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Experiential Marketing in Restaurants: The Role of Experience Personalization in the Case of Huo Fengxiang

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MSc in Business Administration

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BUSINESS
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Department of Marketing, Operations and General Management

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Resumo

Com a rápida evolução das preferências do consumidor e os avanços tecnológicos, o Huo Fengxiang Hotpot em Xinghua enfrenta desafios críticos para sustentar a fidelidade do cliente, incluindo lacunas no engajamento, consistência do serviço e inovação. Este estudo realiza uma análise holística da dinâmica do mercado global e local, integrando estruturas estratégicas avançadas, como PESTEL, Cinco Forças de Porter e análise SWOT. Ao incorporar pesquisa de comportamento do consumidor, segmentação de mercado e princípios de marketing experiencial, o projeto reimagina o mix de marketing tradicional dos 7Ps para priorizar experiências personalizadas do cliente e interações imersivas com a marca.

As principais descobertas revelam que as limitações atuais da Huo Fengxiang – como qualidade de serviço inconsistente, inovação de produtos estagnada, modelos rígidos de preços e táticas promocionais desatualizadas – prejudicaram sua capacidade de cultivar relacionamentos duradouros com os clientes. Para resolver essas lacunas, a tese propõe uma estratégia revitalizada de gerenciamento de fidelidade centrada no marketing experiencial, aproveitando ambientes de refeições sensoriais, jornadas interativas do cliente e personalização orientada por dados. As recomendações incluem mecanismos dinâmicos de preços, engajamento omnichannel (por exemplo, integração de mídia social e aplicativos de fidelidade orientados por IA) e otimização do processo de serviço por meio de capacitação da equipe e sistemas de feedback em tempo real.

Ao alinhar os esforços de marketing com as expectativas emergentes dos consumidores por autenticidade e experiências personalizadas, a Huo Fengxiang pode fortalecer sua posição de mercado em Xinghua, impulsionar o crescimento sustentável e servir como um modelo para empresas de hospitalidade que enfrentam desafios semelhantes em mercados competitivos.

Palavras-Chave: Marketing experiencial, personalização, experiência do cliente, CRM, análise de dados, indústria da restauração.

JEL Classification: M31 Marketing
L1 Estrutura do mercado, estratégia da empresa e desempenho do mercado

Abstract

With the rapid evolution of consumer preferences and technological advancements, Huo Fengxiang Hotpot in Xinghua confronts critical challenges in sustaining customer loyalty, including gaps in engagement, service consistency, and innovation. This study conducts a holistic analysis of global and local market dynamics, integrating advanced strategic frameworks such as PESTEL, Porter's Five Forces, and SWOT analysis. By incorporating consumer behavior research, market segmentation, and experiential marketing principles, the project reimagines the traditional 7Ps marketing mix to prioritize personalized customer experiences and immersive brand interactions.

Key findings reveal that Huo Fengxiang's current limitations—such as inconsistent service quality, stagnant product innovation, rigid pricing models, and outdated promotional tactics—have hindered its ability to cultivate lasting customer relationships. To address these gaps, the thesis proposes a revitalized loyalty management strategy centered on experiential marketing, leveraging sensory-driven dining environments, interactive customer journeys, and data-driven personalization. Recommendations include dynamic pricing mechanisms, omnichannel engagement (e.g., social media integration and AI-driven loyalty apps), and service process optimization through staff empowerment and real-time feedback systems.

By aligning marketing efforts with emerging consumer expectations for authenticity and tailored experiences, Huo Fengxiang can strengthen its market position in Xinghua, drive sustainable growth, and serve as a blueprint for hospitality businesses navigating similar challenges in competitive markets.

Keywords: Experiential marketing, personalization, customer experience, CRM, data analytics, restaurant industry.

JEL Classification: M31 Marketing
L1 Market Structure, Firm Strategy, and Market Performance

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Glossary

6E - Experience, Education, Engagement, Exploration, Exchange, Empowerment

7Ps - Including product, price, place, promotion, people, process, and physical evidence

CRM - Customer Relationship Management

A strategic framework for digital content creation and distribution, encompassing six core dimensions that drive audience interaction and platform algorithm performance across channels like WeChat Channel and Meituan Channel. This model optimizes ROI through measurable KPIs while aligning with brand CVP.

CVP - Customer Value Proposition

DouYin - Musical short-video app. Launched in 2016 for creating music videos. GDP - Gross Domestic Product

KPIS - Key Performance Indicators

Meituan Channel - A content distribution channel in China's well-known online lifestyle service platform "Meituan"

ROI - Return on investment

WeChat Channel - Tencent's content platform within WeChat

1. Introduction

"Huo Fengxiang" is a fresh food pot, a hot pot brand by Huo Fengxiang (Ningbo) Brand Management Co., Ltd, and stars Zheng Kai as the brand boss.

On 18th July 2020, the world's first shop, Huo Fengxiang Fresh Food Hotpot, opened in Ningbo Qianhu Tiandi.

On 27th September 2020, the Suzhou Guanqian Street shop of Huo Fengxiang Fresh Food Hotpot was officially opened.

On 30th September 2020, the flagship shop of Huo Fengxiang Fresh Food Hotpot brand settled in Jinan Gaoxin Wanda.

On 21st November 2020, the Shanghai Global Port Store of Huo Fengxiang Fresh Food Hotpot has officially opened. Logo,Huo Fengxiang hotpot has invited domestic a-list stars as its spokesperson.as shown in Figure 1.1,

Figure 1.1 Logo of Huo Fengxiang



Source: Huo Fengxiang official website(2025)

It can be said that Xinghua Huo Fengxiang Hot Pot Restaurant is a well-known hot pot brand with a long history and a good reputation, as shown in Figure 1.2. Since its establishment, it has attracted many diners with its unique hotpot flavour and quality service. However, with the intensification of competition and changing consumer tastes, customer loyalty at Huo Fengxiang Hotpot Restaurant has shown a declining trend. This is mainly reflected in the frequent change of customers, the amount of consumption and other aspects. Therefore, improving customer loyalty has become the primary problem that Huo Fengxiang Hot Pot Restaurant has to solve. Deeply analysing the restaurant's marketing strategy, service level, and competitive advantages, as well as formulating effective strategic measures, will play a positive role in promoting the restaurant's operation and brand building.

Figure 1.2 Huo Fengxiang Hot Pot



Source: Huo Fengxiang official website(2025)

With the rapid development of China's economy and the substantial increase in people's income level, people are more and more concerned about "what to eat, how to eat well, and how to eat healthily" (Li et al., 2025). Catering culture has a long history in China, and the development of the catering industry has also reached a more prosperous level with the accumulation of history. However, with the rapid rise of a large number of brands, competition in the catering industry has become increasingly fierce, corporate profits have become increasingly slim, and the market share strategy of large chain restaurants has gradually changed (Lina, 2022). Whoever wins the customer wins the world. As a traditional service industry, the catering industry often presents a "funnel" status quo in daily operations. Restaurants are constantly trying every means to attract new customers, but old customers are constantly losing. Companies do not know that maintaining old customers is far more cost-effective than attracting new customers (Hui et al., 2021). Customer loyalty is a relatively vague concept in catering companies. Customer loyalty is the source of corporate wealth, which can bring continuous profits to the company and reduce operating costs, etc. Therefore, the study of customer loyalty is of great significance.

At the same time, the competition currently faced by the hot pot catering industry in China is unprecedentedly fierce. There is no essential difference in the products of most hot pot companies, and the product content and form are highly homogenized. The environment of their consumption places is also highly similar. The service level has become the key to the success of companies in this industry. It is certain that service quality affects customer loyalty. Taking Haidilao, the leading enterprise in the domestic hot pot industry, as an example, its service quality far higher than the industry level has become a magic weapon to please and

attract customers. Although Huo Fengxiang also provides high-quality food and a comfortable dining environment, these factors alone are no longer enough to maintain a strong customer base. Many similar restaurants offer similar products and services, resulting in a wealth of choices for customers in the market. In such a fiercely competitive environment,

it is crucial for restaurants to not only provide delicious food, but also establish stronger and more meaningful connections with customers. Huo Fengxiang Restaurant has realized that although customers may patronize once because of the quality of the dishes, what really keeps them is their overall experience, including personalized service and a sense of belonging. By developing a loyalty program, Huo Fengxiang aims to strengthen customer relationships, improve service quality, encourage repeat patronage, and cultivate long-term brand advocates. This move stems from the understanding that customer loyalty is not only about satisfaction, but also about developing a sense of appreciation and reward that will differentiate Huo Fengxiiang from its competitors and ensure continued business growth. Therefore, the loyalty program was developed to respond to the increasing competition and changing customer expectations in the restaurant industry.

Therefore, how can we improve customer loyalty for Huo Fengxiang Hotpot in the Xinghua area? To solve this problem, This project will focus on the following aspects:

Analyze the external environment of China and the target market, including political, economic, social, technological and environmental factors (PESTEL analysis).

Evaluate the industry structure and competitive situation of the target market and identify critical competitive forces (Porter's five forces analysis).

Investigate and analyze the consumer needs and behavioural characteristics of the target market and identify market segmentation and positioning opportunities.

Develop the marketing mix strategy (7Ps) of Huo Fengxiang Hotpot, including product, price, channel and promotion strategies.

Plan a detailed implementation plan, including schedule, budget allocation and control evaluation measures.

This project aims to develop and implement effective marketing strategies to enhance customer loyalty to Huo Fengxiang Hotpot in the Xinghua area. Through systematic market analysis and strategic planning, This project will provide a theoretical basis and practical guidance for Huo Fengxiang Hotpot to gain competitive advantages in the fierce market competition. At the same time, This project will provide valuable experience and references for other companies entering emerging markets.

The theoretical significance of this paper is to explain the relevant marketing theories and, with the help of domestic and foreign literature, take Huo Fengxiang Hotpot as the research object and use PESTEL analysis, Porter's Five Forces Model, SWOT analysis and other

methods to comprehensively analyze the enterprise marketing environment; at the same time, on the basis of STP theoretical analysis and research, 7Ps marketing theory, 4Cs marketing theory and experience marketing theory are deeply combined to formulate a scientific and reasonable marketing improvement plan and provide guarantee measures for the improved marketing strategy, providing new development ideas and theoretical basis for domestic hotpot chain franchise stores.

The practical significance of this paper lies in that, through the questionnaire survey and interviews of Huo Fengxiang Hotpot stores in the Xinghua area, the problems and causes of the current marketing of the enterprise are comprehensively analyzed, and the above

mentioned marketing theory combination is used from the perspective of consumers to formulate a set of scientific and reasonable marketing improvement strategies and guarantee measures to enhance the competitiveness and market share of the enterprise, help Huo Fengxiang Hotpot achieve longerterm development, and realize the goal of becoming a leading small hotpot enterprise in the northwest region. At the same time, it has essential experience as a reference for the operation and development of other hotpot chain catering enterprises in China.

Chapter 1 of this paper introduces the research background, pointing out that with the rapid progress of science and technology, the social production capacity has been dramatically improved. Under the impact of experiential consumption, Huo Fengxiang Hotpot catering enterprises lack attention to customer needs and customer loyalty and lack attention to their service quality management, let alone innovation in service content or form. Secondly, the research object Huo Fengxiang Hotpot is introduced. The research question is raised: How can customer loyalty for Huo Fengxiang Hotpot in the Xinghua area be improved? Finally, the significance of This project is determined.

Chapter 2 is a literature review, which reviews and summarizes the research results in related fields. It reviews the theoretical knowledge of marketing strategy, including marketing environment analysis, marketing strategy formulation and marketing strategy implementation, as well as customer loyalty.

Chapter 3 is the research method, which describes in detail the methods and tools used in the research, adopts a research method that combines theory with practice, based on the marketing strategy management theory, and adopts a research method that combines normative research with Questionnaire, and quantitative analysis with qualitative analysis.

Chapter 4 is the marketing plan, including external environment analysis, internal environment analysis, SWOT analysis, marketing goals, market segmentation and positioning, marketing mix strategy and implementation plan. That is, the marketing environment of Huo Fengxiang Hotpot is analyzed from the aspects of macro environment, politics, economy,

social culture and technology factors; Porter's Five Forces Model is used for analysis from the industry environment; the company's organizational structure, cultural concepts, internal resources and internal capabilities are introduced from the internal environment. Then, based on the analysis of the marketing environment, the marketing strategy of Huo Fengxiang Hotpot is formulated. The marketing goal of Huo Fengxiang Hotpot has been set, and the combination of the marketing strategy has been determined through the selection of the target market. The next step is to implement the marketing strategy of Huo Fengxiang Hotpot. Through the cycle of making plans, taking measures, analyzing implementation results, and adjusting strategies, the marketing tasks of Huo Fengxiang Hotpot in the market will be realized in several steps of the business cycle.

