company marketing situation and gives some marketing suggestions for company according to the feedback from customers.

The thesis report has six parts, the first part is basic introduction about brand and main products of Hai Dilao Catering Company. The second part is aiming at describe the marketing environment, and make PEST and SWOT analysis of Sichuan Hai Dilao Catering Company. The next part consists of theoretic part of marketing strategy and marketing mix. And analyze the marketing mix of Sichuan Hai Dilao Catering Company by search some information on books, news reports and research. The fourth part is research part, the research method is quantitative questionnaire survey and design for customers of Hai Dilao Hotpot restaurant. There total have 367 participants attend questionnaire survey. The research result analysis also included in part four. And the, in part six, the suggestion based on the research result for Sichuan Hai Dilao Catering Company represent on part six, such as some change on product, promotional activities. The final part is about conclusion of whole thesis report. The thesis report is completed under the patient guidance of author’s thesis superior, then, it will be send to Sichuan Hai Dilao Catering Company and look forward to the company’s feedback.

The author spent about three months to finish this thesis report and learned much and gained valuable experience form the entire report writing process. During this period, the author met some difficulties, such as the information about case company is incomplete, research problems about distribute the questionnaire paper in Hai Dilao Hotpot restaurants and health problems, etc. Even when difficult things happened, the author
worked toward finding solutions and stuck to the thesis report until it is finished. Through this thesis report, the author increase more professional knowledge in marketing field, improve the competence in solving problems and putting forward marketing suggestions for company’s future development.

Finally, I would like to offer my sincere thanks to all those people who helped me to finish the thesis report.
REFERENCES

Published sources:

Anne Gregory 2000
Planning and Managing Public Relation Campaigns, Second Edition
Kogan Page Limited, London, United Kingdom

Fullen Sharon L. 2006
How to Write a Great Business Plan for Your Small Business in 60 Minutes
Or Less
Atlantic Publishing Company, the United States

Kotler Philip 1999
Marketing Management, the millennium Edition
Prentice Hall, New Jersey

Kotler Philip and Armstrong Gary 2012
Principles of Marketing, Fourteenth Edition
Person Education Limited, England

Lahtinen Jukka and Isoviita Antti 1994
Customer Relationship Marketing, First Edition
Avaintulos Oy, Tampere, Finland

Adrian Palmer and Bob Hartley 2009
The Business Environment, Seventh Edition
McGraw Hill Higher Education, United Kingdom

Lan Worthington and Chris Britton 2006
The Business Environment, sixth Edition
Prentice Hall, New Jersey
Internet resources:

AED 2014
Available from:
http://www.aed.in/blog/what-is-asaptive-marketing-and-should-you-strate-%20asapting
Retrieved 04.07.2014

Anquan 2012
Available from:
http://www.051jk.com/shipin/show/58261.html
Retrieved 16.08.2012

Caiyin 2014
Available from:
http://info.canyin.hc360.com/2015/02/111647193633.shtml
Retrieved 11.02.2015

Chihe 2014
Available from:
http://chihe.sohu.com/20091130/n268563430.shtml
Retrieved 10.02.2015

Chinese catering industry annual analysis report 2014
Available from:
http://www.ce.cn/cysc/sp/info/201502/10/t20150210_4555381.shtml
Retrieved 05.02.2015

Feng 2014
Available from:
http://www.doc88.com/p-804993964432.html
Retrieved 14.01.2015

Hai Dilao official website 2014
Available from:
http://www.haidilao.com/
Retrieved 25.01.2015
Liu 2014
Available from:
http://www.cqvip.com/qk/81811X/200508/16182987.html
Retrieved 16.04.2015

Mso 2014
Available from:
http://www.marketing-schools.org/types-of-marketing/defensive-marketing.html
Retrieved 15.04.2015

SeriousEats 2015
Available from:
Retrieved 12.02.2015

Wang 2014
Available from:
http://news.163.com/14/1121/02/ABHT2Q8P00014Q4P.html
Retrieved 30.01.2015

WiseGeek 2014
Available from:
http://www.wisegeek.org/what-are-indirect-competitors.htm
Retrieved 24.03.2015
Dear customer,

I am a student who is studying at Savonia University of Applied Sciences, Finland, in International Bussiness degree program. I am making a research on marketing analysis of Sichuan Hai Dilao catering company as my thesis research. The purpose of the questionnaire is to collect and analyse the feedback from customers, and make marketing suggestions about improve customer satisfaction for Hai Dilao catering company.

