

# *The Marketing Strategy in Times of Crisis*

Kailiang Chen<sup>1</sup>, Yilin Cheng<sup>2,a,\*</sup>, Jincheng Han<sup>3</sup>

<sup>1</sup> School of Foreign Languages and Literature, Wuhan University, Wuhan, 430072, China

<sup>2</sup> Department of business school, The University of York (United Kingdom), York, YO10 5NH, United Kingdom

<sup>3</sup> Xiaoshan Eighth High School, Hangzhou, 311241, China

a. 13821969007@163.com

\*corresponding author

**Abstract:** Throughout the article, we focus on the business situation of the catering industry before and after COVID-19, intending to investigate what strategies could use in the catering industry to survive. the essay aims to investigate strategies and solve the current problems we are facing, the restaurant industry can use to survive through these difficult times. In the literature review section, it is, therefore, necessary to summarise the solutions that have been developed for each industry through the marketing mix in the context of the epidemic. To get a clear explanation of how the restaurant industry has solved its problems, we took the example of Haidilao Hotpot and interviewed customers and employees in the industry, combining their answers and marketing mix to summarise the current solutions used by Haidilao Hotpot and recommend these solutions to other restaurant industries as a reference. And we recommend these solutions to other catering industries as a reference.

**Keywords:** catering industry, crisis management, marketing mix.

## 1. Introduction

This essay focuses on the restaurant industry in the range of COVID-19; the problem is turnover and patronage in many catering industries are on the decline due to COVID-19; they have experienced a decline in demand, many stores have to close, and many ingredients force to throw into rubbish bins. Therefore, this research aims to investigate what strategies could use in the catering industry to survive. However, the essay aims to examine processes and solve the current problems we are facing the restaurant industry can use to survive through these difficult times. We focus on product placement strategy for the marketing mix, and they change the business model, which is adapting the marketing mix. The material used in the literature review section already appears online, which is the solution to the Haidilao Hotpot that has been presented before and after COVID-19. This section aims to understand in depth the respondents' views on the Haidilao Hotpot and finally to analyze the findings of which areas need to be improved during the covid-19.

It's beyond doubt that the current restaurant industry suffered hugely from the Covid-19 pandemic. After the outbreak of Covid-19, people were inclined to stay indoors and were less frequently gathering around and dining in restaurants, this brought a destructive decrease in the catering industry. Report on the 2022 Covid-19 impact on the Chinese catering industry showed during the pandemic, 78% of the restaurants lost 100% or more income, 9% of the restaurants lost 90% or

more, 7% of the restaurant lost income between the percentage of 70 to 90, only 5% of the restaurant had their income declined 70% [1]. Such nadir brought an end to many restaurants. During the pandemic, 93% of enterprises chose to close their restaurants. Among them, 73% closed all their restaurants, and 8% closed 80% [1]. Such a challenge called for change, as [2] claims that the very nature of infectious disease tremendously impacts industries that are environmental-sensitive and people-gathering, the restaurant industry among one them. The Covid-19 pandemic has altered people's purchase behavior and forced enterprises to upgrade [2].

This paper focuses on how restaurants can adapt their marketing mix and change price, product, and promotion among the 4ps, to survive in such a crisis. We take Haidilao Hotpot, a famous hotpot restaurant in China that survived and managed to thrive in times of Covid, as an example. Through a qualitative study and interviews with customers and employees, we have insightful details regarding how Haidilao devised its methods, which could be applied to other restaurants that suffered in the pandemic as well, and how customers' opinions of them.

## 2. Literature Review

A review of the extant research on crisis management reveals that companies have two primary ways of dealing with a crisis: in advance by developing contingency plans, or after the problem, by adapting the marketing mix.

The purpose of a contingency plan is to help the organization respond effectively to emergency scenarios that may occur in the future or are already anticipated to occur, affecting the company. Contingency planning is also known as 'Plan B' because it can be used as an alternative to action in case the expected outcome is not achieved [3].