Chapter 5 is the conclusion and suggestions, which summarize the results of This project and put forward corresponding strategic suggestions, as well as the shortcomings of This project and future research directions.

2. Literature Review

2.1. Research background

With the swift advancement of science and technology and marked enhancement of social production capabilities, human civilization has soared to unprecedented heights. In the 21st century, developed economies represented by Europe and the United States have quietly ushered in the era of The Experience Economy. China is also on the eve of the transformation from a service economy to an experience economy (Pine & Gilmore, 2013). Under the impact of experiential consumption, a new round of consumer upgrading is quietly underway; the customer's mental model and consumer behaviour are slowly changing, along with the new consumer trends on the traditional service-oriented enterprises constitute a new challenge (Li et al., 2024).

Customers pay more attention to service quality. With the increase in per capita disposable income and leisure time of domestic residents (Dam & Dam, 2021), the expanding middle class is seeking a round of consumer upgrading attempts one after another. Changes in the market have brought new opportunities for the development of enterprises, and the wave of consumption upgrading will enable enterprises to gain further profits and development (Shokouhyar et al., 2020). The trend of upgrading consumption in the service industry is manifested explicitly in the customers' pursuit of excellence in service quality; customers expect traditional service-oriented enterprises to provide continuous improvement of service solutions and content.

Customer demand is developing in the direction of diversification. Traditional mass consumption habits are changing; the past single, obsolete service content and form can not meet the growing customer demand for diversified consumption (Morewedge et al., 2021). The factors that lead customers to make service consumption choices are quietly changing (Yli-Nissilä, 2020). Customers begin to consider the constraints of money and time and other factors less and are more willing to spend for self-reward, to be happy, to spend time, and for other reasons. Catering to, and even pleasing, the new needs of customers is a significant trend and a matter of life and death for businesses.

Customers are becoming less and less loyal. Loyal customer groups can provide a stable source of profit for service-oriented enterprises (Dam & Dam, 2021). An essential partner of service-oriented enterprises is service-oriented enterprises that obtain and maintain the competitive advantage of the core resources, but also service-oriented enterprises that survive, develop, and grow the cornerstone. However, in the increasingly fierce competition in the industry today, there are more and more alternatives for customers to choose from (Zhong & Moon, 2020), and customers are no longer satisfied with the original service content and form

and are more willing to pay for trying new services (Dam & Dam, 2021). For enterprises, it is becoming increasingly difficult to win and maintain customer loyalty (Zhang, 2024).

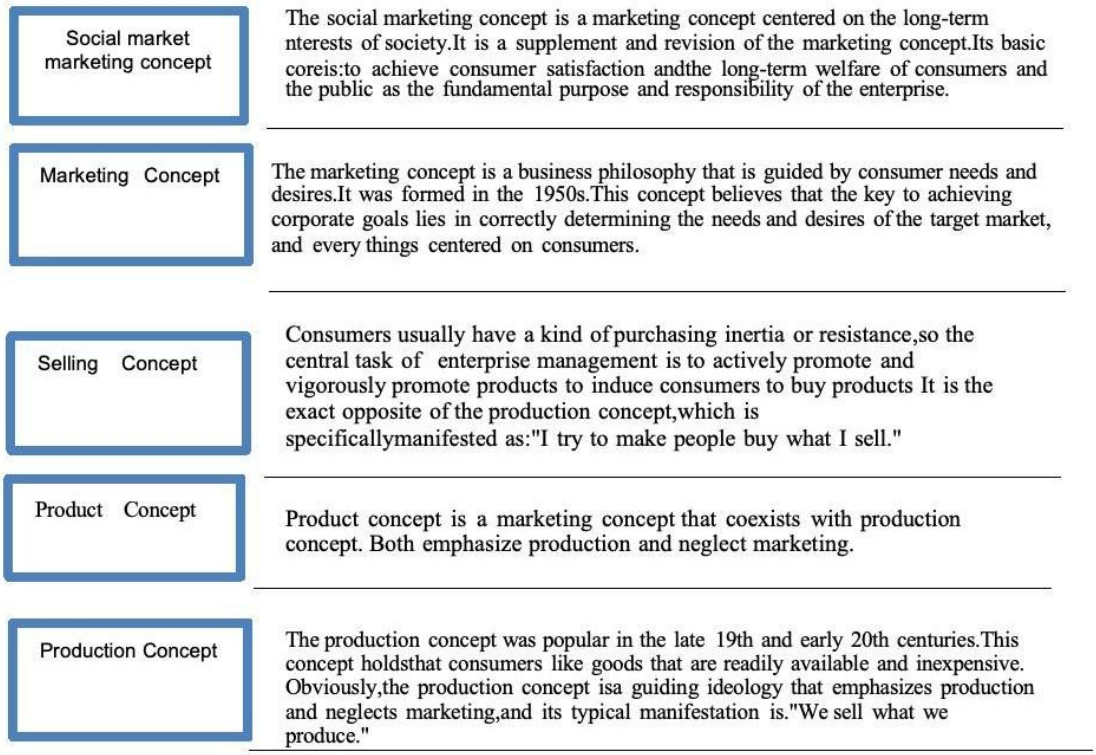
2.2. Marketing strategy

In the contemporary market economic system, there exists a myriad of definitions and interpretations of the concept of marketing strategy among various economists and researchers. The author of this thesis condenses the essence of marketing strategy as follows: It is the process undertaken by the corporate marketing department, guided by the company's overarching strategic blueprint. This involves meticulous consideration of the industrial landscape, external market opportunities, and the internal resource status. Based on such factors, the marketing department outlines the targeted marketing objectives for the impending period, selects an apt marketing mix strategy, and ensures its effective implementation and subsequent monitoring. The aim is to orchestrate the company's marketing endeavors, pinpointing objectives, selecting optimal strategies, and meticulously executing and overseeing the entire process.

Marketing strategy organically links the organisation with the external environment and views marketing as the responsibility of the whole organisation rather than just a specialised function. As marketing in the organisation and customers, channel members, and competitors between the unique positioning (Shokouhyar et al., 2020)., the purpose is to create customers, to obtain and maintain customers, to consider how to beat the competition from a longterm point of view effectively (Varadarajan, 2020), invincible, so the marketing process of the strategy development and implementation of the decisive impact of the role of the marketing process, and at the same time also pay attention to market research, collection and analysis of market information, in the environment and market changes in the In the case of environmental and market changes, timely adjustment of strategy, make the right decision marketing strategy on the selection of target customer groups, product development and competitors to determine the provision of practical expertise and skills.

A marketing strategy refers to the overall, long-term planning of the development objectives, directions and methods of achieving the business activities of the enterprise from the strategic point of view according to its own marketing-related political, economic, cultural, technological and other macro environments, the state of industrial development and the enterprise's organisational structure, cultural characteristics, resources, capabilities and the overall development strategy for the future of a more extended period of business development (YAN, 2023). as shown in the figure 2.1,

Figure 2.1 Marketing strategy



Source: YAN (2023)

2.3. Marketing Strategy Management Process Model

The marketing strategy management process can include: marketing environment analysis, marketing strategy selection, and marketing strategy implementation.

2.3.1. Marketing Environment Analysis

The analysis of the marketing environment of an enterprise can include macro environment analysis, industrial environment analysis and internal environment analysis of the enterprise (Li et al., 2021).

2.3.1.1. Macro environment analysis

The macro-environment faced by enterprise marketing includes the political and legal environment, economic environment, social and cultural environment and scientific and technological environment.

(1)Political and legal environment: The report of the 20th National Congress of the Communist Party of China clearly states: "Education, science and technology, and talent are

indispensable foundational and strategic supports for the comprehensive construction of a modern socialist country." We focus on improving total factor productivity, strengthening the resilience and security of industrial and supply chains, and promoting integrated urban-rural development and coordinated regional development..With the continuous deepening of China's economic system reform and the ongoing advancement of opening up to the outside world, the economic environment faced by enterprises at home and abroad is becoming increasingly complex. In this context, a stable political environment has become key to whether a company can continue to operate in a country. Relying on the stable political environment at home, Huo Fengxiang Hotpot has demonstrated vast development potential and a bright future in the domestic market.

(2)Economic environment: the economic environment of marketing strategy management mainly includes the economic system, economic structure, economic strength, economic development and so on. In the formulation of a marketing strategy, it is necessary to consider the economic development status and economic affordability of the society (Zhang, 2024). The economic environment will affect the degree of marketing strategy achievement and effect, but also an important material condition of marketing strategy management is the enterprise strategy can be the fact that the guarantee for strategic management to provide the necessary human, material and financial resources.

(3)Social and cultural environment: the social and cultural environment of marketing strategy management mainly includes the social population, occupational composition, social welfare, social security system and social ethical norms (Varadarajan, 2020). The social environment is also an essential factor in the macro environment of marketing strategy management (Li et al., 2024). An enterprise's strategy maker needs to consider the general background of society and specific social relations; the development of strategy and the effect of the completion of the strategy should also reflect the value of the development of society as a whole and the primary direction (Chou et al., 2020).

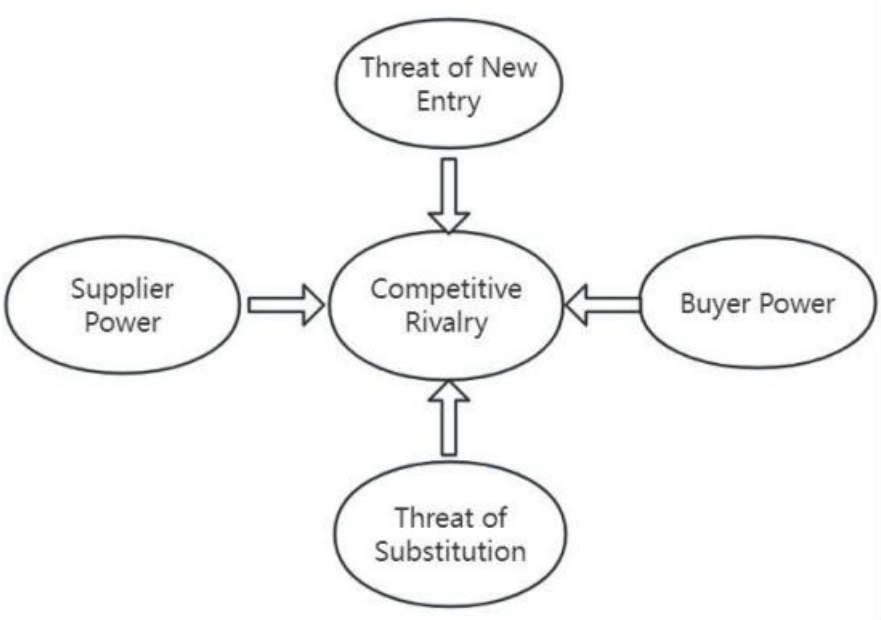
(4)scientific and technological environment: marketing strategy management of the scientific and technological environment refers to the latest scientific and technological research, application and development level, the information dissemination means of collecting and processing information ability, the development and use of new materials, people's scientific knowledge and technology level (Dong & Yan, 2024). In today's society, with the application of new materials and high technology, science and technology are becoming increasingly important for the development of enterprises.

Therefore, the formulation of marketing strategy requires enterprises to accurately grasp and understand the macro environment and systematically analyse it.

2.3.1.2. Industrial environment analysis

The five forces analysis model, which Michael Porter recommended for the study of competitive strategy and which is useful for analyzing the competitive environment of businesses, is mostly used in the analysis of the industrial environment. Corporate strategy has been greatly influenced by this methodology, which has a global reach. Figure 2.2 displays the five forces analysis model.

Figure 2.2 Porter's Five Forces Analysis model



Source: Jiang & Cao (2024)

Supplier: By decreasing unit values and increasing input costs, suppliers primarily influence the profitability and product competitiveness of currently operational businesses within the sector. The inputs provided by the supplier determine the strength of its bargaining power. The potential negotiation power of the supplier over the purchaser is significantly bolstered, as the market value of the inputs stipulated by the supplier comprises a crucial component of the buyer's product's total price, which not only significantly affects the quality of the purchaser's product but is also integral to the entire production process of the consumer's product (LIAO & Yang, 2021; Wirtz, 2020).

