

# Haidilao's Innovation in Using New Digital Technology to Enhance Customers' Consumption Experience

Guanyi Lu

High school attached to northeast normal university, Changchun 130118, China

**Abstract.** New digital technologies have promoted the changes in all walks of life, and the digital tide has affected the transformation, upgrading and development of enterprises. This paper takes Haidilao as an example to discuss the process and realization of the digital transfer of Haidilao, analyzes the opportunities and trends of Haidilao, and puts forward some suggestions. The results and conclusions of this paper are helpful to improve the development quality of Haidilao and so on.

**Keywords:** Haidilao; New Digital Technologies; Consumer Experiences.

## 1. Introduction

Founded in 1994, Haidilao is a chain brand specializing in Sichuan hot pot, founded by Zhang Yong. March 25, 1994, Jianyang City, Sichuan Province Haidilao boiler City officially opened. On May 17, 2018, Haidilao submitted its listing application to the Hong Kong Stock Exchange. On Sept. 19, Haidilao set a final offering price of HK \$17.80 per share. On September 26, Haidilao officially landed in the Hong Kong capital market. In 2020, Haidilao's net profit was 309.3 million yuan, down 86.8 percent year-on-year. In 2021, Fortune China 500 list, ranked 360. On November 5, Haidilao announced: decided to gradually shut down 300 or so Haidilao stores with relatively low customer flow and operating performance as expected on December 31, 2021.

## 2. Application of Digital Technology in Haidilao

From the opinions of Haidilao company, we can understand the development process of Haidilao, and explore the development status of Haidilao and the corresponding technological progress in time and years, so as to achieve my research purpose: how Haidilao uses new digital technology to improve customer experience.

### 2.1 WeChat and Haidilao

First of all, in recent years, WeChat's services have become more and more extensive, such as scanning code and small programs, which are easy to use. This gives Haidilao the opportunity to improve the quality and type of service. Through the investigation in Haidilao, I found that the service of Haidilao is that no matter how the customers are, the attitude of the service staff is amiable. Because of the popularity of Haidilao, every restaurant in Haidilao will have a large number of consumers waiting in line during meal time. The boredom of waiting in line will cause most customers to fret and eventually choose to forgo eating at the restaurant they are waiting for. Haidilao has found a way around the problem, offering snacks, go, checkers and manicures while customers wait in line. This is rare in the entire catering industry. Most restaurants will turn a blind eye to the anxiety of customers waiting in line or do nothing about it. Because the sales profit of many restaurants is enough to keep the company going, they will reduce the incentive to make more money, so they will not care about the details of customer waiting. The queuing service of Haidilao makes customers feel the sincerity and respect of Haidilao, so most customers will choose to stay. The Haidilao service is also getting support from new digital technology. They have developed a WeChat code scanning app that allows customers to sign up for a free manicure or manicure, not only for those waiting to eat, but also for those who are about to or in the process of eating, so that they can get a manicure or manicure after their meal. In addition to waiting in the Haidilao area, customers can also go shopping and hang out in other places after queuing and scan the QR code of the queuing voucher to check the progress of

the queue. In this way, Haidilao has used digital technology to increase its sales and customers' satisfaction with Haidilao, and its original allele service has also become a major feature of Haidilao, attracting many consumers.

## 2.2 Apps and Haidilao's Service

By developing software, mini programs and tablet ordering, Haidilao has given customers more options to receive Haidilao's services. Customers can choose to buy what they need through these digital technology channels, not only limited to store services, but also Haidilao's base materials, peripheral products such as Haidilao's earrings in the shape of noodles and Haidilao's lipstick. This is also one of the reasons why Haidilao has loyal customers and sales are rising. Haidilao's products are not limited to food. The APP and small program created by new digital technology are used by Haidilao to provide customers with reservation service and pre-order service at the same time, which makes some customers who are in a hurry to eat can save time and eat as soon as possible, and customers who have reserved seats can cancel if they change their schedule. That would make many plans or like to eat Haidilao customers want to make an appointment and plans in Haidilao consumption, this not only saves the customer time, also let Haidilao staff work more efficient, because small program will help arrange booking information, they can in the limited time and reasonable arrangement of dining space.

## 2.3 The Membership of Haidilao

On this basis, Haidilao also uses new digital technology to carry out its own membership system. It promotes customers' consumption through the accumulated points system of member consumption and makes exclusive rights for each member at different stages. Haidilao, for example, will use the privilege of preferential dining for the highest ranking "Black Sea members" to arouse people's desire to spend at Haidilao. Because the hot degree of Haidilao is very high, if you do not make an appointment in advance, it is difficult to have dinner in Haidilao normally at dinner time, you must queue up and wait for the position. This has made Haidilao's loyal customers eager to become "Black Sea members" and spend money there. This method of using digital technology to improve the operation mode is rare in the whole catering market, which is also the reason why Haidilao can stand out in this industry.