### 2.1. Contingency Plan

A contingency plan will help you deal with any contingency you haven't planned for. It's never a good thing to leave your business in a dangerous and confusing situation, so make sure you're prepared before the signs of change begin. In contingency planning, you need to estimate the probability of it happening; you need to know what you have to prepare for and what you may need to use, you need to evaluate when it will happen and how long it will take you to prepare. You need to know your response when it happens. Finally, you need to know how you will assign different characters in each scene and other people to make a plan and prepare in advance [4].

First, a prescient proactive plan and effective reactive measures to adapt the marketing mix are essential for the company to survive a crisis. Proactive planning provides a map for an organization to follow and a guide to illustrate what the organization can do to reach its goals [5]. Contingency planning serves as a planning technique to avoid surprises and circumvent panic, foresee events in the future, and contains preparation in advance to solve a problem that, if it occurs, will cast massive damage to the organization [5].

A contingency plan can have enormous benefits for companies. Still, except for proactive contingency plans made in advance of the crisis, nowadays, the Covid-19 pandemic addresses challenges on reactive measures such as marketing mix strategies according to customers' preferences. The severe consequence of the outbreak of Covid-19 changes the customers' buying behaviors and drives the company to alter how their businesses are conducted to cater to customers' new preferences. Applying effective and efficient marketing strategies is the key factor for companies in dealing with risks and challenges brought upon by the Covid-19 pandemic [6].

### 2.2. Marketing Mix Management

The second way a company could survive in times of crisis is through adapting the marketing mix,

namely, price, product, promotion, and place.

**Product.** Different product strategies have been discussed in past research. The most basic one should be abandoning weak products and being incapable of generating profit from the market [7]. Redesigning new product lines during an economic crisis is also mentioned by [8], to ensure the products the company produces satisfy the changing habits of customer purchasing behavior. [9] find that some food companies in Greece emphasized developing delicate and customized products and targeting international markets. Research shows that companies that invested in the Research and Development department during a recession were more likely to be successful than others [10].

**Price.** Price typically is the primary concern in purchase decisions during a crisis, for, at that time, income usually ebbs, and job security is dicey. Customers concern more about price and pay more attention to affordable goods. Thus, a company in recession shifts toward cheaper products. Based on the previous study, companies try to increase their sales by offering price discounts or maintaining the same prices as before but providing higher-quality products [7,10]. Further mention that some firms attempt to apply various pricing methods; for example, some companies implemented dynamic and discrete pricing strategies to benefit customers and intermediates.

**Place.** Concerning distribution strategy, [7] recommends that unprofitable channels and intermediaries should be ruled out and the most profitable channels, which have lower operating costs, should be found; also, the company should enhance the connection and association within the media to augment the firm's performance. For companies under the severe impact of a crisis locally, [11] also proposes an approach to enter international markets with more potential for profits.

**Promotion.** For promotion strategy, some studies favor cutting the advertising budget while some argue that maintaining or increasing the budget can raise sales and market share. Cutting the advertising budget during recessions is easy for the company to reduce its expenditure. [12] Also, during a crisis, customers' demand for products and services declines because they are unwilling to spend money; hence, the advertising budget should be cut because it cannot promote sales for the company. On the contrary, [13] states that maintaining or increasing the advertising budget boosts a firm's performance as advertisements keep their product shown in the market. Other researchers claim that if the advertising budget is reduced, it will weaken brand salience, further harm customer loyalty, and demote market share [14]. Moreover, [15] asserts that because advertising costs decrease during a crisis, the company can generate more exposure per dollar. Promoting product placement, for example, was pervasively applied during the pandemic. Data Collected by PQ Media showed that global product placement spending surged 12.3% to \$22.93 billion in 2021 [16]. The Aston Martin driven by Daniel Craig in the new 007 movies certainly allured every audience.

