

Research On the Current Problem and Marketing Strategy of Helen's Market

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Abstract. The compound growth rate of China's night and tavern economies has soared in recent years. Many of the famous pub chains have grown extraordinarily fast. The research theme of this paper caters to the general environment of the development of pubs. It analyzes Helens Pub's marketing strategies and shortcomings and suggests reasonable suggestions. The main problems are the lack of personalized and attractive places to join the stadium and the lack of unified management and standardization of national franchise store staff services. In the face of these two problems, first of all, the research suggests strengthening the management training of personnel to maintain the professionalization of the business team and regularly sending people to evaluate, inspect, and guide the franchise stores in the country. The second point is to reflect personalized services in external marketing and display their unique style in indoor hardware decoration. Online marketing can be strengthened, interaction with customers can be increased, and a series of in-store games and activities can be launched to meet customers' entertainment needs.

Keywords: Current Problem; Marketing Strategy; Helen's Market.

1. Introduction

1.1. Research Background

China's tavern and bar industry is highly decentralized, mainly composed of many independent and chain pubs. According to Frost & Sullivan, there are about 35,000 pubs in China by the end of 2020, more than 95% of which are independent pubs [1]. Based on 2020 revenue, the combined market share of the top five operators in the Chinese tavern industry is about 2.2%. With a highly decentralized background, Helen's, as a leader of the Chinese tavern industry, looks like a profitable business. Mass and business consumption have become the main forces of alcohol consumption, and social consumption drives customers to consume in public entertainment places such as bars. The main income of bars comes from selling alcohol products. Driven by China's per capita alcohol consumption and social consumption, the bar night performance industry will gain momentum [2]. From 2018 to 2020, Helen's revenue was 115 million yuan, 565 million yuan, and 818 million yuan; respectively, it has a compound annual growth rate of 167%. The annual profit attributable to the company's owners was 9.734 million yuan, 79.136 million yuan, and 7.772 million yuan.

Now, Chinese GDP is 11.436697 billion yuan [3]. This means that more and more Chinese have the ability to afford entertainment in their spare time. This leads to the market of night economy and bar economy increasing at a rapid rate. Through the observation, the main guests of bars are between 18 and 24. In this stage of age, most guests are university students. They don't have much money but have a strong desire to socialize, such as making friends and finding a boyfriend or a girlfriend. The feature refers to the correct decision of Helens. Helens is now focusing on cost efficiency and social media. This strategy can attract most of the customers in the bar market. The two strategies apply to the desires of people in the current society. Helens has recently taken the chance of the increasingly developing tavern industry in China. In the last three years, the number of bars in China increased from 37,000 to 60,000, with a compound annual growth rate of 12.8%, and the market size of the bar industry also increased from 20.19 billion yuan to 43.87 billion yuan, with a compound annual growth rate of 21.4%. From the perspective of the bar region, East China, North China, and South China are the most active areas of China's bar industry, and their bar market sales scale shares reach 35%, 20%, and 19%, respectively [4]. In a social environment where the bar economy has grown considerably,

Helens saw a business opportunity and used several marketing strategies to promote sales revenue and business profit in every area of the nation.

1.2. Literature Review

Xv analyzed that bar is a dynamic wine culture industry that has arisen in China. As a place for people to entertain and rest, a bar has developed rapidly in our country. According to the paper the author references, the bar industry put forward the countermeasures and the direction of efforts. It also applies to consumer psychology [5]. From the perspective of revenue sources, the wine business market of China's bar industry will reach 28.33 billion yuan in 2020, accounting for about 59.2%; Food and other business revenue was 19.49-billion-yuan, accounting for 40.8% [6]. The above data shows that the drinks and wine market is bigger than the food production market. As a result, the consumer in the market demands more wines and drinks than specific food. The bar industry discovered the increasing demand for beer, wine, and other beverages in China. Based on the Development Monitoring and Investment Strategy Planning Report, the acceleration of the pace of urban life and the increasing pressure of life, bars, as a place to vent emotions, have been loved by the young generation in recent years. According to the data of Baidu Map, users after 95 and 00 have become the most concerned group of bars, and the proportion is far more than other groups, accounting for as high as 56.68%. Among them, the highest proportion is the 25-34-year-old group, accounting for about 27.27%. The industry perfectly satisfies young people's social demands, releasing stress and meeting friends in a relatively comfortable space [7].

