WeChat Marketing of Catering Industry from Consumers’ Perspective
—Taking “HaiDiLao” and “Little Sheep” as Examples

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Abstract
With the development of science and technology, more and more social softwares emerge. In this context, new marketing ways also emerge in an endless stream. WeChat marketing is a new marketing mode following the micro-blog which also relies on social network, and it has been widely applied to all trades and professions. Being Chinese traditional enterprises, the catering industry is also facing with increasing competition. Thus, considered as an important means to cope with the international competition, WeChat marketing is essential for the catering industry marketing. On one hand, catering enterprises demonstrate delicacies. On the other hand, they listen to the voice of, and try to meet the demand of consumers by WeChat, and then take action timely according to the changes of the market, by adjusting enterprise marketing modes and launching new products. This paper takes HaiDiLao and Little Sheep, two well-known catering enterprises in China, as empirical examples, and briefly analyzes their WeChat marketing of how to operate in the catering industry from the consumer’s point of view. Meanwhile, by comparing and analyzing the WeChat marketing of HaiDiLao and Little Sheep, the advantages and disadvantages of each enterprise were summarized respectively. Consequently, recommendations for their development and improvement were put forth.

Keywords
WeChat Marketing, Catering Enterprises, HaiDiLao, Little Sheep

1. Introduction
Catering industry is a traditional and enduring platinum industry in China, as well as in the world [1]. But in an era of intense competition, a lot of catering enterprises in the market are just a flash in the pan. One of the failure
reasons is the inappropriate operation and management, while whether the marketing work in place is another important factor that should not be ignored [2]. In the rapid upgrading society, marketing mode is constantly changing. Enterprises, which want to adapt to the society, must keep up with the trend of time. Therefore, using new marketing mode is an important means for catering enterprises to improve their competitiveness.

2. Overview of WeChat Marketing

2.1. The Definition of WeChat Marketing

WeChat is a multimedia information communication software launched by Tencent company with the core function being the free mobile application in January 2011. It has been developing fastly since then [3]. Up to November 2015, the number of registered users had reached 900 million, which leads to WeChat being the largest user base of mobile instant messaging software in Asia. WeChat is a kind of communication software that available in various communication operators and operating system platforms. It can send voice messages, videos, images and texts quickly, and it allows multiple people to communicate with each other at the same time [4]. China, as the country that leads to the invention of WeChat, owns the most users, and it has a bright prospect of market. The booming market of WeChat also produces a new marketing mode—WeChat marketing [5].

WeChat marketing, a way of network marketing accompanied by WeChat, is an innovated mode of enterprise marketing in the network economy era. We use WeChat to promote our products and conduct lots of marketing activities. There is no distance limit for WeChat, so that any user that has registered in WeChat can form a connection with any other registered “friend”. Users subscribe to the information they need, while businesses provide with certain information to meet the needs and promote their products [6]. Hence, WeChat marketing is defined as a modern marketing mode that promotes enterprise products and brands to users via WeChat platform.

2.2. The Advantages and Disadvantages of WeChat Marketing

WeChat marketing has the following advantages:

1) The one-to-one interactive way of WeChat can accurately and timely deliver information, which helps to form friendship easily. Based on such advantage and with the aid of WeChat platform to carry out customer service marketing, WeChat marketing has become another emerging marketing channel after micro-blog.

2) The depth of spreading and interaction of WeChat is greater than micro-blog, though being a natural characteristic of having an alarming breadth and rate of spreading, micro-blog is more suitable for brand communication.

3) “Qr code” scanning. WeChat has targeted users, which means that WeChat marketing owns the regional marketing function that other network marketing models do not have [7].

However, WeChat marketing also has some disadvantages. For example, due to the strong relation network, once WeChat forcibly pushes various kinds of advertising information, in despite of users’ experience, that isn’t attractive to users, it may arouse users’ antipathy. On the purpose of using WeChat rationally and efficiently, a vital way is to let the merchants and customers return to the most sincere communication, which is regarded as the true meaning of WeChat marketing.