### 3. Methodology

According to the literature review above, the marketing mix and contingency plan are combined with the industry's current development, while we aim to find a strategy for the restaurant industry in the face of COVID-19. The methodology of this essay is through qualitative study in the form of interviews. We interviewed four customers and one manager who is currently working at Haidilao Hotpot in Wuhan. The reason we use Haidilao Hotpot as a case study is that even though they suffered huge losses at the beginning of the COVID-19 and most of their shops were closed, they were able to find a response in the shortest possible time because they were good at constantly working on a contingency plan to face the crisis and therefore minimize the chances of loss. They were chosen because two of their customers are Haidilao Hotpot lovers who visit the restaurant almost every week to try them in person. And the ages of the two customers were 22 and 24, and although they

often come to Haidilao Hotpot, during the interview, we learned that they prefer spicy and light flavors. However, the remaining two customers do not eat hotpot very often and are only interested when the shop runs promotions since their ages are 35 and 42; another reason is that there is no more time to eat out due to being constantly busy with work. However, they cannot be considered loyal customers of Haidilao Hotpot, but the information from the interviews with the different customers will help analyze the contents of the findings.

The same as employees, Two of these four employees have extensive work experience at Haidilao Hotpot. Although they needed guidance from our interviewer, they could give creative answers, which included more proprietary expressions. The remaining two are only temporary employees, and their solutions are for information purposes only compared to the previous two. The aim of the interview was to elicit as many new contingency ideas as possible.

We asked them questions regarding market mix: price, product, promotion, and place, to illustrate the merits of Haidilao's methods in coping with the Covid-19 pandemic. Some ways are helpful strategies for the restaurant industry to survive in times of pandemic. By interviewing different customers with different preferences, we gained different perspectives of opinions towards Haidilao's approaches. By interviewing a manager from the inside, we had a more rounded perception of how Haidilao devises its plan. Moreover, we could see the reasoning from an insider, who often had a focus different than regular customers.

## 4. Findings

Based on what we received from our interviewees about Haidilao Hotpot, we analyzed the favorable methods of price, product, and promotion which can be applied for other restaurants to succeed.

### 4.1. Contingency Planning

The contingency plan we introduced in our literature review can be used in conjunction with the Haidilao Hotpot case study to draw on two options. Firstly, the company can set aside a surplus of funds, in addition to COVID-19, to avoid other emergencies preventing it from maintaining the status quo. Secondly, the management skills are such that each department elects a more competent staff member as a supervisor so that in case of emergency, effective solutions can be discussed through departmental meetings.

### 4.2. Product

Haidilao hotpot introduced a self-heating mini hotpot designed to allow customers to eat hotpot in any condition and at a lower price than takeaway and dine-in. The mini hotpot lies in the range between instant noodles and proper meals; it can suffice for customers eager for a snack to fill their stomachs. Also, it was a venture towards a field Haidilao never foray upon. The introduction of self-heating mini hotpots marked that Haidilao began to produce products other than a meal served in the restaurant and snacks sold in stores.

The rest of the catering industry should focus on takeaway services, which have gradually become a trend. Developing products other than regular meals is also profitable for restaurants and opens up the catering industry market from another source. Moreover, the self-heating mini hotpot Haidilao introduced illuminates us that restaurants should focus on product innovation. Product innovation boosts restaurants' income by offering different and new products into the market when regular dine-in service is forbidden. The restaurant could introduce products like special sauce, secret ingredients, or semi-finished products and reach its customers by retailing to make a profit.

### 4.3. Price

In terms of price, Haidilao applied a rather contradicting method. It raised the price by around 6% in the early stage, and after receiving mass complaints on social media, it published a letter of apology and lowered the price to the usual. As customers we interviewed, 1 of them gave replies on Haidilao raising its price. "I noticed that eating in Haidilao was more expensive than before. It made me feel uncomfortable to order a bowl of rice that costs me 7 rmb", which is according to the claim by Nikbin, Iranmanesh, Ghobakhloo, and Foroughi (2021) that consumers were price-sensitive. The manager gave a response that "It's more like an expedient method for we desperate for money. I can't give you an exact number, but the funding chain was nearly broken, and we were struggling to pay our employees' salaries. We raised our price and reduced other expenses just to maintain our funding chain and avoid bankruptcy."