Consumers: Customers' ability to demand better products and services and to apply pricing pressure are the main ways in which they impact the profitability of already-existing businesses in an industry. In general, customers who fit the following criteria are probably going to have significant negotiating power: Although there are few customers overall, each one makes a sizable purchase and contributes significantly to the seller's sales. In the seller's

industry, there are a lot of relatively tiny businesses. Consumers buy essentially standardised products and can buy from more than one seller. Sellers are unlikely to be forward-integrated, whereas buyers can be backwards-integrated.

Potential Entrants: While potential entrants bring new resources and production capabilities to the industry, potential entrants may also compete with incumbents for market share and raw materials. The magnitude of barriers to entry into new areas and the expected response of existing firms to potential entrants are two factors that directly affect the severity of the threat of entry by competitors. The likelihood of a new firm entering an industry depends on the magnitude of the risk the entrant will take, the cost it will incur, and the relative magnitude of the potential benefits it will bring.

Substitutes: Two businesses can compete with one another by substituting one another's products, even though they are in different industries. The industry's current firms' competitive tactics may be impacted by this competition from substitutes in a number of ways. By focusing on the substitutes' production capacity, sales growth rates, and earnings expansion, one can determine the level of pressure coming from other manufacturers (Chou et al., 2020). The greater the quality of the alternatives, the cheaper their prices, and the lower their costs of switching for users, the greater the pressures of competition they generate.

Current rivals within the sector: Giving a company an advantage over rivals is the ultimate aim of an aggressive marketing plan (YAN, 2023). Therefore, the implementation of a competitive strategy in the enterprise will inevitably produce confrontation and conflict, which form competition between existing enterprises. Firms can protect themselves by erecting barriers to entry into the industry, including switching costs and achieving differentiation. Firms need to pay close attention to the moves of each competitor in the industry (Wirtz, 2020).

2.3.1.3. Analysis of the internal environment

The analysis of the internal environment of a company is to analyse the strengths and weaknesses of its organisation. The analysis of the internal environment of an enterprise mainly includes the following points: enterprise organisational structure, enterprise culture, enterprise production and R&D status and enterprise financial status (Varadarajan, 2020).

Corporate organisational structure: Generally speaking, if a company has an orderly organisation, timely transmission of information, appropriate structure, and effective management, then the company has a good marketing strategy management environment (Chou et al., 2020).

Corporate culture: the role of corporate culture in marketing strategy management is mainly manifested in the following three aspects: First, the establishment of a unified goal and

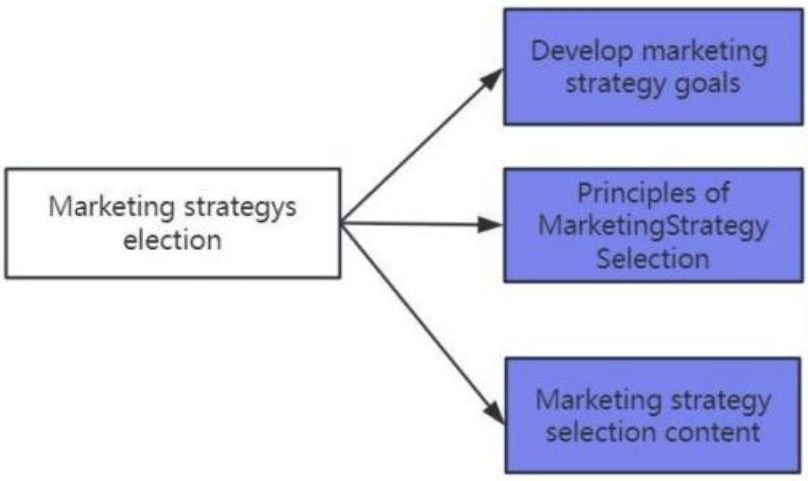
direction for the strategic management of corporate marketing, the formation of a unified will of the enterprise(Balmer, 2009), Second, the entire marketing strategy management process and marketing strategy managers to provide the spiritual pillars: Third, in the constraints and norms of the entire enterprise staff behaviour at the same time, the education of employees, so that the smooth implementation of corporate marketing strategy management. The third is to educate the employees while restraining and regulating the behaviour of the whole enterprise so that the enterprise marketing strategy management can be implemented smoothly (Li et al., 2024).

Production, finance, research and development and other internal resources and capabilities: The production capacity of an enterprise provides adequate support for the achievement of marketing objectives while restricting the achievement of marketing objectives. The financial situation is the most persuasive factor in measuring the competitive situation of an enterprise and determining the financial strengths and weaknesses of an enterprise is the basic principle of effective designation of marketing strategy. R & D capability is crucial for enterprises that need to produce. However, the fundamental guarantee for enterprises to create product differentiation is also one of the most effective ways for enterprises to set higher competitive barriers for substitutes or competitive products (YAN, 2023; Jiang & Cao, 2024).

2.3.2. Formulation of marketing strategy

Marketing strategy selection can be divided into: the formulation of marketing strategy objectives (Hariani, 2022), the determination of the principles of marketing strategy selection and the specific selection of the content of the marketing strategy, as shown in Figure 2.3,

Figure 2.3 Marketing strategy selection



Source: Hariani (2022)

2.3.2.1. Formulation of marketing objectives

Any business should have clear strategic marketing objectives. Marketing objectives must take into account the time factor; that is to say, marketing objectives must take into account the beginning and the end of the marketing objectives. Marketing objectives must be specific, explicit and secure (Lina, 2022).

Marketing strategic objectives should be formulated based on analysis of the marketing environment. Enterprises should conduct a comprehensive analysis of the macro, industrial, and internal environments to set objectives that guide daily marketing work and enterprise direction.

2.3.2.2. Selection of marketing strategy target market

In the market economic environment, even within the same market, there will be differences in the selection of the target market, which can help enterprises to find a marketsegment that meets their characteristics so as to avoid pure price competition (Zhang, 2024). Market segmentation, sub-tiki current market consumer characteristics, and market environment first determine the marketing process. Then, the target market is determined, followed by market positioning; this is the STP decisionmaking model, which carries out the target market selection of a decision it is by the market segmentation (Segmentation), the target market to determine (Targeting), and market positioning (Positioning) composed of the strategic analysis of the process. STP strategy refers to market segmentation, market selection, and Market (product) positioning strategy. Market segmentation refers to a particular classification method that divides the market into consumer groups with specific similar characteristics of the process after the division of each consumer group into a market segment.

(1) Market Segmentation

Standard market segments include geographic, demographic, psychological, and behavioral segmentation based on the diversity and heterogeneity of consumers' requirements, motivations, and purchasing behaviors. Businesses can address their target market and produce marketable products through market segmentation, which will help them meet consumer demands and boost profits. Marketable products can also increase product flow, increase production batch size, lower production costs, boost sales, improve recognized labor proficiency, enhance product quality, and boost an organization's overall economic efficiency (Dam & Dam, 2021).

(2) Target market determination

The target market is the market for which the enterprise is prepared to serve. The target market chosen by the enterprise needs to have a specific scale and can enable the enterprise to enter (Kim et al., 2021). Enterprises can choose one or more market segments as the target market; in the target market, the marketing strategies available to enterprises are concentrated market strategy, undifferentiated marketing strategy and differentiated marketing strategy. According to the uniqueness of each market segment and the company's objectives, there are three target market selection strategies: undifferentiated marketing, intensive marketing (Ketter & Avraham, 2021), and differential marketing. Enterprises can decide on the most suitable target market selection strategy, tailored to their unique circumstances, products, and market dynamics, while considering a myriad of factors (Li et al., 2021). Firms may opt for diverse target market strategies that are congruent with their distinct corporate resources, the level of product and market homogeneity, the phase of the product life cycle, and the ever-evolving competitive environment.

(3) Market Positioning

In the 1970s, American marketing scientists Ai Rice (A1Rice) and Jack Trout (Jack Trout) put forward the concept of market positioning. It means that the business will position its products in the market based on how competitors' products are currently positioned, how important certain features are to the customer, and how the enterprise's products will make an impressive and unique impression that will be clearly communicated to the customer in order for the product to occupy the right space in the market (Yazid et al., 2020). Specifically, market positioning refers to the position of the enterprise's products in the minds of consumers compared with its competitors; in other words, market positioning refers to the planning of the enterprise to make its products occupy an ideal and clear position in the minds of its target customers relative to the products of its competitors (Alzoubi et al., 2022). The strategy options for market positioning include confrontation strategy, gap strategy and speciality strategy (Hassan, S.S. & Craft, S. 2012). The essence is to make the enterprise's products distinguishable from those of other enterprises, with the aim of influencing the customer's psychology, enhancing the competitiveness of the enterprise as well as its products, thus expanding the sales of the products and ultimately increasing the economic benefits of the enterprise (Hariani, 2022).

2.3.2.3. Formulation of marketing strategy mix

Marketing mix strategy (Marketing Mix) refers to the characteristics of the target market demand, as well as market positioning and tone of the target requirements, coordinating the selection, design and integration of all marketing variables inside and outside the enterprise, period organically combined to form the best combination of programmes. This strategy is the basis for the development of corporate marketing strategy, is a powerful means of dealing with competitors (Dam & Dam, 2021), and is the rational allocation of corporate marketing budget costs based on a series of aspects of the management in order to implement the company's strategy and to achieve the objectives of the decisionmaking. Holleran (2024) Proposes that the marketing mix strategy that is often used is the 4PS strategy, that is, starting from the development of product strategy, and at the same time, the development of price, promotion, and distribution channel strategy, combined into a strategy overall. The life cycle of the product is a significant factor when developing the marketing mix; as shown in the table, different marketing mix strategies should be used for different stages of the product (Shokouhyar et al., 2020). As shown in Figure 2.4,

Figure 2.4 The life cycle of the product

Marketing objectives	INTRODUCTION	GROWTH	MATURITY	DECLINE
Marketing objectives	**Createproduct awareness &trial**	**Maximize market share**	**Maximize profits while defending**	**Reduce expenditure &**
Product	Offer basic	Offer new features extensions,service	Diversify brand &models	Phase out weak items
Price	Usually high; use cost+	Maintain pricing	Matchor lower than competitors	Cut price
Distribution	High expenses	Increase number ofoutlets	Intensify distribution	Very selective
Promotion	Build awareness among early	Build awareness &interest in mass	Stress brand differences &	Reduce levelto maintain loyal

Source: Shokouhyar et al. (2020)

First, the creation of products, organizing, creating, and other content related to making decisions are all included in product strategy (Product); its influencing aspects include features of the product such as quality, physical appearance, gear, which is brands, intellectual property rights, the packaging, as well as and so forth Product is the core and key to the implementation of marketing strategy. In the introduction period, the focus should be on differentiating the new product from previous solutions made for the customer's target expectations and needs; at this stage, product availability is critical to the consumer, and the communication task at the beginning is to build up the consumer's knowledge of the new product's uniqueness. In the growth phase, product prices tend to fall and price differentials between brands decline, the

extent of which depends on costs, volume relationships, industry concentration, and fluctuations in raw material costs. In addition to joining in more direct price competition, the company should do its best to maintain and improve the distribution system and maintain the distribution channel by providing customers with incentives to buy. During the maturity period, as technology matures and different brands in the market become more similar, any breakthrough in research and development or engineering that helps to differentiate the product or change costs can be lucrative. Value can be added to the output by improving the ease of use of the product, the ease of incorporation of features or by selling a system product rather than a single product to benefit the customer (Li et al., 2021). In the recessionary phase, extreme efforts are needed to reduce costs as sales fall and costs increase. In this stage, marketing expenses can be reduced by a certain percentage of sales; marketing activities can focus on distribution to persuade intermediaries to continue to buy so that intermediaries can promote product promotions (YAN, 2023; Jiang & Cao, 2024).

Second, the price strategy (Price)comprises establishing the goals for pricing as well as creating guidelines and methods for product pricing. Credit Under certain circumstances, basic rates, discounts, prices for wholesale, and cost at retail are the aspects that influence its payment methods. Pricing is a useful tool for increasing the reach of a marketing campaign. In the modern market economy, the product price is active and variable, and affecting the price of the cause is also a variety of factors (Lu Lan & Zhao Jinlin. 2022). There is an inherent conflict between the two aspects of price strategy; on the one hand, to win customers, Allowing them to retain some of the inherent value of the good or service is vital, but they also need to be able to make enough money to pay their staff and appease other stakeholders in the business. The product's price must be high enough to pay unit costs without going over the customer's perception of value. Careful consideration of rivals' prices and costs, the organization's strategic goals, and the coherence of other elements of the promotional plan are necessary when selecting a pricing strategy that falls within a workable price range (Zhang, 2024).