1.3. Research Gap

Most scholars and articles mainly study the trend of the dramatic increase in the Chinese tavern industry, the general push of the growth in the beverage, wine, and beer market, and why modern society demands more tavern industry in recent years. Nevertheless, few scholars and articles have studied the strategies of a specific tavern brand for developing its own company and analyzing its advantage in marketing.

1.4. Research Framework

First, analyze and measure the basic situation and development status of the bar brand Helens in the Chinese market. Then, the author will analyze the current marketing situation of Helens and put forward the author's questions. After that, the author may analyze the causes of the problems. The specific reason and influence factors can be shown in the paper. In addition, the author's own suggestions based on the above analysis and research will be given. Several strategies for promoting Helens' marketing in the bar industry are supposed to be written. Finally, the author summarizes the original overview of the previous points.

2. Case Description

Helen's founder Xu Bingzhong started a bar business in Laos in his early years and opened a bistro named Helen's next to Tsinghua University in 2009 after returning hometown, and the Helens brand was born. This bistro, which opened in the corner of the business circle and had a very cost-effective price for beer, quickly attracted many college students who were short of money and wanted to increase their entertainment experience. It became a popular place for college students to gather nearby. After more than ten years of accumulation, Helen Division has developed into a leading brand of domestic chain bistro.

Helens mainly focuses on cost-effective and accurate targeting of young customers aged 18-28. The consumers include college students and white-collar workers with low consumption levels. The taverns of Helens are all direct. As of December 31, 2020, the number of Helen's pubs in Tier 1, Tier 2, and Tier 3 and below cities in China was 56, 200, and 94, respectively, accounting for 16.0%, 57.0%, and 26.8% of the total number of pubs on the corresponding date [8]. In terms of number of

bars, the company maintained its position as the largest market territory in the Chinese pub industry for three consecutive years in 2018, 2019, and 2020 [1]. Therefore, the Helens Tavern has already led the Chinese chain pub industry. In the past three fiscal years of 2018, 2019, and 2020, the operating income of Helens Division was 115 million, 565 million, and 818 million yuan, respectively, and the corresponding net profit was 9.734 million, 79.136 million and 7.0072 million yuan. The year revenue and the financial profit have a significant trend of increasing.

Helens is positioned as a craft beer pub with clear characteristics, mainly selling beer and fruit wine. In 2018, the company launched two main products, Helen's craft brew and pure wheat craft brew, corresponding to 10-15 yuan and more than 15-yuan price belts. The single bottle price is below 10 yuan. 1664, Corona and other varieties form a supplement. Simultaneously, according to young people's preferences, Helen Division developed beverage wine drinks. Helens creates its brand drinks, which contain several kinds of beers, cocktails, and wines, all of which have a relatively low cost and a high profit percentage. The revenue of Helen's brand, Helens' Beer, is not large, accounting for 11.9%, even less than the 19.5% proportion of snacks. Still, the majority of revenue is from beverage wine, mainly fruit beer and milk beer products, and beverage wine taste is richer. At the same time, the alcohol content is not high, mainly fruit and lactic acid bacteria flavor.

3. Analysis on the Problem

3.1. The Existing Strategy of Helens' Marking

Helens is now focusing on the strategies of cost-efficiency and social media. This strategy can attract most of the customers in the bar market. The two strategies apply to the desires of people in the current society.

For the first point the strategy of low cost for its production compared to other taverns in the Chinese industry. When this bistro first opened in the business circle, it rapidly drew in many college students strapped for cash and wanted to broaden their entertainment options. As a result, it became a well-known spot for college students to congregate nearby.

Secondly, Helens focuses on providing emotional value that most bars work on. In the current society, which is developing so fast, people from all walks of life and all ages are generally under too much pressure. The bar industry, especially Helens, realizes this point: the worries and the purpose of having a drink. The emotional value given by bars can relieve people's-tired bodies and minds and make them refresh their minds. People can relax, entertain, make friends in bars, and experience individualistic experiences that can't be reached in a tired life.