Price raising of Haidilao Hotpot was a resigned and dangerous method in times of crisis. Customers were angry about it and complained on social media. It hurt the reputation of the restaurant, and fewer customers visited Haidilao Hotpot as the price went up. It was a controversial move that Haidilao quickly withdrew the price-raising decision and resumed the normal price. However, some advantages drive Haidilao to apply it. First, raising the price is the easiest way to adjust the funding chain, which is vulnerable during the crisis, in a relatively short period. Second, the competitors of Haidilao Hotpot were not reopened at the time Haidilao was reopened. Most of them went bankrupt, leaving Haidilao among the few options available for hotpot then and allowing Haidilao to raise the price to probe public reaction. Third, after receiving complaints in social media, the quick response of apology and resuming price to normal left an image of a restaurant that is willing to flatter consumers.

The abnormal raising price strategy calls for a closer evaluation when imitated by other restaurants. It should be worth noting that Haidilao had gained a rather tolerant group of customers through previous devotion and warm service towards consumers. The fact that few restaurants reopened when Haidilao resumed dine-in service also attributed to the bold move. We do notice that customers filed massive complaints on social media, questioning and railing about why Haidilao would raise its price, which put the company on the spike. The quick and effective reaction of apology and lowering the cost showed the potent force of the public relation department in Haidilao, which quenched the anger and placated consumers. Other restaurants tend to mimic the method and should have a more rounded analysis regarding the image of the restaurant, the loyalty of consumers, and the consequence of such price raises, lest the method backfires on its own.

### 4.4. Place

Haidilao resumed takeaway services as soon as possible when dine-in was forbidden in times of quarantine. With advertisements promoting "contactless delivery", "received with ease", and "cheap but durable pot and stove included", quote to the manager we interviewed, Haidilao takeaway immediately attracted consumers. One of the customers we interviewed claimed, "It was a fantastic experience; we had quite a feast with fresh ingredients. (Services, Experience) With coupons, it was relatively cheap as well". Moreover, rather than collaborating with an existing delivery company like Meituan, Haidilao introduced its delivery channel to make sure customers could enjoy the best service. The delivery fee was slightly higher than existing delivery companies, but the service was noticeably better. Delivery by Haidilao tends to be "quicker and more punctual, the food was still hot when delivered, and meals were covered well", as expressed by one of the interviewees. The manager explained to us that they "want the customers who order take-out would feel like they were eating in the restaurant, with all the sauces and pastes provided and food carefully packaged".

Takeaway services, as a novel and stylish way of distribution, should be applied by every restau-



rant. Customers' purchase habit for a meal has changed by the pandemic. During the pandemic, restaurants were closed, and people had to stay indoors and maintain social distancing. Customers tend to order takeaways more frequently for it's convenient, and they don't need to make contact with others. And even after dine-in services are available, customers still order takeaway instead of visiting restaurants. Hence, takeaway services play an essential role in times of pandemic. Many small and medium-sized restaurants that cannot introduce their own delivery channel can cooperate with the delivery company to sell their products through the Internet to promote their products. If capable, restaurants can also develop platforms or their delivery channel independently, like Haidilao, and use specially assigned delivery to enable customers to eat better, faster, and at ease, to expand their profit channels.

#### **4.5. Promotion**

Social media plays a significant role in the interaction between Haidilao and its customers. Currently, Haidilao has 390,000 followers on Weibo, the most wildly used social platform in China. Haidilao uses this channel to post draw prize event, introduces new meals and products, and initiate proposals. In times of pandemic, Haidilao Hotpot posted a working report each week to demonstrate the effort they made in the hard times. Haidilao posted the news that it donated more than 16 tons of vegetables, and medical instruments worth of 100 million dollars to help fight the pandemic, manifested the benevolence of the company, and formed a strong bond between customers and the company. In response of the massive complaint received for the price raise that we mentioned above, Haidilao posted an apology on social media immediately and resumed the price to normal. In this quick and effective response, Haidilao showed the attentiveness towards its customers and willingness to change in favor of them.