Third, promotion strategy (promotion): This is the primary study of how to persuade consumers to purchase products in order to accomplish the strategy's goal of increasing sales; its marketing components include public relations, staff advertising, marketing, including publicity (Varadarajan, 2020). Promotion is a sharp weapon to strengthen the implementation of marketing strategy. Promotional strategy involves planning, implementing, and controlling the organisation's communication activities with its customers and target customers. In marketing strategy development, promotion aims to achieve the goal of communicating with every customer as managers desire. Word-of-mouth communication activities among purchasers, as well as communication activities of other organisations, can have an impact on the company's target customers.

Fourth, the distribution strategy (Place): the main study of goods successfully reach the hands of consumers in the way and manner of such aspects of the strategy, and its influence on the factors include distribution channels, regional distribution, the type of intermediary, transport methods, storage pieces and so on (Alzoubi et al., 2022). Distribution is a winning strategy to promote the implementation of marketing strategy. The distribution strategy maximises product availability to meet customer demand for services, encourages sales efforts, gets up-to-date market information, reduces expenses associated with distribution, and attains flexibility. Manufacturing and vendors of services may try to enlist the help of channel members by means of financial incentives, legal agreements, vertical integration, and the development of mutually beneficial relationships built on trust and future benefits anticipation.

2.3.3. Implementation of marketing strategy

The implementation of marketing programmes generally has three parts: marketing organisation design, control of marketing activities and organisation of marketing activities. Marketing organisation design: the design of the marketing organisation structure is of great significance to the implementation of marketing strategy (Li et al., 2024). Enterprises can choose more marketing organisation design models, such as the choice of functional marketing organisational structure applicable to small scale enterprises, used in regional differences in the product range of less geographically differentiated marketing organisational structure; for more series of products of the brand marketing organisational structure; the use of the same product and customer differences in the customer type based on the division of the market-based marketing organisational structure.

The organisation of marketing activities: Surveys have shown that problems in the strategic management of enterprises are largely due to problems in the implementation of the strategy rather than in its formulation (Shokouhyar et al., 2020). A good marketing strategy does not necessarily lead to real marketing success. Organisational marketing activities consist of such elements as formulating programmes, establishing organisational structures, developing compensation systems and designing decisions, developing human resources, establishing management styles and corporate cultures, etc. It is a dynamic and systematic process. Only by incorporating the various elements into a whole can the enterprise achieve the expected marketing strategy objectives and successfully organise various marketing activities (Zhang, 2024). Marketing Activities Control: Within a dynamic marketing environment, enterprises engage in a multitude of marketing endeavors. Despite the impeccability of a marketing plan, environmental shifts or the inadequacy of executives' experience and capabilities may lead to unmet objectives or outright failures. This underscores the paramount importance of marketing managers' oversight over marketing activities. The process entails

identifying the control target to establish control objectives, defining metrics and standards, contrasting results, analyzing deviations, and devising corrective actions. Techniques for controlling marketing activities encompass profitability control, annual plan control, strategic control, efficiency control, among others.

2.4. SERVQUAL Method

SERVQUAL is a tool for evaluating service quality, which identifies service deficiencies by comparing customer expectations with actual experience (Islam & Ahamed, 2023). The model is based on five dimensions:

1) Reliability: the ability to provide promised services. For example, whether Huo Fengxiang restaurant can provide the dishes and services ordered by customers as scheduled (Abili et al., 2012). 2) Responsiveness: the ability of employees to respond to customer requests and questions. Evaluate the speed and efficiency of restaurant employees' response during peak hours. 3) Assurance: the expertise and courtesy of employees, and the trust of customers in the sense of security of service. For example, the professional attitude of waiters and the emphasis on food hygiene 4) Empathy: the care and attention of employees to customers. Explore whether the restaurant can provide personalized services and understand customer needs and preferences. 5) Tangibles: the appearance and facilities of the service environment. For example, the environment of the restaurant, the cleanliness of the table, the design of the menu, etc. Therefore, in order to improve customer loyalty, Huo Fengxiang restaurant can apply the SERVQUAL model through the following steps: design a questionnaire to collect customer expectations and perceptions of the above five dimensions; analyze the collected data, identify the gap between expectations and perceptions, and find out the key deficiencies in service quality. Propose improvement plans, and after implementation, conduct regular customer satisfaction surveys, continuously monitor service quality, and adjust strategies in a timely manner to respond to changes in customer needs (Jusufbašić & Stević, 2023). Through the above methods, Huo Fengxiang Restaurant can effectively use the SERVQUAL model to improve service quality and thus enhance customer loyalty (Jiang et al.,2023). This will not only improve customer experience, but also bring long-term business growth to the restaurant.

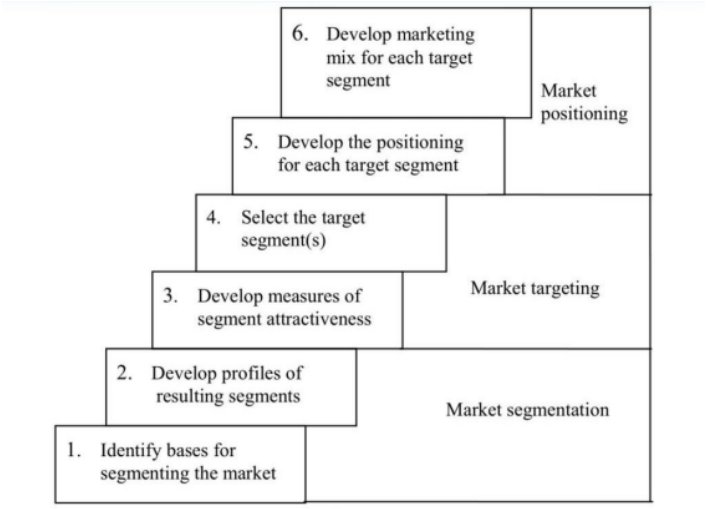
2.5. Review of theories related to marketing strategy

2.5.1. STP theory

The cornerstone of contemporary marketing theory is STP theory, also referred to as market positioning theory. It consists of three components: market segmentation (Segmentation), target market (Targeting), and market positioning (Positioning), the central idea of which being

that it is solely up to the target customers or consumers to decide. Six steps make up its specialized functioning, as seen in Figure 2.5 below,

Figure 2.5 Segmentation, Targeting and Positioning (STP) Model



Source: Adapted from the STP Model in marketing theory frameworks. (2025)

Market segmentation in STP theory is predicated on the following four factors: geographical, including towns, villages, cities and regions, provinces, etc.; Psychographic information factors, such as socioeconomic status and lifestyle, and demographic factors, such as age, gender, and size of family (Lina, 2022). Customer loyalty and the advantages of the product are examples of behavioral characteristics. 2020 Yazid et al. Murphy & Gouldson (2020) suggest that enterprise products, market demand, and customer requirements can all inform a company's market placement. Avoiding strong positioning, antagonistic positioning as well as repositioning, and other similar techniques are the primary positioning techniques. In order to achieve corporate profitability, businesses must base their product positioning strategies on their unique attributes, consumer needs, and other elements of the market positioning approach. This will guarantee that the product positioning is precise and effective.

For instance, a car's positioning will determine which is the safest, most enjoyable to drive, most fuel-efficient, and so forth; these are businesses that focus on positioning their products and selecting their target market in a distinctive way. the same with other people or the distinct technical performance and other distinctions to set apart from other comparable items on the market, with the goal of gaining the market's favor and seizing it swiftly (Li et al., 2024). In light of its unique circumstances at various stages of development, Huawei is effective in applying this marketing theory (Zhong & Moon, 2020). It also successfully combines market segmentation with enterprise products and services into the target market, as well as offering positioning and changing their position (Murphy & Gouldson, 2020). and ultimately force the

business to identify a number of submarkets that are in line with their own growth and swiftly fill them with specialized technical goods and services (YAN, 2023; Jiang & Cao, 2024), in order to take advantage of market opportunities. This allows the business to meet its marketing goals and grow (Kim et al., 2021).

2.5.2. Customer Value Proposition

Customer Value Proposition (CVP) is a statement used by a company to articulate the unique value or benefits of its products or services to customers. As defined by (Varadarajan, 2020), the core of CVP is to provide a clear answer to the question, "Why should customers choose our products or services over those of our competitors?" CVP increases customers' willingness to buy and loyalty by positioning the company's uniqueness in the market and emphasising that the product or service solves the customer's specific problem and satisfies his or her needs (Zhang, 2024).

The main components of a CVP are the target audience, 1) the target customer group that defines the value proposition.2) the problem/solution, 3) a description of how the product or service solves the specific problem faced by the customer or satisfies their needs the benefits, detailing the specific benefits or improvements that the customer will receive.5) differentiation, highlighting what is unique compared to competitors.

In the restaurant industry, the design of CVPs is crucial. For example, the Huo Fengxiang Hotpot can build its value proposition by offering a unique dining experience, high-quality ingredients, or excellent customer service (Darmawan & Grenier, 2021). An effective CVP not only helps attract new customers but also increases the loyalty of existing customers.

Figure 2.6 Customer Value Proposition model



Source: Darmawan & Grenier (2021)

Berry coined the phrase "relationship marketing" and published it in a book in 1983. Barbara Jackson first put up this idea in the sphere of industrial marketing in 1985. He thought that "a relationship marketing involves obtaining, building and sustaining close long-term connections with industrial users (Ravald & Grönroos, 1996)." Relationship marketing is now widely understood to be the process of determining, creating, preserving, and strengthening the bonds between enterprise clients and other stakeholders. The essence of relationship marketing is to establish non-transactional relationships based on buyer-seller relationships to ensure that transactional relationships can be continuously established and occur (Grönroos, 1996).

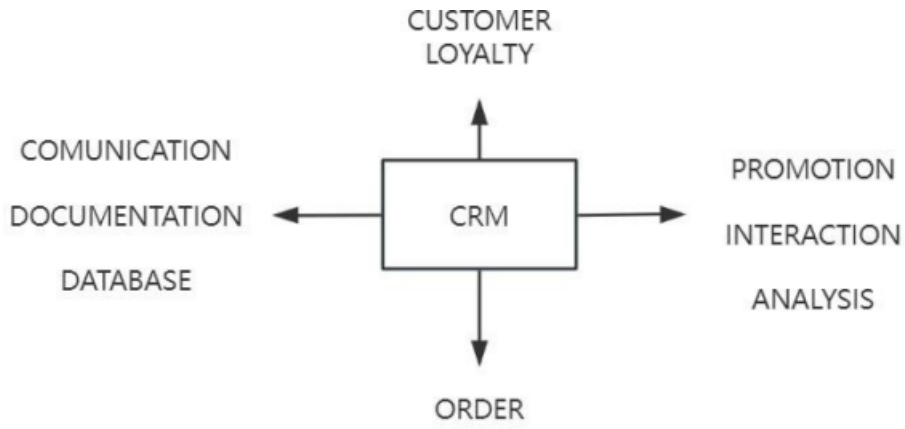
Both Grönroos and Berry's relationship marketing theories emphasize the importance of long-term customer relationships and value co-creation. Grönroos pays more attention to the role of service and interaction in relationship marketing, while Berry emphasizes the importance of customer loyalty, trust and commitment in relationship marketing (Grönroos, 2009). The two theories complement each other and together provide an important theoretical basis for modern marketing theory.

The approach and practice of managing a business's contacts with both current and potential customers is known as customer relationship management, or CRM. It entails leveraging technology and data to boost customer happiness, strengthen customer ties, and accelerate sales growth.CRM systems help firms better understand customer needs by recording and analysing customer data to provide personalised service and communication.

The main components of CRM are: 1) CRM systems, software tools for managing customer information, interactions, and data analysis. For example, Salesforce and HubSpot are common CRM platforms (Zhong & Moon, 2020).2) Customer data, which collects and analyses data about customer behaviours, preferences, and interactions in order to facilitate accurate marketing strategies and improve service quality.3) Customer interactions, which manage and improve touchpoints, such as sales, support, and customer service, to improve the overall customer experience.4) Loyalty programmes, to implement reward programmes to motivate repeat customers and promote long-term customer engagement.