Thank you very much for your invaluable time to finish these questions, please answer the following questions based on your experiences, wishes and attitudes. Your answers and suggestions will help Hai Dilao Hotpot Restaurant to improve the quality of their services. The survey will take your from 5 to 10 minutes to complete and participants will remain anonymous.

1. What is your age group?
   - Under 21
   - 21 - 30
   - 31 - 40
   - 41 - 50
   - Over 50

2. What is your gender?
   - Male
   - Female

3. What is your current occupation?
   - Student
   - Worker
   - Office employee
   - Self-employed businessman
   - Other, what?

4. How much is your monthly income?
   - Under 1000 RMB
   - 1000 - 2000 RMB
   - 2001 - 3000 RMB
   - 3001 - 4000 RMB
   - 4001 - 5000 RMB
   - Over 5000 RMB

5. What is the first Hotpot restaurant that comes to your mind when you want the eat Hotpot?
6. How frequently do you visit Hai Dilao restaurant in a month?
   - 1 - 2 times
   - 3 - 5 times
   - More than 5 times

7. How much do you spend on the average during one visit?
   - Under 100 RMB
   - 100 - 200 RMB
   - 201 - 300 RMB
   - 301 - 400 RMB
   - More than 400 RMB

8. What do you think about the price level of Hai Dilao?
   - Very expensive
   - Expensive
   - Average
   - Cheap

9. How did you learn to know Hai Dilao Hotpot restaurant? (multiple choice)
   - Recommendation from others
   - TV
   - Internet
   - Billboard
   - Leaflets
   - Other, what?

10. What made you choose Hai Dilao restaurant? (multiple choice)
    - Price
    - Taste of food
    - Goode environment and atmosphere
    - Good service
    - Location
    - Other, what?

11. Which kind of food you prefer to order?
    - Bean products
    - Meat
    - Vegetables
    - Sea food
    - Cooked wheaten food
    - Other, what?

12. Evaluate customer satisfaction to the environment of Hai Dilao restaurant.
<table>
<thead>
<tr>
<th>Satisfied</th>
<th>Average</th>
<th>Unsatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decoration</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Tables and chairs</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Restroom</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Waiting area</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Restaurant atmosphere</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Uniform of waiters</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

13. Evaluate customer satisfaction to food and dishes in Hai Dilao restaurant

<table>
<thead>
<tr>
<th>Food Item</th>
<th>Satisfied</th>
<th>Average</th>
<th>Unsatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshness of the food</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Taste of Hotpot soup base</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Taste of dipping sauce</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Desserts</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Drinks</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Fruits</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Special snacks</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

14. Evaluate customer satisfaction to services in Hai Dilao restaurant.

<table>
<thead>
<tr>
<th>Service Item</th>
<th>Satisfied</th>
<th>Average</th>
<th>Unsatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waiting-time before food arriving</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Communication capability of waiters</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Waiters’ attitudes to the customers</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Waiting area services</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Reception service</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Promotional activities</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Take-away service (optional)</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

15. Which services you prefer when you stay in seating waiting area?
- Chess games
- Play computers
- Nail care
- Eat snacks
- Read magazines
- Polish shoes
- Other, what?

16. What is your overall evaluation towards Hai Dilao restaurant?
Very good
☐ Good
☐ Average
☐ Bad
☐ Very Bad

17. In what areas do you think Hai Dilao restaurant needs more improvement?

☐ Discount activities
☐ Types of food and taste of food
☐ Service enthusiasm
☐ Location
☐ Other, what?

___________________________________________

Thank you for your co-operation!