Other restaurants in the industry could mimic Haidilao's close interactions with its customers, especially in times of hardness, to form an intimate bond with their customers. By posting working reports and news of their social contribution, people would have a positive image of the restaurant. Keeping conspicuous on social media also means intensive exposure in the public, which can attract more customers.

#### **5. Implication**

The Haidilao Hotpot provides a paradigm of how a restaurant should do in times of Covid. First, the restaurant should focus on product innovation as well. Like Haidilao introduced a self-heating mini hotpot, restaurants need to provide more novel products into the market to attract customers and make a profit. Second, it is essential to keep the funding chain running. By lowering the price of the product to gain more consumers or raising the price to generate income, restaurants could maintain a steady funding chain and keep it running. However, lowering or raising the price requires a thorough analysis and inspection of the restaurant and its background. Third, providing a takeaway service is essential. When dine-in was shut down due to the policy, takeaway service was the primary income source of a restaurant. If capable, the restaurant should establish its delivery channel, as a company like Haidilao did, to ensure the quality of takeaway service and maximize its profit. Fourth, regarding promotion strategy, Haidilao utilizes social media to attract people and connect. The popular image of Haidilao in social media draws an increasing number of customers to visit the restaurant. Other restaurants should use social media to form a strong bond with their customers as well.

#### **6. Conclusion**

To conclude, this essay aims to address the issue of the catering industry's financial chain and the

number of customers. To address this issue, the literature review was conducted to analyze the marketing mix 4ps and a series of examples to demonstrate how other industries are facing COVID-19. In the above Haidilao Hotpot case study, we used an interview to understand the current situation of customers and employees. We then used the marketing mix and combined their strengths to identify good development channels for the catering industry, such as takeaway platforms, product reductions, and coupon distribution. Although these methods were available before COVID-19, the catering industry, in particular, is paying more attention to the importance of takeaway platforms in the face of COVID-19 and is trying to give them as many activities as possible that are beneficial to their customers. This is why at Haidilao Hotpot, we have found a way for other outlets to learn from, and it shows that they have made the right choice after COVID-19.

These are our thoughts on the food and catering industry trends before and after COVID-19, and we believe that the current trends will allow us to develop innovative sales solutions and find more breakthroughs during these special times.

## Acknowledgment

Yilin CHENG, Kailiang CHEN and Jincheng HAN contributed equally to this work and should be considered co-first authors