In the marketing of Huo Fengxiang Hotpot, CRM can be used to track customer preferences, manage feedback, and develop targeted marketing campaigns to enhance customer loyalty. By implementing a CRM system, Huo Fengxiang Hotpot can create personalised offers and maintain a strong relationship with its customers (Darmawan & Grenier, 2021).

Figure 2.7 Customer Relationship Management (CRM)



Source: Darmawan & Grenier (2021)

2.6. Customer loyalty

2.6.1. The concept of loyalty

Customers refer to those who purchase products or services produced by a company. They can be individual consumers or various organizations composed of people (Kim et al., 2021). Loyalty is defined in the Chinese dictionary as a person's sincerity and dedication to the country, the people, the cause, the superior, and friends. It can be seen that in the Chinese cultural circle, loyalty is a commendatory word, which is understood as a loyal attitude or a continuous behavior. In marketing research and practice, the idea of customer loyalty is frequently employed, with an emphasis on the consistency of customers' buying patterns as well as their awareness of and reliance on the company's goods and services. If a client is adamant about buying and utilizing a business's goods or services for an extended period of time, the customer can be considered to be highly loyal. Customer loyalty reflects the customer's trust and loyalty to the company, product or service in thought and emotion (Saputra & Sunitiyoso, 2021). If higher customer loyalty can be obtained, it reflects to a certain extent that the company has accumulated specific advantages in longterm competition. Customer loyalty is the result of further quantification and operationalization of the concept of customer loyalty (Yum, K., & Yoo, B. 2023). Usually, this indicator is affected by many factors, such as price, quality, and industry.

Since the concept of customer loyalty was born, its content has been continuously enriched. The academic community has also undergone a process of evolution from monism to pluralism (Shokouhyar et al., 2020).

Early cognition of customer loyalty mainly came from the observation of customer behavior. Scholars generally believe that customer loyalty means that customers repeatedly purchase a certain product or specific service without changing their consumption behaviour (YAN, 2023; Jiang & Cao, 2024). However, with the deepening of research, scholars gradually realized that customers' attitudes or emotions towards brand products, services, and companies might play

a more important role than behavior. Relevant definitions of behavioural loyalty. Zhang (2024) believed that the possibility of customers buying the same brand of products again is customer loyalty. Customer defection is caused by a problem with the product during consumption. (Morgeson et al. 2020) think customer loyalty is the behavior of customers repeatedly buying a certain product without considering other brands of products. customer loyalty is the behavior of customers tending to repeatedly buy the same product or service, that is, the probability of customers repeating purchase behavior. Li et al. (2024) believe that customer loyalty is the behavior of customers who are influenced by price, product or service characteristics and other factors and purchase a certain brand of products or services for a long time (Kim et al., 2021). In addition to customers' repeated purchases, behavioural loyalty also includes positive word of mouth and recommendations to others. In the early days, due to the influence of behavioral perspectives on marketing practice, companies tended to adopt discounts, multiple consumption discounts and other measures to maximize the possibility of customers' repeated consumption. These measures can certainly strengthen the possibility of customers' consumption, but they also bring pressure on companies to increase costs. Other competing companies may also induce customers to betray by adopting related measures.

2.6.2. Customer Relationship Management (CRM) and Loyalty

Customer Relationship Management (CRM) is a customer-centric business strategy and technology framework that aims to improve the competitiveness of an enterprise in the marketplace through the collection, management, and analysis of customer information, thereby achieving business growth and customer satisfaction (Čavlin et al., 2024). Customer Relationship Management is not just a tool but a set of strategies, processes and technologies that work together with sales, marketing, customer service and technical support to create a superior customer experience (Azeem et al., 2022).

In today's competitive marketplace, it is difficult to understand and respond quickly to customer needs with traditional methods. With Customer Relationship Management, organisations can manage customer relationships more efficiently and achieve significant improvements on multiple levels (Al-Shammari, 2023). For example, Customer Relationship Management helps companies to better understand their customers' needs and preferences and personalise their marketing and services to significantly increase customer satisfaction and loyalty (Rane et al., 2023). By responding quickly to customer questions and providing personalised advice, customers are more likely to make repeat purchases and become long-term business partners (Sofi et al., 2020). Customer Relationship Management enables sales teams to work more efficiently by automating sales tasks, improving leads and tracking sales opportunities. This not only shortens the sales cycle but also increases the sales success rate.

The system also provides intuitive sales reports and forecasts to help managers make more informed decisions. With Customer Relationship Management, marketing teams can more accurately analyse and segment target customers and create more targeted marketing campaigns. The analytical tools provided by the system help the team to evaluate the effectiveness of the campaigns so that they can continuously improve their marketing strategies. Customer Relationship Management centralises customer data on one platform, allowing sales, marketing and customer service teams to work together and share resources without the need to switch between different systems. This not only improves work efficiency but also reduces the chance of errors.

2.6.3. The role of marketing in driving loyalty and ROI

The level of a customer's emotional attachment and commitment to a brand is referred to as brand loyalty. It shows how much customers trust and identify with the brand, as well as whether they want to keep buying its goods and services. Brand ROI is significantly impacted by brand loyalty. First, a brand's market share can rise as a result of brand loyalty. Customers are more inclined to select a company's goods or services when they have greater brand loyalty., which increases the brand's sales and market share. Second, brand loyalty reduces brand marketing costs (Khan et al., 2022). Loyal consumers tend to actively recommend the brand to others, thus reducing brand promotion and advertising costs. In addition, loyal consumers are more likely to be attracted to brand promotions, thus increasing the effectiveness of promotions (Arslan, I. K. 2020). In addition, brand loyalty helps to increase the profitability of a brand. Loyal consumers usually continue to purchase the brand's products or services, which results in a stable sales revenue. Furthermore, they are also more prepared to pay a higher price for the goods or services offered by the brand, which boosts its profitability.

Brand loyalty can be increased through marketing; firstly, brand marketing should be done in a way that highlights high-quality products or services to satisfy consumer needs. Secondly, brand marketing should create a positive brand image that appeals to the consumer's emotional connection through brand stories and values. In addition, brand

marketing should also highlight ways to enhance consumer loyalty by establishing a membership system and providing personalised customer service. In conclusion, marketing has a significant impact on brand loyalty and brand ROI. By increasing consumer loyalty to a brand through marketing, brands can increase market share, reduce marketing costs, and improve profitability. Therefore, brand managers should pay attention to brand marketing and take appropriate measures to increase consumer loyalty.

2.6.4. Acquiring New Customers and Maintaining Old Customers

From an economic perspective, keeping current clients is far less expensive than bringing in new ones. Market study indicates that the expense of bringing on a new client is five to twenty-five times greater than that of keeping an existing one (Arslan, I. K. 2020). The difference comes from advertising costs, promotional activities, and the difficulty of building initial trust. Repeat customers already have a certain level of knowledge and trust in the brand, so it is much less expensive to continue to keep them happy (Rane et al., 2023). The marketing community is divided into two schools of thought about marketing to repeat customers versus new customers. One is the ‘positioning marketing’ school represented by Phil Kotler and his colleagues, and the other is the ‘mass marketing’ school (Khan et al., 2022). Kotler believes that marketing is based on positioning and customer segmentation, that marketing should focus on customers with high loyalty, strong purchasing power and high return on investment, and that the focus should be on retaining existing customers (heavy customers) rather than acquiring more new customers. The ‘mass marketing’ school of thought disagrees, arguing that we are in a fast-paced business environment where it is becoming increasingly difficult for brands to build deep relationships with a large number of customers and that it is better to focus marketing resources on lighter customers, which can lead to significant market share gains. This project follows Kotler's concept.

2.6.5. Loyalty ladder theory and loyalty and drivers in the restaurant industry

Impulsive, emotional, cognitive, and behavioral loyalty are the four primary categories of customer loyalty behaviors in business behavior, each with varying degrees of intensity. Some of the following traits are shared by these four forms of consumer loyalty:

Behavioral and cognitive loyalty are more sensible than emotional and impulsive loyalty. and such rational loyalty usually lasts longer (Arslan, I. K. 2020). Impulsive loyalty is the lowest level of customer loyalty and lasts for a shorter period of time; behavioural loyalty is the highest level of customer loyalty and lasts for the longest period of time.

The most valuable thing for companies to do is to define customer loyalty in terms of its behavioural dimension (Rane et al., 2023). In this way, corporations can influence the future behaviour of their customers by preparing marketing techniques that are helpful to their bottom line. Gaining an understanding of these four customer loyalty behaviors can help us differentiate between various customer loyalty behaviors in marketing and implement various marketing techniques to draw in various clientele.

For Huo Fengxiang Hot Pot in Xinghua. In Chinese dining culture, factors such as dining environment, service quality, food authenticity and cultural resonance play an important role

in customer loyalty. Given Huo Fengxiang's unique position in the market, the business model is an important factor: Huo Fengxiang is a franchise store with multiple branches in urban and suburban areas, each of which aims to provide an authentic hot pot dining experience. The atmosphere, seating capacity and average ticket price of the restaurant play a key role in shaping customer perception and increasing loyalty. Huo Fengxiang's dining experience aims to enhance the overall dining experience and cultivate customer emotional and behavioral loyalty.

2.6.6. Communication Actions to Enhance Loyalty

2.6.6.1. Personalised Marketing and Communication

Customizing offers and messaging to clients according to their past interactions, preferences, and behavior is known as personalized marketing (Khan et al., 2022). This strategy promotes client happiness and loyalty by giving them a more relevant and engaging experience. Customer data can be gathered and analyzed using CRM systems. including purchase history, preferences and feedback (Čavlin et al., 2024). Use the collected data to send personalised offers, discounts and product recommendations via email, SMS or app notifications. Create personalised content for customers, such as birthday messages, anniversary rewards and personalised thank-you notes.

2.6.6.2. Use social media and digital platforms

Social media and digital platforms are important tools for engaging customers, building brand awareness, and fostering a sense of community. These platforms allow for direct and immediate interaction with customers through regular updates and content sharing, regular and special offers, behind-the-scenes content and client testimonials on social media sites like Facebook, Instagram, WeChat, and Weibo (Al-Shammari, 2023).

2.6.6.3. Customer Feedback and Engagement Strategies

Actively seeking and utilising customer feedback helps organisations to understand customer needs, improve services and demonstrate to customers that their opinions are valued, thus increasing loyalty. Feedback is provided by offering customers a variety of channels, such as comment cards, online surveys, social media and direct messages. Regular surveys should be conducted to gather insights on customer satisfaction, preferences, and areas for improvement (Azeem et al., 2022). Provide incentives for completing surveys to increase engagement. Respond to feedback in a timely manner and take visible action based on

customer suggestions. Inform customers of changes or improvements made as a result of their feedback (Arslan, I. K. 2020). Organise events such as customer appreciation days, exclusive tastings and loyalty programme member gatherings to engage with loyal customers and build stronger relationships.

2.7. Experience Marketing

2.7.1. Customer Experience

In the research field that deeply discusses the definition of customer experience, the theories of Pine and Gilmore and Schmitt are widely regarded as the most influential and authoritative. Schmit proposed a definition of experience. He believed that experience is a reaction generated by customers after receiving various external stimuli, which is a comprehensive reflection of customers' personal emotions and cognition (Schmitt, 1999).

Pine and Gilmore further defined experience. They believed that experience is the good feeling generated in customers' consciousness at a specific level, which is the result of the interaction between customers' own mental state and planned events. They emphasize the In the research field that deeply discusses the definition of customer experience, the theories of Pine and Gilmore and Schmitt are widely regarded as the most influential and authoritative. Schmit proposed a definition of experience. He believed that experience is a reaction generated by customers after receiving various external stimuli, which is a comprehensive reflection of customers' personal emotions and cognition (Schmitt, 1999). Subjectivity and interactivity of experience, arguing that experience is not merely a passive reception, but a process of active participation and creation (Gilmore & Pine, 2002).

Nancy M.Puccinelli proposed that customer experience is any feeling or knowledge that customers acquire when interacting with merchants in a situation co-created by them. Its definition emphasizes the interactivity and contextuality of experience, and she believes that experience is the result of co-creation between customers and merchants in a specific context (Puccinelli et al., 2013).