2.3. The Pattern of WeChat Marketing

The modes of WeChat marketing should be firstly recognized in order to understand how enterprises use WeChat marketing.

2.3.1. Mode 1: Location Signature—Grassroots Type Advertisement, Attracting the Users Around [8]

WeChat users can change their signature line at any time, which is convenient for enterprises to own a free mobile advertising. WeChat users near the enterprise can find the location of the enterprise through the “view nearby”, the location-based function plugin. And if WeChat expands the scope of the nearby people and launches the map shows, LBS marker placed at the top, and then uses the time bidding model, this mode will be a model of LBS marketing [9].

2.3.2. Mode 2: O2O Mode

The concept of O2O was originated in the United States, and now it is generalized all over the world. As long as the industry chain involves online and offline, it can be called O2O. O2O mode of WeChat marketing is mainly
realized through qr code. Users only need to scan the qr code of merchants with their mobile phones, and then they can enjoy a member discount and service provided by the merchants. For instance, consumers can choose a restaurant, book a ticket, or even pay the bill by WeChat [10].

2.3.3. Mode 3: Drifting Bottle Mode
Drifting bottle is a form of simply interaction with strangers. By “throwing a bottle”, users can post speech or text into the sea so that other users can pickup. Through “picking up a bottle”, users will obtain information from others. This mode is a kind of brand activities, which is conducive to improve brand awareness.

2.3.4. Mode 4: F2F Mode
F2F, i.e. face-to-face marketing, works by communicating with targeted audience face to face to get to know the needs of customers, and then provides customers with personalized marketing services. F2F marketing focuses on one-to-one communication. The start of WeChat precisely originates in the one-to-one communication tool between acquaintances. The appearance of WeChat public member is built on that WeChat can give person a trust environment, which makes WeChat platform owns a broad prospect of development. Users that followed WeChat public account focus on enterprise platform show their interest in the enterprise brand or products, which also indicates that they are the consumers or potential consumers of the enterprises. Enterprise sends product information to the users in real time through WeChat public platform, at the same time enterprise can directly control and manage the users’ information, as well as obtaining users’ ideas and demands.

2.3.5. Mode 5: Open Platform + Circle of Friends Mode
WeChat allows merchants to add their applications and promote products one by one on the open platform, expanding their products awareness. The sharing function of Circle of Friends, in terms of communication, is a way of interpersonal communication, which provides users with chances to share their emotions, in which there may be merchants advertising information. This is a kind of social sharing type, which realizes the word of mouth marketing.

3. The WeChat Marketing of HaiDiLao

3.1. Introduction
Sichuan HaiDiLao catering Co. Ltd. is a large span food private enterprise that gives priority to Sichuan-style hotpot and merges different characteristic hotpot into an organic whole. HaiDiLao set up the first store in Jia-nyang, Sichuan in 1994, and now there are more than 60 directly-managed stores, four large modern logistics base and a raw material production base. The innovative features of the service have won the “five-star” hotpot restaurant’s reputation for HaiDiLao. HaiDiLao has become one of the leaders of China’s catering industry. No doubt that its successful experience is worthy to be learned by other catering enterprises in China, and even some foreign restaurants [11].

3.2. The Content of HaiDiLao’s WeChat Marketing
As a domestic restaurant chain of most reputation, HaiDiLao is one of the restaurant chains that used O2O marketing quite early. Depending on micro-blog and review sites, HaiDiLao gathers a large number of fans quickly. Strengthening the customer relationship management (CRM) has always been the pursuit of HaiDiLao, especially in the era of mobile Internet. New technology emerges endlessly, and how to choose a better way of management for operators is what they need to think about. The WeChat public account of HaiDiLao hotpot was launched officially in January 2014, and it began to promote offline WeChat pay by subsidizing each customer and the corresponding waiter 10 yuan, which made the number of fans increase significantly.