3.2. Customer Precipitation Difficulty

With the lack of service standards in the whole nation and having no new and attractive specific character that differs from the bars in the same industry, customer's loyalty to the bar needs to be rewarded, and improper marketing strategies will make the bar's fans plunge, and positive marketing strategies are reflected in the mutual borrowing of external marketing and internal marketing. This means the bar is supposed to train selling skills and the standard of serving consumers, which makes them satisfy their needs. Helens is a franchising bar in China; however, the increasing expansion rate makes the Helens bars have no special and characteristic service, which is different from the bars in the same industry. The old consumers may be tired of the same service in daily consumption and try to look for a new bar with a relatively attractive aspect that can refresh their minds. The audience of the bar is generally relatively fixed. The lack of a professional marketing strategy will make it difficult for the bar operator to open up new consumer groups at the same time, the loss of the original regular customers. To let customers settle down, it is convenient bar services, such as the electronic wine storage service launched by Night Power, and appropriate feedback. This requires operators to absorb customers' information extensively, cater to their preferences, and maintain good customer relations.

For another point, in the rising stage of bar popularity and profits, many operators expand stores to enhance brand competitiveness. Nevertheless, often, because the store expansion is too fast, the

standard of the store is uneven, resulting in a loss in the number of existing consumers and a decline of service standards in the whole nation. Rapid expansion is an important measure to enhance the brand rapidly, but the premise is that the comprehensive quality of the practitioners matches it. The bar is a highly creative and characteristic industry, and the need for practitioners to adapt to the rhythm of the bar combined with the market and the experience of the professional years of the staff required by the traditional industry is different. The bar industry personnel need to understand consumer psychology in marketing, which means Improving service quality and other aspects to improve themselves continuously. The lack of a standard for franchised bars in every area of the nation for Helens Tavern may cause several problems. Helens has no continuous supervision of the development of these franchised services and regular inspection of its franchised bars. This led to the quality of service in Helens Tavern across the country varying greatly. This drawback may be shown in all franchised industries.

3.3. The Causes of the Marketing Strategy's Problems

The cause of the first problem is reasonable: Bar operation requires the founder to invest much effort in market research and consumer psychology. It is a complex of marketing, service, creativity, brand, operators should divergently think, event marketing, network communication, and other modes of promotion mechanism to achieve customer consumption in the store is the first step to success, and then lead the team to dig deep consumer's needs. To cater to consumer preferences, only to make the bar stronger and bigger can the brand stand out in the market competition. Helens may focus on the supply chain of beer, wine, and the drinks made by its brand. It may not concentrate on the personalization of the brand Helens and differ from other bars in the Chinese bar industry. Helens' service is almost the same as other pubs in the same industry nationwide. It lacks the service that makes him unique in other pubs and taverns. In other words, Helens does not focus his marketing efforts on personalizing his brand and service.

The cause for the second problem: The operator of Helens decides to open more locations to increase brand competitiveness when bar profitability and popularity are on the rise. Nevertheless, unequal store standards often result from rapid store expansion, which reduces the number of repeat customers and lowers the level of service in Helens across the country. Rapid growth is a crucial strategy to boost brand recognition quickly, but this assumes that practitioners are equally qualified in all areas. The absence of Helens Tavern standards for franchised establishments across the country could lead to a number of issues. The development of these franchised bars' services and staff training has not been continuously supervised in Helens, nor are its franchised bars often inspected. The bar's quick franchise growth allowed its founders to profit, but it largely neglected to standardize its franchisees and oversee the training of these franchises' employees.

4. Suggestion

4.1. Solution of the Problem of Rate of Store Expansion

To solve the problem of rate of store expansion is too rapid due to staff professionalism cannot keep up. Many operators decide to open more locations to increase brand competitiveness when bar profitability and popularity are on the rise. However, because the store is expanding too quickly, the quality is frequently uneven, which creates a losing situation. Suggesting that Helens' Tavern deals with the first problem in three solutions can significantly promote the marketing strategies.

First, to strengthen the training of practitioners while the team is younger, it is necessary to flexibly test the level of professional attitude and professional ability of staff and maintain the professionalism of the operation team. It is efficient to establish a nationwide evaluation system of franchised pubs. Each stage and each fixed period of time have professional personnel to score every part of the pubs' operation, supervise the staff's behaviors, and guide the current marketing strategy, which may improve the publicity and marketing of pubs and product planning.

Second, the bar is a special entertainment industry. The operator should have a certain year of bar management experience or hire trusted industry personnel to assist in the management, responsible for the store atmosphere rendering, hardware, and software layout.