## References

- [1] Chinese Cuisine Association. 2022. *Report of 2020 Covid-19 pandemic impact on Chines catering industry*. [online] Available at: <<http://www.ccas.com.cn/site/content/204393.html>> [Accessed 12 October 2022].
- [2] Li Zhimeng and Sheng Fangfu, 2020. *Impact and response of Covid-19 on Chinese industries and consume*. *Jiangxi Social Science*, 40(3), pp.5-15.
- [3] Wang J., Qi H., Bao L., Li F and Shi Y., 2020. *The contingency plan for management of the 2019 novel coronavirus outbreak in neonatal intensive care units*. Available at: [https://www.thelancet.com/journals/lanchi/article/PIIS2352-4642\(20\)30040-7/fulltext](https://www.thelancet.com/journals/lanchi/article/PIIS2352-4642(20)30040-7/fulltext)
- [4] Zsidisin G., Panelli A and Upton R. *Purchasing organisation involvement in risk assessments, contingency plans, and risk management: an exploratory study*. Available at: <https://www.emerald.com/insight/content/doi/10.1108/13598540010347307/full/html>
- [5] Bloom, M. and Menefee, M., 1994. *Scenario Planning and Contingency Planning*. *Public Productivity & Management Review*, 17(3), p.223.
- [6] Nikbin, D., Iranmanesh, M., Ghobakhloo, M. and Foroughi, B., 2021. *Marketing mix strategies during and after COVID-19 pandemic and recession: a systematic review*. *Asia-Pacific Journal of Business Administration*,.
- [7] Ang, S., 2001. *Crisis marketing: a comparison across economic scenarios*. *International Business Review*, 10(3), pp.263-284.
- [8] Tsafarakis, S., 2015. *Redesigning product lines in a period of economic crisis: a hybrid simulated annealing algorithm with crossover*. *Annals of Operations Research*, 247(2), pp.617-633.
- [9] Morbey, G. and Dugal, S., 1992. *Corporate R&D Spending During a Recession*. *Research-Technology Management*, 35(4), pp.42-46.
- [10] Notta, O. and Vlachvei, A., 2015. *Changes in Marketing Strategies during Recession*. *Procedia Economics and Finance*, 24, pp.485-490.
- [11] Hassler, M., 2003. *Crisis, coincidences and strategic market behaviour: the internationalization of Indonesian clothing brand-owners*. *Area*, 35(3), pp.241-250.
- [12] O'Malley, L., Story, V. and O'Sullivan, V., 2011. *Marketing in a recession: retrench or invest?*. *Journal of Strategic Marketing*, 19(3), pp.285-310.
- [13] Srinivasan, R., Rangaswamy, A. and Lilien, G., 2005. *Turning adversity into advantage: Does proactive marketing during a recession pay off?*. *International Journal of Research in Marketing*, 22(2), pp.109-125.
- [14] Doyle, P., 2000. *Value-based marketing*. *Journal of Strategic Marketing*, 8(4), pp.299-311.
- [15] Bromiley, P., Navarro, P. and Sottile, P., 2008. *Strategic business cycle management and organizational performance: a great unexplored research stream*. *Strategic Organization*, 6(2), pp.207-219.
- [16] Quinn, P., 2022. *Global Product Placement Spend Surged 12.3% in 2021, After Worst Decline in Pandemic-Struck 2020; Spend to Grow at Faster 14.3% in 2022, Fueled By Digital, TV, Music*. [online] PRWeb. Available at: <<https://www.prweb.com/releases/2022/8/prweb18838348.htm>> [Accessed 7 October 2022].

## Appendix

### Questionnaire

#### Customers

1. How did covid-19 change your life, what did you do differently because of pandemic?

A1: Change of shopping mode: online shopping accelerates to replace offline shopping

Although many people have accepted the online shopping model, after this pandemic, online shopping will further gobble up the space for offline shopping. On the one hand, the covid-19 pandemic makes it very inconvenient for people to go out. Many factors, such as wearing masks, place codes, measuring body temperature, and insufficient goods in physical stores, inhibit people's intention to go out; On the other hand, with the emergence of Meituan Preferred platforms, many people will gradually get used to online shopping.

Accelerated substitution of online education for offline education

During the pandemic period, many people were used to studying at home, corresponding to the rise of many online institutions.

During the pandemic, we actively cooperated with the government's call to go out less, take good precautions, exercise and have a clear plan for our career in our spare time.

A2: Due to Covid-19, there was a quarantine policy in my home town, so I was unable to go home and see my family during my short holiday. My family and I will often video call.

A3: I had to study at home during the time when the epidemic was severe. The epidemic has added to the financial burden of my family.

A4: I had more takeaway, and mostly importantly, I had to wear facial masks everywhere I go, even to pickup my takeaway, it's pretty annoying. Also taking nucleic acid test as well.

Before the Covid, there were many offline stores and I didn't shop online often. Dresses, for example, I believe it's better to buy them in store for I can try them on and decide to them or not.

2. Do you notice how Haidilao reacted during the pandemic, do you think that Haidilao dealt well with covid-19 successfully or not, and why is that?

A1: I think Haidilao successfully responded to the new pneumonia. Before the pandemic: establish a risk early warning mechanism

As early as the beginning of January 2020, Haidilao issued documents to stores across the country several times, reminding that due to the occurrence of pneumonia of unknown cause in Wuhan, people should avoid going out to crowd gathering places, requiring all employees of stores to learn and start to pay continuous attention to the news of pneumonia of unknown cause and the physical condition of store employees, so as to carry out necessary risk early warning, prevention and control.