One of the dominant characteristics of HaiDiLao is lining up a lot. Thus, if every table uses WeChat pay, it may increase the speed of checkout, and consequently reduce the queuing time. Additionally, it will reduce the risk of cash management. From January to March in 2015, HaiDiLao’s WeChat order has grown to 31,491, accounting for 63% in online order. The order of using WeChat pay is up to 3446, accounting for 60% in online pay. The most amazing thing is that the deal of HaiDiLao’s WeChat pay is up to 17% of all sales. Let’s analyze the WeChat marketing strategy in particular.
3.2.1. Follow
At the moment we follow the HaiDiLao’s WeChat platform, our mobile phone will pop up message that asks whether it’s allowed to use our real time location. This function helps HaiDiLao specifically aim at consumers in different areas to deliver messages and provide more personalized service. At the same time, we will receive a message indicating that we can send pictures and print them freely at the scene of the HaiDiLao’s waiting area. For the followers, such measure is attractive and gives the followers a deep impression.

3.2.2. The Content of WeChat Platform
WeChat public account platform includes seeing, eating, playing three pieces as well as delivering messages to followers. The frequency of delivering message is about once a week. As the frequency is not high, it helps to keep consumers’ sense of newness. “Seeing” contains five aspects: Hi stores, delicious menu, press center, recruitment and product bidding. It is an introduction to HaiDiLao, including distance of sorting, the introduction to some of the dishes, etc., as well as an architecture. In short, do their utmost to provide customers with convenience. “Eating” refers to providing with the service of eating, mainly including order reservation, door-to-door delivery and mall-fresh ingredients. It makes consumers enjoy gourmet meals and services as well as in stores. “Playing” is a platform that customers can interact with each other. Its main function includes Hi square, Hi game, Hi customer service, personal center and rights protection service. Among them, Hi square also involves Hi talk function. Consumers can release talk on Hi square, expressing their opinions on the catering and service, or communicating with other consumers. Hi game includes Hi farm, Hi spelling vegetables, shaking and Hi HaiDiLao four games. We can find that these are popular casual games on the Internet, which gives followers more fun. Hi customer service, personal center and rights protection service even more highlights HaiDiLao of its concern about the interests of consumers.

3.2.3. The Function of WeChat Pay
In January 2014, HaiDiLao’s WeChat public account was official launched. It began to promote online WeChat pay. When you need to check out, the waiter will bring an iPad instead of a traditional small receipt. Then by clicking “checkout” option, it will pops out your bill and the WeChat qr code. You just need to take out your phone, use WeChat to scan the qr code, and input the password of WeChat pay, and then the payment is completed. HaiDiLao’s cashier system will immediately receive the payment information displaying payment success. For most occasions, using WeChat pay may help you to get a discount, which is generally a reduction of 10 yuan. The whole payment process is simple, clear and convenient.

“I tend to choose WeChat pay, not only because it has a discount, but for the elimination of payment steps, such as cash change, to improve the efficiency. Service is the reason why I come to HaiDiLao for a meal, and WeChat pay is a dominated characteristic of its service”, a consumer said, “for a boy, carrying a purse is really a big burden. If WeChat pay is used in more circumstances, instead of purses or bank cards, it could save the boy from this trouble.” Therefore, HaiDiLao’s WeChat pay is more than a cool way of payment, it will become a future mass payment standard in online consumption. Consumers don’t have to take money when they go out. No matter having a meal or shopping, consumers can just complete payment by using WeChat scan. In addition, consumers can also send a qr code picture to a friend or relative, asking for remote payment.

3.2.4. The Amount of Reading
Up to November 26th, 2014, HaiDiLao has published 56 WeChats in total, with the average reading quantity being about 50,000, and the average amount of thumbing up being around 70. Until now the amount of reading and thumbing up are still rising.

3.2.5. WeChat Marketing Activities
WeChat marketing has many advantages. Such as for some specific audiences, WeChat’s “Don’t disturb function” allows them to get messages through active subscription, as well as to get rid of spam disturbing. Meanwhile, the convenience of mobile terminal can be very good for marketing activities. But WeChat marketing also has some shortcomings. Although it has achieved group-push function, it is difficult to achieve each user’s personalized push and completely meet the demand of different consumer because of the cost and efficiency problem. So for the majority of consumers, much of the information sent by the enterprises fail to meet their needs, and the information is more likely to be “harassment”. Nonetheless, HaiDiLao does provide us with sev-
eral successful WeChat activities.