Third, store expansion should reflect differentiated operational ideas, rather than a single copy, in the initial store popularity at the same time, drainage customers, the formation of a new consumption trend, and compliance with the market. The statement means each franchised pub should develop a specific style or character significantly different from other Helens bars. This requires the pub to hire a specific designer to design a relative theme which may attract consumers to the pub. These styles can include Chinese classical style, European and American retro style, modern technology style, and different regional cultural characteristics of the theme. At the same time, the bar can also introduce some eye-catching new things like AI robots ordering wine and sending wine, special effects projection, and some games to encourage people to consume.

Fourth, access the electronic operation module, paper the management system, and enhance consumer service mechanism to achieve high efficiency and low errors in operation. Undoubtedly, these changes may satisfy the consumers' feelings while they consume.

4.2. Solution of the Problem of Ineffective Bar Marketing Tactics

To solve the problem of ineffective bar marketing tactics, it is challenging to attract customers.

Inappropriate marketing tactics will cause the bar's fan base to plummet, and effective marketing tactics are mirrored in the mutual borrowing of external and internal marketing. Customers' loyalty to the bar must be rewarded. Due to the bar's audience's largely fixed demographics, it will be challenging for the owner to simultaneously reach out to new consumer groups while retaining the loyalty of the bar's current regulars. Customers can unwind with the help of efficient bar services, such as the computerized wine storage service introduced by Night Power, and helpful feedback. This necessitates making operators thoroughly absorb client information, catering to their preferences, and preserving positive customer relations.

First, in the current society, consumers are no longer content with generic, widely available commodities but are increasingly seeking personalized and emotive goods. The concept of consumer consumption, which shifts from rational to emotional consumption, demonstrates its subjective, individualized, and arbitrary nature. Transaction costs have drastically decreased, and real-time connection between businesses and customers is now possible, especially with the advancement of modern information technology. Personalized advertising is now a popular form of advertising [9]. Personalized services, such as private ordering, wine storage, regular customer discounts, membership systems, etc., are examples of personalized services reflected in external marketing. These services are arranged indoors using indoor hardware and software to fit the bar's style, enhance the staff's customer service, and create a word-of-mouth effect. Every employee in the bar is a salesperson, whether at the front desk or in logistics, and their job is to introduce the bar's distinctive products and engage customers in the service marketing process to increase demand and realize the business's objectives.

Second, boost consumer contact, implement online activities like games and exchanges through the store's widescreen, and introduce neighborhood-based social features like online red envelope grabbing and Internet-based hookups [10]. The bar's specialization is a strong marketing tool that encourages customer loyalty. Set up bar girls, local bands, etc., to satisfy patrons' desire to enjoy the company of beautiful women and music.

Bar operation requires the founder to put a lot of effort into market research and consumer psychology. It is a complex of marketing, service, creativity, and brand, and operators should use divergent thinking, event marketing, network communication, and other forms of promotion. The first step to success is to achieve customer consumption in the store, after which they should direct their team to delve deeply into customer needs and preferences.

5. Conclusion

From the author's research and analysis of the current Helens pubs marketing strategy, the pub of Helens uses several strategies to promote its selling, attract new consumers, and develop new drinks of its brand, which may significantly absorb franchised pubs nationwide. Nevertheless, the increasing rate of developing franchised Helen's pubs may face two main challenges. Firstly, customers' loyalty to the bar needs to be rewarded because there is no national service standard, and nothing distinctively new and appealing sets the same industry apart. Negative marketing strategies will cause the bar's fan base to decline, while effective marketing strategies are reflected in the mutual borrowing of external and internal marketing. Secondly, due to unequal store quality brought on by rapid store expansion, current customers are lost, and the level of service across the country declines. These two problems may decrease the revenue of selling in the long term.

Every year, the nighttime bar industry in China expands, and big and little chain pubs are making more money. In order to take advantage of this chance, Helens Tavern needs to employ powerful marketing techniques and fix its flaws in order to follow the economic growth trend of the country's bars and generate more revenue. If Helens Pub solves two of the biggest problems, it now faces: personalizing its franchises and standardizing its service and staffing. Then Helens will reduce the loss of regular customers and attract more people to spend

There are still issues and shortcomings with this paper. The study method's limitations are one of its main flaws. There aren't enough statistics and first-hand accounts in the entire paper. Mostly, third-party information was used by the author. To increase the convincing accuracy, we will continue using interviews with Helens Bar employees and clients at other locations nationwide in our future research.

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