Pandemic situation is coming: changing mentality is the key

In 2018, Haidilao was listed. Two years later, the pandemic broke out, and Haidilao, which had raised 2 billion yuan of capital for listing, was very wealthy. In the first month of the pandemic, Haidilao let employees rest in the dormitory and arrange sports and fitness every day. At that time, the management of Haidilao, like almost all the catering staff, did not realize the severity of the pandemic, and the expansion plan and store expansion plan were still on the table without modification.

It was not until a few months later that the pandemic was not over that the management of Haidilao realized the seriousness of the problem.

In meetings after meetings, once the problem to be solved encounters an "pandemic", it seems difficult to discuss it further. As a result, Haidilao gradually realized that in the face of the pandemic, what really needs to be solved is not the problem of the situation, but the problem of mentality. How the team views the pandemic determines how it will go through the pandemic.



During the pandemic: expanding online business channels

Although the offline operation of the catering industry was affected during the pandemic, many catering enterprises' online businesses, such as takeout and delivery, continued to develop, and even further improved and improved the quality of delivery and delivery services to strengthen consumer recognition and implement "self-help". Therefore, for more small and medium-sized enterprises, online business is required to ensure their own operation and seek new profit points with online business on the premise that products and employees are guaranteed.

With the popularization of Internet technology and mobile terminals, catering enterprises can actively choose online booking platforms such as related platforms to obtain customer flow and achieve sustainable profits during the epidemic. At the same time, catering enterprises can also independently develop online trading platforms according to their own actual conditions and the characteristics of customer groups, such as building exclusive brand programs or user groups, and then arrange personnel for distribution.

A2: I am not aware of Haidilao's response strategy during the Covid-19, but gathering in-store does increase the risk of contracting.

A3: I don't think it is possible to judge the success of Haidilao's initiatives during the pandemic. In the context of the pandemic and China's epidemic prevention policy, most companies are under severe economic pressure. Haidilao's aggressive initiatives can only have the effect of alleviating the pressure. It also faced a reduction in restaurant, a reduction in staff and a decline in revenue.

A4: I hadn't noticed that much. I believe they give you a small plastic bag to put you masks in just in case it's missed or spilled by soup. Also they will give you hand sanitizer and towel before you eat. Also, I noticed that eating in Haidilao was more expansive than before. It made me feel uncomfortable to order a bowl of rice that costs me 7 rmb.

3. What do you think are the benefits or drawbacks of Haidilao's takeaway hotpot compared to dine-in?

A1: Advantages: save waiting time

Convenient and fast

Disadvantages: You can't enjoy warm services. For example, when you eat, you always pay attention to your movements. Help you to eat shrimp and make various online red ingredients. You can't enjoy the rich small material table

A2: The advantages are that it is convenient and you can have hotpot without leaving home, which is ideal for gathering with friends at home. The disadvantage is that the ingredients take some time to be delivered and customers do not get the same fresh ingredients as dine-in.

A3: In an pandemic environment, Haidilao's takeaway format is undoubtedly safer. But I personally think that's the only advantage has. For consumers, Hai Dilao has always been famous for its quality of service and restaurant atmosphere. This is why Hai Di Lao has a very high turn-over rate. The takeaway makes it an advantage that is not reflected.

A4: Takeaway is safer for you don't have to go out and meet bunch of people, the bad side though is you have to cook it yourself.

4. How about the new instant mini hotpot introduced by Haidilao, do you like it?

A1: I like it. The package is simple, easy to carry, and tastes good. The material package is rich in content, and the ingredients are fresh and delicious. There is no need to worry about the problems of meat ingredients. The processing method is simple and the finished product effect is very satisfactory.

A2: Yes, I like it. Because it's so easy and only requires cold water to make

A3: I think the advantage of this is that it is more hygienic and convenient. But I personally don't like the instant small hotpot. Because I usually like to gather around a lot of people for hotpot. I don't choose to go alone to eat hot pot.

A4: I believe it's somewhat like instant noodles, but with more ingredients. You cannot replace a decent meal with it but it will certainly fill your belly.