1) “Tasting the hotpot in HaiDiLao” Series of Activities

At the beginning, this activity is conducted offline and online at the same time. First of all, the WeChat platform has launched an activity that followers of HaiDiLao WeChat can get a gift, which builds up the momentum for the following activities in HaiDiLao WeChat platform. All you need to do is to follow HaiDiLao WeChat and reply “1”, and then post the message of “Tasting the hotpot in HaiDiLao” to the circle of friends. You will get a mystery gift in HaiDiLao after sharing the content. From September 30th to October 2nd in 2013, HaiDiLao carried out the “Tasting the hot pot in HaiDiLao” activities respectively in Beijing, Tianjin, Xian, Shanghai, Zhengzhou, Nanjing simultaneously. In the activity scene, more than 100,000 people tasted the delicious HaiDiLao hotpot, and more than 10,000 people participated in the activity of WeChat interaction. This is the biggest brand promotion activity since HaiDiLao has ever launched the activity of “Tasting the hot pot in HaiDiLao”.

2) HaiDiLao Condiment “Let red pockets fly” Activity

This activity was launched during the Spring Festival in 2014. By following HaiDiLao WeChat to participate in the HaiDiLao condiment “Let red pockets fly” activity, which asserts “bring home HaiDiLao condiment and have a happy New Year’s day”, the users would get a chance to be awarded abundantly, with the first prize being Singapore’s single culinary travel which valued 4999 yuan, and the second prize being one ipad (wifi version, 16 GB) which valued 2880 yuan, and the third prize being a box of HaiDiLao condiment which was worthy of 60 yuan, the fourth prize being a pack of HaiDiLao condiment which had a value of 15 yuan. It can be seen that in order to promote their WeChat public account, HaiDiLao hotpot did try very hard. During the Spring Festival, a lot of business in order to attract consumers has launched many activities, while among which, HaiDiLao conducted the only online promotion. It revealed that HaiDiLao did attache great importance to its WeChat platform.

4. The WeChat Marketing of Little Sheep

4.1. Introduction

Inner Mongolia little sheep restaurant chain Co., Ltd. was established in the grassland Lucheng-Baotou in August 1999. Its main business is little sheep characteristics hotpot as well as engageing in little sheep spices and special meat products research and development, processing and sales. Listing in Hong Kong on June 12th, 2008, little sheep is the first Chinese catering enterprises to list in Hong Kong, known as the “Chinese hotpot first share”. On November 7th, 2011, the ministry of commerce approved Yum to purchase Little Sheep.

4.2. The Content of Little Sheep WeChat Marketing

4.2.1. Follow

Once follows Little Sheep hotpot WeChat platform, we will immediately receive a reply information and get membership benefits. Just click the link, and you will become a member of Little Sheep to enjoy a discount of 5% off. In the meantime, the platform will release the preferential information and introduce some simple functions of Little Sheep WeChat platform.

4.2.2. The Content of Little Sheep WeChat Platform

In addition to delivering information to followers on a regular basis, Little Sheep official WeChat platform mainly hangs three modules of information, “recent activity”, “preferential information”, “member services” for a long time.

In the latest activities, the first module is “New Year’s welfare”, and the interface is a hotpot plus three dish of meat. Followers will get free taste of meat just by playing a simple game. The second module is “sending cute expression”. According to the situation that WeChat users download the pictures and expressions, Little Sheep uses the own sheep logo to design a series of lovely expressions, such as “cute “, “dirt”, “you know”, “also drunk”. These expressions are all fashion network languages and meet the demand of WeChat users. On one hand, these expressions bring the customer benefits. On the other hand, they lead customers to advertise Little Sheep in the circle of friends. The third module is “preferential meals in the working days”. It mainly aims at office workers, which gives hotpot the form of fast food. This is also a great innovation in Little Sheep hotpot.