In the academic world, many scholars are committed to in-depth analysis of all aspects of customer experience from different research perspectives. Their primary focus is on all dimensions of the customer experience. Schmitt put forward a famous concept, namely, the five dimensions of customer experience, which include sensory experience, emotional experience, thinking experience, action experience and associated experience. This concept is known as the Strategic Experience Module and has been widely adopted and applied in subsequent research (Schmitt, 1999).

Many scholars have further expanded and deepened Schmitt's strategic experience module. Zhang Hongming proposed three new dimensions of experience, namely achievement experience, spiritual experience and spiritual experience (Zhang, 2003).

Bian and Zhang (2012) analyzed the influence mechanism of brand loyalty from the perspective of three dimensions of experience: emotion, relevance and sense when they studied catering brands (Zhang & Bian, 2011).

Wang Xiao et al. believe that customer experience is affected by four major factors: service, core service quality, employee sentiment and service scene (Wang et al., 2014).

2.7.2. Experience marketing

Schmitt (1999) believes that experiential marketing is a management mode driven by experience and forms the marketing strategy structure. He believes that the combination of rationality and sensibility is the mentality of common consumers. Only by paying attention to the experience before, during and after consumption can we understand the relationship between consumers and brands (Schmitt, 1999).

Pine and Gilmore (2008) pointed out in their research on the experience system that experience is a kind of good feeling formed in individual consciousness, which is closer to people's heart and more representative of true emotions. Such feeling involves multiple aspects such as emotion or spirit. In the study, the experience economy is listed as the fourth economic form after industry, agriculture and service economy, and the benefits brought by the experience economy will be unprecedented, but also the highest added value of the economic form (Pine & Gilmore, 2008).

Xia and Wang (2010), in a Study on experience Marketing Strategies in the Catering Industry - taking "Haidilao" as an example, stressed that enterprises should maximize the effectiveness of experience marketing in order to cultivate customer loyalty and establish differentiated marketing under the condition that the difference between products and services is not high (Xia & Wang, 2010).

Kotler (2017) propagated his marketing concept in China and repeatedly mentioned the issues of experience economy and experience marketing. He believed that marketing is not only about products and services, but also about experience, and service providers should have excellent skills to provide experience (Kotler et al., 2017).

Ali et al. (2019) explored the impact of experience modules and service quality on the experience value of young consumers, and the impact of experience value on consumer satisfaction and post-purchase behavior. Finally, it is concluded that service quality and some experience modules have positive stimulating effects on experience value (Ihtiyar et al., 2019).

Huang and Lai (2020) emphasize that the value and role of experience for business are constantly changing, and the center of experience is people. Meanwhile, they propose three key dimensions of innovation in experience economy, namely people, value and sustainability. The importance of experience design lies not in passive experience, but in the active intervention and practice process of the subject. The embodiment of value is more focused on brand services rather than products, and sustainability is generated in the whole symbiotic system, not in the supply and demand relationship (Huang & Lai, 2020).

2.7.3. Catering industry marketing

Leslie (2010) emphasized the important position of network marketing in marketing strategy through various ways, such as interviews and case analysis, and believed that it had strategic significance for the development of the company (Leslie, 2010).

Klaus (2013) pointed out that network marketing is the process of using network and digital information technology combined with modern marketing concepts to achieve marketing goals (Klaus & Maklan, 2013).

Jiungbin (2013) conducted an in-depth analysis of the internal management and operation mode of chain catering enterprises under the current market environment, pointed out the existing problems, and concluded that the marketing strategy of enterprises should not remain unchanged, but should be constantly upgraded and optimized with the changes of the environment (JiungBin et al., 2013).

Hunt (2010) proposed that the current world economic competition is becoming increasingly fierce, and enterprises must rely on marketing means and strategies if they want to occupy a place on the international stage (Hunt & Lambe, 2000).

Van (2018) pointed out that marketing is a link that the catering industry must pay attention to at present and even in the future, and perfect marketing strategies can bring qualitative development to enterprises (Van & Mente, 2018).

Noelia (2019) believes that the marketing development of the catering industry cannot be separated from the Internet, and only through the Internet and the internal and external network of the company, multi-level and multi-directional network marketing, and the integration of it, can we get a share of the Internet era (Jiménez-Asenjo & Filipescu, 2019).

George (2019) pointed out that in a specific market stage, enterprises often face new challenges and problems due to changes in consumer demand and market environment. In order to flexibly respond to market changes and meet emerging needs, enterprises need to carry out comprehensive reform and continuous optimization of existing marketing strategies.

Shtal (2019) points out that in order to enhance consumers' integrated shopping, entertainment and social experience, enterprises should play the role of retail channels and

make full use of tangible stores, intangible stores and various media information. By using the common implementation of combined sales and integrated sales, enterprises can create a more diversified shopping environment to meet the diverse needs of consumers (Belikov, 2019).

Luca (2020) deeply explores the role of service improvement in the product marketing process. His research is not limited to the product sales stage, but extends the scope of product marketing management to the product development, design and production stage. In addition, he redefined the concept and connotation of marketing management, emphasizing the importance of service in the entire product marketing process (Visconti et al., 2020).

Danish (2020) conducted an in-depth study on the relationship between product price and sales volume in the marketing process of enterprises, and found that if product price exceeded consumers' ability to pay, sales would decline. On the contrary, products that are reasonably priced and meet consumer needs are more likely to bring considerable economic benefits to enterprises. This finding highlights the importance of reasonable pricing in meeting consumer demand and improving business economic efficiency (Danish, 2020).

Zhang (2021) pointed out that in order to improve marketing ability and level, enterprises must invest more energy and resources in new product development. Through the continuous introduction of innovative and unique products, companies can stand out in the fierce market competition, and then enhance the industry position. This strategy not only helps enterprises seize market opportunities, but also meets the increasingly diverse needs of consumers, thus winning more market share and profits for enterprises.

Zeng, Hou and Jing (2022) analyzed the demand for traditional Chinese food culture, the contemporary value of traditional food culture and how to protect traditional food culture, etc. Through short food videos, they made traditional Chinese food retain the connotation of "century-old restaurant" and formed a lasting food brand that adapted to the changes of The Times.

2.7.4. Personalized Communication

Berry (1983) first introduced the concept of "relationship marketing," emphasizing that personalized interaction is the core of establishing long-term customer trust, changing the past tendency of simple transactional marketing to relationship marketing, which also initiated the subsequent journey of customer relationship research.

Peppers & Rogers (1993) proposed the "one-to-one marketing" theory, advocating for personalized communication strategies through data tracking.

Chip (2016) discussed the introduction of personalized customization marketing to achieve successful customer experiences, expounding two important methods of personalized

customization marketing: first, by analyzing customer needs and giving personal attention, making customers feel that their needs are sufficiently valued; second, by organizing community events, inviting customers to help and participate, and also discussed some other topics, including how to gain customer loyalty, and using personalized customization marketing to enhance the sales performance of signature perfumes.

Penny (2016) Personalized marketing, also known as one-to-one marketing or customized marketing, involves delivering tailored messages to specific individuals. Clearly, the more deeply marketers understand consumer preferences, the more targeted the messages they can deliver. Consequently, marketers need to invest significant effort in developing individual consumer profiles, gathering data through various means, including census records, mailing lists, credit card transaction records, phone bills, coupon redemptions, and surveys.

Kenneth (2016) refered that, currently, three emerging marketing trends based on digital technology are profoundly influencing the implementation of corporate strategies. These trends include: marketing automation, which involves the use of artificial intelligence technology to assist in customer acquisition and optimize the process of potential customer search; social media marketing, which integrates personal and commercial attributes to provide customers with almost real-time and personalized interactive experiences; and big data analytics, which significantly enhances the efficiency and effectiveness of marketing campaigns and can effectively utilize social media resources for customer acquisition.

Heikki et al. (2017) research indicates that personalized communication plays a critical mediating role in the impact of perceived value on loyalty, offering possibilities for the integration of personalized marketing strategies with internet digital channels. Its originality lies in revealing the mediating effect of marketing communication in the B2B environment between perceived value and customer loyalty.

Siliang et al. (2020) combined the traditional marketing mix model to construct a personalized mobile marketing strategy framework. This framework integrates personalized strategies into mobile products, mobile locations, mobile pricing, mobile promotion, and mobile forecasting. Guided by this framework, an in-depth analysis of the current state of mobile marketing research was conducted, and the shortcomings of existing research were identified, providing a theoretical basis for future research directions in personalized mobile marketing.

Yu et al. (2020) pointed out that the application of commercial data can significantly enhance the precision of marketing strategies (for example, personalized online advertising based on big data analysis and optimized personalized recommendation algorithms), which is considered a key means for enterprises to enhance marketing effectiveness.

Al et al. (2021) This study employed a quantitative research method to conduct an in-depth analysis of a case study of restaurants in Jordan and utilized the Partial Least Squares Structural Equation Modeling (PLS-SEM) for a detailed quantitative analysis. The findings

indicate that Customer Relationship Management plays a crucial role in maintaining key customers, significantly enhancing customer loyalty and satisfaction. Furthermore, the study also revealed that Information Management has a positive impact on service quality, and the accuracy and timeliness of information are vital for customer experience.

3. Methodology

3.1Research Methods

This project will use a combination of qualitative and quantitative methods to fully understand customer satisfaction and loyalty to Huo Fengxiang Hotpot. Combining theory with practice based on theories such as marketing strategy management, normative research with investigation, and quantitative analysis with qualitative analysis through literature research and market research collect and analyze relevant market data and information. To perform a systematic environmental assessment, tools like SWOT analysis, Porter's five forces analysis, and PESTEL analysis. On the basis of summarizing experience and data, analyze the successful experience of other competing companies' marketing strategies and make marketing strategy decisions. Establish the business objectives and product positioning of Huo Fengxiang Hotpot and form a marketing strategy; in the process of implementing the strategy, adjust the marketing strategy in a timely manner according to market competition and customer needs to make it more in line with the company's development. In the course of conducting research and composing written work, it is imperative to employ the literature survey method, utilizing both books and the Internet as platforms to scrutinize pertinent literature. This endeavor aims to enhance the standardization of the research framework.

Specifically, this research will achieve the following goals:

a. To analyze the external environment (political, economic, social, technological, environmental, and legal factors) of China and the target market using a PESTEL framework.

b. To assess the competitive landscape of the hotpot industry in Xinghua, applying Porters Five Forces model to identify key forces shaping competition.

c. To investigate consumer needs and behaviors, including market segmentation and positioning opportunities, to understand better what drives customer loyalty.

e. To develop an enhanced marketing mix strategy (7Ps), including product, price, place, promotion, people, process, and physical evidence, to improve customer loyalty.

d. To design a detailed implementation plan, specifying timelines, budget allocations, and control mechanisms to monitor progress and ensure the plans success.

(1) Quantitative analysis is to design a questionnaire covering a wider range of customers to collect data on the consumer experience and satisfaction of Huo Fengxiang Hotpot. The questionnaire will include evaluations of food taste, service quality, price fairness, etc., and will also focus on customer loyalty and willingness to repeat consumption. Through the analysis of quantitative data, we can understand customers' preferences and needs more clearly and provide more targeted business strategies for hot pot restaurants. At the same time, the method of analyzing the quantitative relationship characteristics and quantity and quantity changes of the research objects is mainly based on system statistical analysis.

SPSS 1 9.0, Microsoft and other system statistical analysis software are used to establish sales forecast models and marketing investment return calculation models based on quantitative information of variable correlation, laying the foundation for planning and evaluating marketing strategies.

(2) Qualitative analysis is a literature research method. It combines the database provided by the ISCTE University Institute of Lisbon library system and Internet platforms such as Baidu Academic Search to track and read key concepts such as "marketing", "4Ps marketing mix", "strategic management", "marketing strategy" and "regression analysis". Including but not limited to the following journals: Journal of Marketing (JM);Journal of Consumer Research (JCR);Journal of Marketing Research (JMR);Marketing Science; Journal of the Academy of Marketing Science (JAMS);International Journal of Research in Marketing (IJRM);Journal of Retailing; Journal of Business Research (JBR).Through a large number of previous research results, the foothold of This project is discovered, the research ideas and methods of this paper are clarified, and at the same time, corresponding support and basis are provided for the research questions and theoretical model construction of this paper.