5. Have you tried to order takeaway from Haidilao, what your opinion of it?

A1: Felt the service was very good. Once I even stood by and helped you with the whole process. But after all, it's embarrassing to be a stranger. I usually ask him to leave when he is ready.

A2: I have not tried

A3: I have not ordered any takeaway from Haidilao.

A4: Yeah, I have tried, I remembered we ordered a lot that day, the delivery was quicker and more punctual than other takeaway, the food was still hot when delivered and meals were covered well. It was a fantastic experience, we had quite a feast with fresh ingredients. With coupons, it was relatively cheap as well.

6. Do you think Haidilao hotpot could offer takeaway platform? Please give the reasons? Do you think it is a good idea that Haidilao offers takeaway services or not and why

A1: I think Haidilao Hotpot can provide a takeout platform. Because many people want to eat hot pot at home, but many stores think that takeout will lose its original taste and cannot be delivered, so that people can taste the same taste at home. Yes, the difference between Haidilao and other takeaways is that Haidilao pays attention to service. The takeout food is not only as fresh as that in the store, but also gives tablecloths, fruits, chewing gum, string and other items as gifts, which can be accepted by more expensive consumers.

A2: I think they can offer takeaways, just make sure the boxes are of good enough quality that no food is spilled in delivering.

A3: I think it is a good idea for Haidilao to offer takeaway in the current pandemic situation. It can help reduce his financial pressure. And due to the pandemic prevention policy, some restaurants are closed. If customers want hotpot, they will always need an outlet to satisfy them. Takeaway is a good way to do this. But it's not a long-term plan. When the pandemic recovers, it will still be necessary to reopen shops to attract customers.

A4: I believe it's a good idea. It expands Haidilao's service, and meets some consumers' demand. There are certainly some people who want to have Hotpot in home. It's also an adaptation in times of pandemic, many people think it's safer to eat in home.

### ***Employee***

1. How have thing changed in Haidilao Hotpot because of pandemic, do you thing that these changes were appropriate?

A1: I think in the early stage, we didn't do it well, because the Covid happened without any signs. We were caught off guard. We followed the instructions of government and obeyed every regulation in times of quarantine. There were huge deficits in our restaurants and we were forced to dismiss some employees, which is the most reluctant thing to do in the pandemic. However, after restaurants were allowed to reopen, we gradually gain consumers. Also, we resumed takeaway services to allow our customers to have Haidilao in their home. It's one of the major strategies in the Covid. We deliver takeaway by our own people to make sure the quality of delivery. The takeaway services were contactless deliveries and should be received with ease, no soup or oil should be spilled. Cheap but durable pot and stove are also included in our takeaway to fulfill the need of eating hotpot in home.

2. Did Haidilao Hotpot change the meal served since the pandemic?

A1: All the meals we served in Haidilao since the pandemic followed the same criterion as before, fresh and high quality. Haidilao rejects any ingredients that is not fresh or out of date.

3. Did Haidilao Hotpot change price of the meal? Any promotion or discount?

A1: The Price of the meal was raised for a bit by the instruction of headquarters in February 2020. It's more like an expedient method for we really desperate for money. I can't give you exact num-

ber, but the funding chain was nearly broken and we were struggle to pay our employees' salary. We raised our price and reduce other expenses just in order to maintain our funding chain and avoid bankruptcy. The number of consumers were dropping and we heard more people complain about the price. However, the price resumed to normal days after. The dropping of price brought an increase of consumers at that time, which definitely helps the restaurant.

4. Did you communicate with customer differently after the pandemic?

A1: Of course. In Haidilao, the service is among the number one priority. We want our consumers to feel as happy as they can, to do this, we need to provide top quality meal and service. We focus on detailed things like hand sanitizer and towels to help customers clean their hands conveniently. If our consumers celebrate his or her birthday in our restaurant, our waiter and waitress will sing birthday songs and put a crown to our consumer. Moreover, the waiting queue was too long, you can relax yourself while getting your nails done, that's right, we have dresser to paint consumers' nail if they want to. All of those have only one purpose, that is keep our consumers entertained while in Haidilao Hotpot.