## 2.4 The Delivery Services of Haidilao

**Table 1.** Haidilao debt has increased year by year

Date	Restaurant count	Cash and investments	Debt
31 Dec 2015	146	RMB 0.21 billion	RMB 0.41 billion
31 Dec 2016	176	RMB 0.41 billion	RMB 0.58 billion
31 Dec 2017	273	RMB 0.36 billion	RMB 0.36 billion
31 Dec 2018	466	RMB 4.22 billion	RMB 0.41 billion
31 Dec 2019	768	RMB 4.03 billion	RMB 0.23 billion
30 Jun 2020	935	RMB 4.66 billion	RMB 3.40 billion

Affected by the COVID-19 epidemic, Haidilao has not only provided in-store services, but also carried out delivery services according to the changes in the actual environment. Unlike most companies in similar industries, Haidilao's takeaways can only be ready-to-eat. Haidilao can not only sell fresh food, but also order hot pot. Haidilao also offers free delivery within 3 kilometers. When customers order takeout, they can also stock up on extra dishes in the fridge according to their needs and cook them at home. Haidilao also has takeout packages based on nutrition. If customers don't

know what to order, they can choose to simply order the takeout package launched by Haidilao. That way, when the pandemic hits and people are restricted from traveling, Haidilao's customers can also eat Haidilao's food at home. However, sometimes people just need ready-made Haidilao food. Here, Haidilao can order food online, then cook it directly and deliver it to customers at Haidilao outlets that offer takeout offline. This will make it more convenient for customers who are in a hurry to eat and have no time to cook and will also increase Haidilao's takeout portion of revenue. However, we can see from the chart that affected by the epidemic, the development speed of Haidilao gradually slowed down while expanding the scale and the external debt increased year by year.

### **3. Services Can be Improved in Haidilao for Customers**

In the final analysis, Haidilao understands what customers need, so in this era of science and technology, Haidilao chooses to use new digital technology to enrich its product range and many convenient software functions, which make customers' consumption experience more comfortable and smoother. There won't be any controversial links in any of them. Such Haidilao in the customer's brand image is a human nature in the heart, enthusiasm, good service in place of the enterprise, most of the time the customer when choosing which hotel in consumption and a large part of factors besides cuisines taste of respected customer in the store, service facilities, and overall consumption experience: such as food freshness, repast mechanism, service attitude and so on. Haidilao has penetrated new digital technology into all aspects of the enterprise brand, improving customers' consumption experience from several dimensions, such as before, during and after the meal. I have seen the ratings and evaluations of customers who consume Haidilao online. It is enough to prove that Haidilao has successfully used new Digital technology to improve customers' consumption experience and make customers feel very happy to go to Haidilao.

The innovation of New Digital technology is a development opportunity for Haidilao. Haidilao can make some adjustments according to the current business model, because the epidemic has affected the restaurant service of Haidilao, which makes the sales of Haidilao decline every year compared with the original one. Haidilao can produce some co-branded character dishes or peripheral goods with some popular games through the New Digital technology. For example, if you complete some game characters in the game, you can get a voucher or a certain dish in Haidilao. Or Haidilao can also choose to cooperate with some video software, such as buying a month Tencent video members can get Haidilao 100-member growth value. These will help more people who do not know Haidilao know and have curiosity about Haidilao, so as to increase the turnover of Haidilao consumption; For people who have become loyal customers of Haidilao, such activities will make these customers feel that Haidilao is a multi-faceted development enterprise keeping up with the progress of The Times and will more affirm the brand status and brand image of Haidilao. Haidilao to the customer service is now present many catering enterprises unexpected, so Haidilao to customers consumption experience is very good that is laid the Haidilao came out on top in the industry, the basis of other industries can also extrapolate with reference to the idea of Haidilao ideas and make a change, to improve their enterprise consumer experience.

### **4. Conclusion**

Because there are few papers analyzing Haidilao enterprises, the analysis of this paper has provided certain contributions from the perspective of topic selection. In general, Haidilao is a civilian-friendly enterprise that can bring consumers a good consumption experience and a good feeling of being respected. Based on the development of the information age, Haidilao not only uses the convenience of information sharing, but also makes use of the rise of small programs to improve its service level, so that customers' consumption experience is better and better.

In the era of information technology, the analysis of Haidilao in this paper has made a contribution to the catering industry. Other catering enterprises can refer to how the combination of Haidilao and

new era technology improves customers' consumption experience, so as to improve their own strategies and business models. Haidilao is a typical embodiment of the impact of new technology on the catering industry. Haidilao can properly add convenient services for customers to its own service system, which has become a model for many enterprises in the same industry.

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