3.2. Research Design

3.2.1. Target population

The target population of This project is the existing and potential customers of Huo Fengxiang Hotpot in the Xinghua area. Existing customers include consumers who have already patronized Huo Fengxiang Hotpot and have a certain understanding and experience of the services and products of Huo Fengxiang Hotpot. Potential customers are those who may become consumers of Huo Fengxiang Hotpot but have not yet patronized it. The target population will cover consumers of different ages, genders, occupations and income levels to ensure the comprehensiveness and representativeness of the research results. The above are the specific target population of interest in This project, specific target population as the existing and potential customers of Huo Fengxiang Hotpot in Xinghua, spanning different demographics to ensure comprehensive and representative research. This focus will help tailor strategies to both retain current customers and attract new ones.

3.2.2. Sampling method

This project will adopt a stratified random sampling method. First, the population will be stratified according to different characteristics of the target population (such as age, gender, occupation and income level), and then samples will be randomly selected in each layer. This ensures that the proportion of each subgroup in the sample is consistent with its proportion in

the population, thereby improving the representativeness of the sample. In addition, in order to increase the breadth and effectiveness of the sample, the study will also combine the convenience sampling method to distribute questionnaires in Huo Fengxiang Hotpot stores and online platforms. It's essential to note that while convenience sampling increases sample size, it is a non-probability sampling method, meaning the error margin cannot be precisely calculated, limiting its generalizability.

3.2.3. Time period for data collection

Data collection will be carried out in two stages:

Preliminary preparation stage at May 12th -28th in next year: including questionnaire design, presurvey and adjustment of questionnaire content to ensure the validity and reliability of the questionnaire.

Formal survey stage at June 1th-26th in next year: Questionnaires are distributed in Huo Fengxiang Hotpot stores and online platforms to collect customer consumption experience and satisfaction data. Holidays and special events will be avoided during the formal survey stage to ensure the stability and reliability of the data.

3.2.4. Sample size

This project intends to gather at least 150 genuine questionnaires in order to guarantee the statistical significance and dependability of the research findings. The following criteria will be used to determine the sample size: the entire clientele of Huo Fengxiang hotpot within the Xinghua region, the expected confidence level and the confidence interval. Usually, a 95% confidence level and a ±5% confidence interval are commonly used standards relies on the pre-survey's findings to calculate the data's variability and dispersion. This project employed non-probability sampling for the 150 questionnaires because, in the event that probability sampling was utilized, his margin of error would be ±8%. The questionnaire for This project can be found in the attachment.

3.2.5. Data Analysis Techniques

Data analysis will use a combination of quantitative and qualitative methods:

Quantitative analysis:

Descriptive statistics: To comprehend the fundamental properties of the sample and the distribution of customer satisfaction, basic descriptive statistical analysis of questionnaire data, such as frequency distribution, mean, standard deviation, etc., is performed. Correlation

analysis: The relationship between customer satisfaction and loyalty as well as the effects of various aspects (such food taste, service quality, price fairness, etc.) on customer satisfaction are examined using the Pearson correlation coefficient or Spearman correlation coefficient.

Qualitative analysis:

Literature analysis: Combined with the research results of predecessors, further deepen the understanding of customer loyalty and verify the results of quantitative analysis.

Content analysis: Code and classify the open questions in the questionnaire to identify the main needs and suggestions of customers for Huo Fengxiang Hotpot and explore potential problems and room for improvement.

Through the above data analysis techniques, comprehensively and systematically evaluate customer satisfaction and loyalty to Huo Fengxiang Hotpot, providing a solid basis for formulating and adjusting marketing strategies.

3.2.6. Experience Marketing 6E Theory

The 6E theory of experiential marketing is elaborated by the scholar Bernid H. Schmidt in his book. The theory emphasizes six core elements: Engagement, Emotion, Event, Exhibit, Extension, and Exchange. Together, these elements form the core architecture of experiential marketing, which aims to enhance brand value and customer satisfaction by creating memorable customer experiences. In the marketing strategy of Huo Fengxiang Hotpot, the essence of the 6E theory of experience marketing can be learned. By planning activities and events with high participation and emotional resonance, as well as careful display and expansion of services, customers' dining experience can be enriched, thereby improving customer loyalty and brand reputation. The combination of experience marketing strategies is based on the experience marketing strategy from the perspective of customers, and ultimately relies on customer participation to produce high-quality experience. The experiential marketing mix from the customer perspective is divided into six elements: experience, context, event, immersion, impression and extension. Experience is the most basic element, which is the value that merchants and customers jointly create and communicate, including higher satisfaction, more wallet share, better reputation, stronger industry influence, longer vitality and so on.

Context is the external environment generated by merchants to create a sense of experience for customers, and the situational atmosphere created can make consumers experience more directly and effectively. Event refers to a series of activities or procedures for consumers to achieve the purpose of experience, and let them participate in, the purpose is to let consumers' emotions into the context, so that the experience designed by the business in the minds of consumers to form a differentiated, distinguishable concept. Immersion is to let consumers actively participate in the event designed by the merchant, forming a node of active

intervention, so that participants do not feel that they are consumers, but the co-builder of the brand. Impression is the management of brand impression by merchants on consumers, which is not limited to a single transaction, but needs to pay more attention to brand service and good experience impression, which will maintain a longer customer relationship. Extension means that the consumer experience spreads to different regions and time periods and to other people, and this spread is sustainable and exists throughout the symbiotic system. The design of experience marketing can make the interaction design between the involved systems, and the detailed implementation of the extension strategy through various methods, so that the efficacy of experience can be played more widely. is the external environment generated by merchants to create a sense of experience for customers, and the situational atmosphere created can make consumers experience more directly and effectively. Event refers to a series of activities or procedures for consumers to achieve the purpose of experience, and let them participate in, the purpose is to let consumers' emotions into the context, so that the experience designed by the business in the minds of consumers to form a differentiated, distinguishable concept. Immersion is to let consumers actively participate in the event designed by the merchant, forming a node of active intervention, so that participants do not feel that they are consumers, but the co-builder of the brand. Impression is the management of brand impression by merchants on consumers, which is not limited to a single transaction, but needs to pay more attention to brand service and good experience impression, which will maintain a longer customer relationship. Extension means that the consumer experience spreads to different regions and time periods and to other people, and this spread is sustainable and exists throughout the symbiotic system. The design of experience marketing can make the interaction design between the involved systems, and the detailed implementation of the extension strategy through various methods, so that the efficacy of experience can be played more widely.

4. Marketing Plan

4.1. Executive Summary

This chapter outlines the marketing strategy to increase customer loyalty for Huo Fengxiang Hotpot in the Xinghua area. It includes analysis of external and internal factors affecting the market, identification of key opportunities and threats, and detailed planning of market segmentation, objectives, positioning, and marketing mix. The chapter ends with an implementation roadmap, including timelines, budgets, and control mechanisms.

4.2. External Situational Analysis

The external scenario analysis examines the wider environment in which Huo Feng Xiang Hot Pot will operate. This comprises Porter's Five Forces analysis, PESTEL analysis, industry analysis, competition analysis, and consumer analysis.

4.2.1. PESTE Analysis

The political, economic, social, technological, and environmental aspects of the Xinghua region that can affect patronage of Huo Fengxiang Hot Pot are assessed by the PESTEL study.

4.2.1.1. **Political and Legal Context**

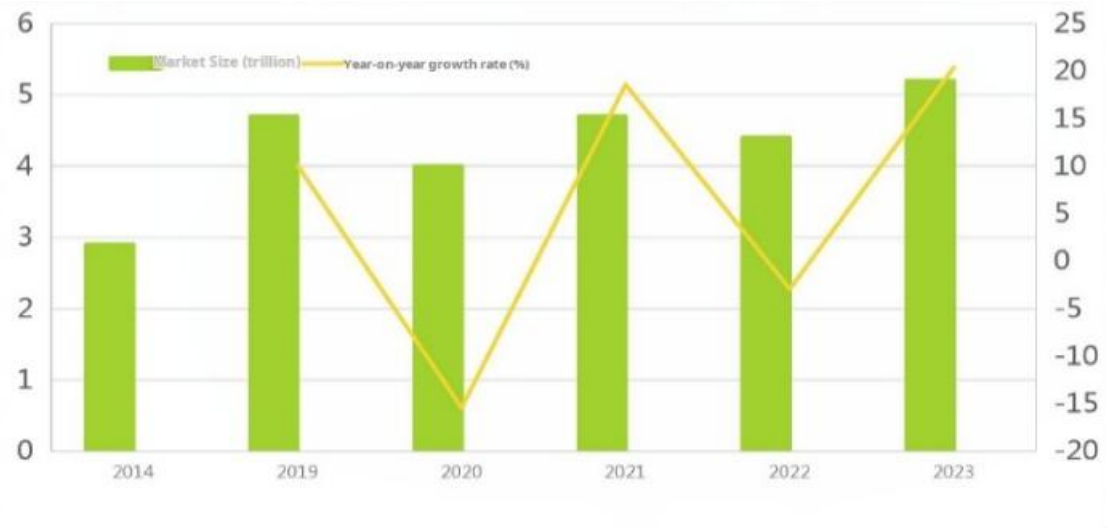
The catering industry plays a vital role in our economic system, and its contribution to the growth of gross domestic product (GDP) cannot be underestimated and is highly valued by all levels of government. Although the current standardization system of the catering industry has not been fully unified, and the relevant policy framework needs to be further improved and developed, the central and local governments have shown great concern and support for the development of the catering industry. The government is actively implementing a series of policy measures to promote the industrialization of the catering industry and accelerate its development by strengthening inter-departmental coordination and cooperation. To ensure the healthy and sustainable development of the catering industry, the Government has formulated and implemented a number of policies. For example, in 2009, China officially promulgated the Food Safety Law of the People's Republic of China, the implementation of which has played a decisive role in ensuring food safety. By 2021, in order to strengthen the legal guarantee of food safety, the law has undergone an important second amendment. In addition, in order to improve the food safety management ability of catering service providers, China specially

formulated the "Food Safety Operation Code for Catering Service" in 2018. In the same year, in order to build a more green, safe and healthy catering service system, relevant policies and measures have also been introduced. In 2019, China issued the "Measures for the Administration of Sampling Inspection of Food Safety", which provides more clear and specific operational guidelines for food safety supervision. In the 14th Five-Year Plan for the National Economic and Social Development of the People's Republic of China and the Outline of the 2035 Vision Goals in 2021, the state particularly emphasizes the importance of cultivating good eating habits, and advocates healthy living habits such as serving chopsticks and garbage sorting, which reflects the long-term planning and deep expectations of the healthy development of the catering industry. These measures have significantly improved the entry threshold of the catering industry, provided a solid foundation and guarantee for the development of high-quality catering enterprises such as Huofengxiang hot pot, and effectively avoided the phenomenon of "bad money driving out good money" in the market. At the same time, with the full liberalization of the epidemic, the state has also introduced policies to encourage mass consumption, creating favorable conditions for the recovery and development of catering enterprises such as Huofengxiang hot pot, so that it can continue to develop and grow in the new market environment.

4.2.1.2. **Economic Context**

With the continuous economic growth, the catering industry has also shown a vigorous development trend. Since 2014, the catering market has shown strong growth momentum, with the market size growing rapidly from 2.9 trillion yuan at that time to 4.7 trillion yuan in 2019, with a compound annual growth rate of 10.1% during the period. However, the outbreak of the novel coronavirus in 2020 has had a significant impact on the catering industry, and the market size has dropped by 15.4% to 4.0 trillion. With the normalization of epidemic prevention and control measures, the national enthusiasm for consumption began to recover steadily. Fortunately, the catering market successfully rebounded in 2021, with the market size rising to 4.7 trillion yuan, and the year-on-year growth rate reaching 18.6%. In 2022, the size of China's catering market is close to 4.4 trillion yuan, down 2.9% year-on-year. In 2023, the scale of China's catering market is close to 5.2 trillion yuan, an increase of 20.4%.

Figure 4.1 China's catering industry market size and year-on-year growth rate



Source: National Bureau of Statistics

Since 2023, with the continuous implementation of economic recovery and consumption stimulus policies, household consumption has shown a strong trend of resilient growth. In many areas of consumption, the catering industry, as a key area to promote the recovery and expansion of consumption, has been highly valued and supported by governments at all levels. Among the 20 new measures issued by the National Development and Reform Commission to promote the recovery and expansion of consumption, it is clearly pointed out that the vitality of catering service consumption needs to be further stimulated. Measures include supporting local food festivals, creating special food districts, and launching food promotion activities. At the same time, local governments are encouraged to adjust the business hours of catering establishments according to the actual situation. In order to improve the quality of catering services and the standardization level of distribution, various places are actively developing the integrated model of "breeding base + central kitchen + cold chain logistics + catering stores" to tap the potential of the prepared vegetable market and accelerate the construction of the prepared vegetable base. These measures not only fully reflect the importance of food safety, nutrition and health principles, but also enhance consumer confidence in the quality of food and beverage through the promotion of transparent kitchens and other means.