The second module is the preferential information. Preferential information is divided into “coupons” and
“regional preferential”. As a national chain hotpot restaurant, little sheep’s WeChat platform needs to satisfy customers all over the country. But there are big differences in the price level, labor costs, the store’s fixed costs, and consumer spending levels. Thus, the preferential activity cannot be exactly the same. For each place and each period, the preferential policy is different. So the client replies the city, little sheep’s WeChat platform will send the corresponding coupon of the city. The overall benefits are opened through “regional preferential”.

The third module is membership service, which includes “membership card”, “nearby stores”, and “query the winner list”. By using “membership card”, followers can look up the introduction to membership card and the corresponding store’s telephone number and address to determine whether to register as a member. Through Little Sheep WeChat platform, the fan is able to register as a member, and will receive a gift. The function of “nearby stores” is to facilitate customers to have a meal. Click the button of “near stores”, Little Sheep will guide the users to send their location and then the it will instantaneous reply the location of nearby stores. The clients regularly delivery the activities of sweepstakes, and the winner list will be published through “query the winner list”. Follows can query the list by themselves and get in touch with Little Sheep. It will reduce the workload of Little Sheep to contact customers, as well as to inspire other followers to participate in the interaction with Little Sheep actively.

4.2.3. The Number of Reading
The first message of Little Sheep official WeChat public account was released on September 30th, 2013. So far, Little Sheep has pushed 16 WeChats in total. The reading number of the most recent WeChat is 34,957, and the number of thumbing up is 32. From the 16 WeChat news, we can calculate that the average number of reading is around 30,000, and the average amount of thumbing up is about 30. Because of the time is not long, it is not able to find any rising trend in the statistics.

4.2.4. WeChat Pay
Little Sheep official WeChat only includes a few functions related to propaganda and promotion, providing users with some information about Little Sheep, such as stores, preferential information, reservation, online store or take-out function. There is no WeChat pay function in its online platform. For the entity shop, because there is no detailed information, it is unknown whether it has WeChat pay function or not.

5. Comparison
By comparing the WeChat marketing of HaiDiLao and Little Sheep, we can summarize some differences as below.

5.1. Pushing Message
Although the use of WeChat marketing in Little Sheep is later than HaiDiLao, the message delivery frequency of Little Sheep is about twice of HaiDiLao. Little sheep pushes message every 4 days, while HaiDiLao does that every 7 days.

5.2. The Number of Reading
The average amounts of reading and thumbing up in HaiDiLao are respectively 50,000 and 70, while that of Little Sheep are about 30,000 and 50, respectively. In terms of the number of reading and thumbing up, HaiDiLao is nearly half more than little sheep, which indicates that the function of its WeChat service is more humanized and influential. Of course, we cannot rule out the factors of time, that is, Little Sheep started utilizing WeChat platform later.

5.3. Function
The main functions of HaiDiLao WeChat platform are “look”, “eat” and “live”, with integrated services involving providing information, online order, delivery, mall, games, communication, rights protection, etc. With regards to Little Sheep, functions of “recent activity”, “preferential information”, “member services” are included. It can be seen that the three aspects are all providing consumers with the information, with less services being taken into account.
6. Suggestions for the Two Companies

How to use WeChat marketing reasonably is the key problem that enterprises should focus on. WeChat marketing is a double-edged sword. To use it reasonably will bring unexpected harvest. However, if the usage is inappropriate, it may cause customer antipathy and bring enormous loss to the enterprises.

6.1. Suggestions for HaiDiLao WeChat Marketing

As stated previously, the construction of HaiDiLao hotpot WeChat platform is considered to be successful to some extent. For example, HaiDiLao’s daily booking number is up to 1 million by WeChat, and the daily growth number of fans is about 4000. However, there are still some suggestions for HaiDiLao to take them into consideration.

6.1.1. The Frequency of Pushing Information

In order to make sure customers can timely understand relevant information, the enterprise will push the information of products and activities to their fans. But if the frequency of pushing information is too high, it may cause customers’ great antipathy. Imagine that when you receive several pieces of pushing information one day from a same official WeChat, with almost the same content, what will you feel and think? Too frequent to push the information is likely to force customers to cancel their follow to the enterprise official WeChat. Then what frequency is appropriate? According to the survey, the appropriate frequency of pushing information is one time every two or three days [12]. According to the situation of HaiDiLao hotpot WeChat, it should probably promote a little bit of its frequency, in case of causing consumers losing their sensitivity.

6.1.2. The Readability of Pushing Formation

In addition to paying attention to the frequency of pushing information, the content should also be paid more attention. Pure declarative information may lead customers in feeling boring and losing interest in reading their message. Over a long term, even if customers receive pushing information, he may not want to read or even stop from following because the spam messages. So when enterprises push information, they must pay attention to the readability and enjoyment of the information, such as using funny words or rich expression symbols, etc., to let customers be interested in reading the information.

6.2. Suggestions for Little Sheep WeChat Marketing

6.2.1. The Frequency of Pushing Information

As mentioned above, we already knew that Little Sheep’s WeChat set up late, and it has pushed 16 WeChat messages in total. The frequency is modest with once every 4 days.

6.2.2. The Readability of Pushing Formation

Firstly, have a look at the topics of Little Sheep’s pushing messages: “Even want to thank the former, right! I am so capricious”, “the secrets of cooking a pot of soup”, “11·11, one of the most beautiful love declaration, I choose 4 and which one you choose”, “I’m after 90 and I am an expression sheep” and “who said that I’m here, I was very young”. At the first glance, we can feel that these topics are all very novel and attractive. However, when think about them carefully, we will find these topics are too virtual and have no good publicity in connection with its own enterprise information. Hence, Little Sheep official WeChat should push meaningful WeChat message to ensure that consumers receive the pushing information and, meanwhile, to promote their own business.

6.2.3. Add More Functions

As discussed previously, Little Sheep official WeChat service mainly includes three aspects: “the latest activity” allows us to acquire latest information of Little Sheep; “preferential information” makes us get the coupons and know the preferential activity in different regions; “membership service” informs us the locations of Little Sheep store nearby. The three parts just provide information to the users, and Little Sheep can learn HaiDiLao’s experience to set up their own hotpot condiment mall or to book on line to reduce the burden on the physical stores’ orders through WeChat platform.
7. The Proposal of Catering Industry WeChat Marketing

With analyzing the WeChat marketing of HaiDiLao and Little Sheep in the perspective of consumer, we put forth some improvement suggestions. By combining the two companies’ good places in WeChat, marketing suggestions for the entire restaurant industry are further discussed as below.

1) The frequency of enterprises’ pushing information should be moderation. Neither too frequent, which may make consumers feel boring, nor too long, which will make consumers less sensitive. According to the survey, enterprises should push information every two or three days.

2) The content of pushing information should be readable. Don’t be too boring and try to offer rich and interesting content. It can also set the suspense to enhance the degree of curiosity and let followers take an active part in the enterprise activities. From this process, ordinary followers can probably become loyal ones of the enterprise.

3) Innovate the management way [13]. Improving the interaction of the enterprise and followers will allow consumers to feel the enterprise’s attention on them.

4) Reduce the threshold of participating in activities. Catering enterprises’ WeChat should lower the participation threshold to attract their followers to participate in their activities. They can set simple but favorable interactive activities to attract more fans. By using WeChat fast forwarding mode to realize the transmission of the enterprise’s information, it can expand the influence and improve the enterprise’s awareness.

Increasingly growing WeChat users’ community may become potential customers of catering enterprises that apply WeChat marketing. There is no doubt that WeChat will become another dominated marketing tool after micro-blog. Nevertheless, application of WeChat marketing in catering industry is still in its infancy, and there are shortcomings in many aspects. Therefore, we need to further explore and avoid these disadvantages and, thus, to expand the influence of WeChat marketing in catering industry.

References


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