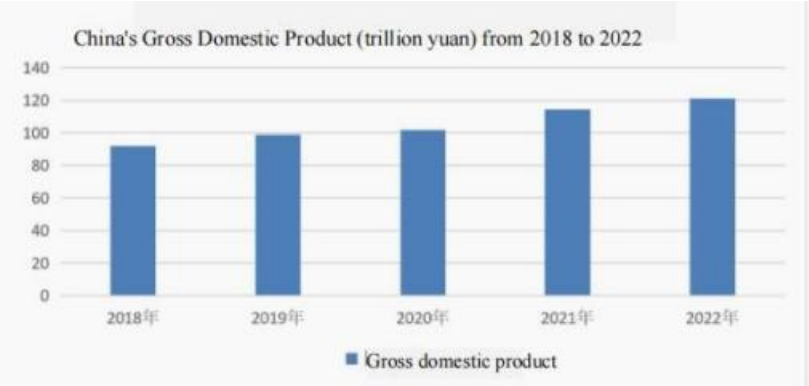
With the improvement of consumption level, the catering industry has shown a diversified development trend to meet the pursuit of food by a wider range of people. The catering industry continues to enrich its product categories, from meeting basic satiety needs, to pursuing delicious dishes, to paying attention to nutrition and health, and gradually meet the diversified needs of consumers. In recent years, whether it is in the first and second tier cities or the third and fourth tier small cities, new business forms represented by single snack bars have mushroomed, spread throughout the major cities in Beijing, Shanghai, Guangzhou and Shenzhen, Sichuan and Chongqing areas and Jiangnan area. Fried skewers, barbecue,

stewed meat, desserts, milk tea and other kinds of snack shops can be seen everywhere in the streets and alleys, shopping malls and supermarkets. With the frequent occurrence of financing events in the brand snack industry, many brands have successfully attracted a large amount of investment, which fully proves the market heat of the snack single product + store model. This trend reveals the current development trend of the catering industry, that is, the deep digging and respect for special catering.

(1) Domestic GDP and growth rate

The total outcome of all permanent units' production activity over a specific time period in a nation (or region) is its GDP, or gross domestic product. The foundation of national economic accounting is GDP. It is also a crucial measure of a nation or region's economic standing and degree of development. China's economy has been growing quickly in recent years, and as a result, GDP has been increasing annually. China's GDP increased 6.65 trillion yuan from 2021 to 121.02 trillion yuan in 2022 (Xiao Yu & Xia Jiechang, 2023), or 5.81% annually. As illustrated in figure 4.2,

Figure 4.2 Domestic GDP and growth rate

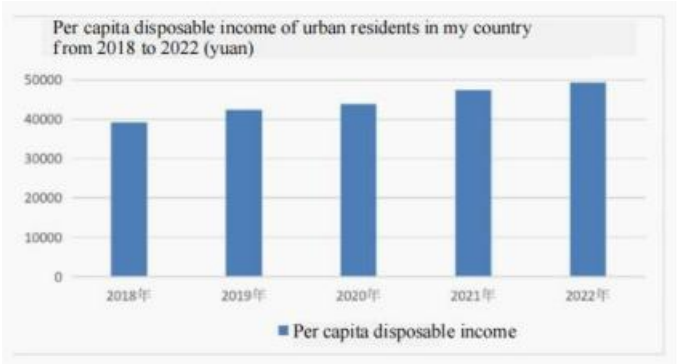


Source: National Bureau of Statistics of China(2022)

(2) Income and expenditure of urban residents

With the rapid growth of China's economy, the per capita disposable income of urban residents has been increasing year by year (Aburayya et al., 2020). According to the research data from Li et al. (2024), the per capita disposable income of urban residents in China reached 49,300 yuan in 2022, with a year-on-year increase of 4%. This growth trend has opened up a broader space for development for the catering industry, including the hot pot restaurant sector.Hot pot catering will open up a bigger industry because people's needs for food consumption are growing . As shown in the figure 4.3,

figure 4.3 People's needs for food consumption

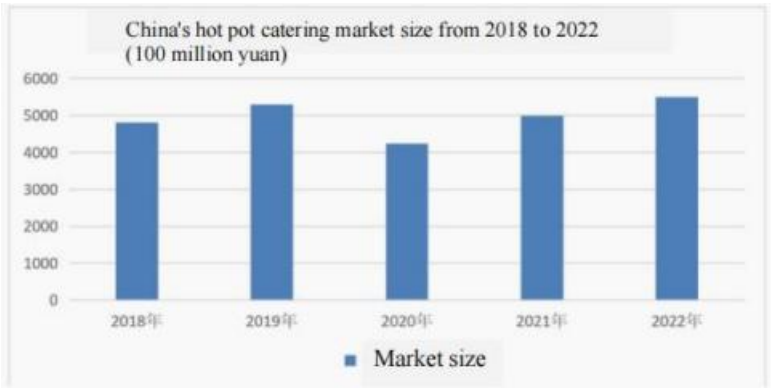


Source: National Bureau of Statistics of China(2022)

(3) China's hot pot catering market size

From 2018 to 2022, China's hot pot catering market size grew steadily.In 2020, due to the consequence of the COVID-19 pandemic, the marketplace size fell. The catering market was valued at 499.8 billion yuan in 2021, up 18% from the year before (Su, 2021). Overall, the catering industry, which was hit hardest by the pandemic, has recovered as a whole and is showing a steady growth trend. As shown in the figure 4.4,

Figure 4.4 China's hot pot catering market size



Source: LIAO & Yang (2021)

From an economic structure standpoint, the tertiary industry's proportion has progressively augmented, whereas the secondary industry has demonstrated a declining trajectory. Throughout this phase, both the per capita disposable income and consumption expenditure of residents have exhibited a consistent upward momentum. This translates into progressively elevated living standards, an accelerated urbanization process, and a substantial transformation in people's consumption ideologies and practices (Hui et al., 2021). The trend

towards dining out has intensified, with an increasing frequency of meals consumed outside the home. Hot pot has emerged as a pivotal component of the mass catering sector, owing to its convenience, affordability, practicality, and abundant nutritional value.

4.2.1.3. **Socio-Cultural Context**

As one of the most populous countries in the world, China's population structure shows remarkable diversity characteristics. China's total population is about 1.41178 billion, according to the newly released seventh national census. In terms of age composition, the proportion of the population in the 0-14 age group is about 17.95%, the proportion in the 15-59 age group is about 63.35%, and the proportion in the 60 and above age group is about 18.7%, of which the proportion in the 65 and above age group is about 13.5%. The main consumer groups of Huo Fengxiang hot pot are the post-70s, post-80s and post-90s, and consumers of these three age groups account for more than half of the total population. Especially the post-70s and post-80s, as the backbone of society, they have relatively high consumption power. This consumer group has shown a strong interest in hot pot and other special catering, therefore, the catering market where Huo Fengxiang hot pot is located has huge consumption potential.

With the continuous improvement of the popularization of education, the average educational level of Chinese citizens has achieved a remarkable improvement. According to the seventh national census, the number of people with college degrees or above has reached about 216.4 million, and the number of people with high school (including secondary school) degrees has reached about 213 million. Compared with the sixth Census data, the number of people with university degrees per 100,000 population increased from 8,930 to 15,500, and the number of people with high school degrees also increased from 14,000 to 15,100. This trend clearly shows the continuous improvement of national cultural literacy, but also means that consumers are increasingly demanding the catering service industry. Huofengxiang hot pot has always maintained a high level of service to meet the needs of current consumers. With the continuous development of economy, consumers' pursuit of quality of life is increasing, and the demand for catering food has changed from simple taste to the pursuit of safety, health, green and organic. Different types of potluck activities such as family dinner, colleague dinner, and friend dinner put forward different requirements for catering enterprises. Therefore, the problem that catering enterprises need to study is how to effectively meet the increasingly diversified needs of consumers. Only by continuously meeting the diversified needs of all kinds of consumers, catering enterprises can stand out in the fierce market competition and achieve success.

4.2.1.4. **Technological Context**

In the context of the rapid development of the digital economy, the service industry is undergoing a transformation and upgrading to high quality, diversification and quality. The development strategy emphasizes the deep integration of the digital economy and the real economy, which is in line with the country's clear guidance for the overall economic development and promotes the development of the industry to a higher level. With the rapid development of online consumption and logistics industry, all walks of life are experiencing a new trend of change. In the wave of consumption upgrading, the industry is gradually entering a new era of fine management with customer demand as the core. In order to adapt to this trend, accelerating digital transformation has become an inevitable choice for the development of the catering industry.

In order to conform to the trend of The Times, Huo Fengxiang hot pot actively seeks ways to digital upgrade, through the introduction of food delivery robots, tablet ordering computers and scanning code ordering and other intelligent devices, not only simplifies the tedious operation process, but also ensures the service is fast and efficient, and brings customers more convenient and high-quality dining experience. The introduction of digital smart devices is not only innovative, but also greatly enhances the consumer experience. At the same time, the Huo Fengxiang hot pot continues to innovate, to provide customers with a variety of product choices. Whether it is innovative hot pot soup base, special ingredients, or carefully designed peripheral products, it reflects the unremitting pursuit of Huo Fengxiang hot pot for innovative services and product innovation experience. These innovations not only satisfy the young people's curiosity, but also further enhance the brand value of Huo Fengxiang hot pot, making it stand out in the fierce catering market.

4.2.1.5. **Environmental Context**

Environmental factors are becoming increasingly important in modern business operations, especially in the catering industry (Li et al., 2021). As global environmental problems intensify, consumers and companies are increasingly concerned about and responsible for environmental protection. For Huo Fengxiang Hotpot, the following is an analysis of relevant environmental factors in Xinghua area:

(1) Environmental protection regulations

The Chinese government has been progressively enforcing stricter environmental protection laws and regulations in recent years. The "Environmental Protection Law," "Solid Waste

Pollution Prevention and Control Law," and "Air Pollution Prevention and Control Law" are just a few of the laws and regulations the nation has passed to safeguard the environment. The way that catering businesses operate has been significantly impacted by these laws and regulations. Huo Fengxiang Hotpot needs to abide by these regulations strictly (Ing et al., 2020), focus on reducing pollution emissions, energy conservation and emission reduction during operations, and ensure that it does not violate the law in terms of environmental protection (Ali & Anwar, 2021).

(2) Sustainable development trends

Consumers are increasingly concerned about sustainable development, especially in terms of diet. More and more consumers hope that catering companies can use environmentally friendly materials, reduce food waste, and promote green diets. Huo Fengxiang Hotpot can respond to consumers' environmental protection needs by adopting sustainable procurement strategies (such as choosing organic and pollution-free ingredients), reducing the use of disposable plastic products, and promoting environmentally friendly tableware (Orres et al., 2020).

(3) Climate change

Climate change has a significant impact on agriculture and the food supply chain. Huo Fengxiang Hotpot needs to assess the potential impact of climate change on the supply of its main ingredients. For example, extreme weather may cause price fluctuations or supply shortages of raw materials such as vegetables and meat. In order to meet these challenges, Huo Fengxiang Hotpot should establish a diversified supply chain to ensure the stability and quality of its food supply (Isabell et al., 2020).

(4) Waste management

The catering industry generates a large amount of food waste and waste. How to efficiently deal with this waste is an important issue facing catering companies (Lina, 2022). Huo Fengxiang Hotpot can improve waste management and reduce negative impacts on the environment by implementing measures such as classified recycling, reducing food waste, and cooperating with local waste treatment companies.

(5) Environmental publicity and consumer education

Huo Fengxiang Hotpot can use its influence to convey environmental protection concepts to consumers through instore publicity and social media and educate consumers to reduce waste and practice a green lifestyle. By actively participating in community environmental protection activities, the company can establish a responsible public image and enhance the brand's reputation and customer loyalty (Khurram et al., 2020).

In summary, the environmental factor analysis of Huo Fengxiang Hotpot in the Xinghua area shows that environmental protection and sustainable development are essential aspects affecting corporate operations. By actively responding to the requirements of environmental protection and implementing effective environmental protection measures, Huo Fengxiang Hotpot can not only meet the expectations of consumers but also stand out in the fierce market competition.

4.2.2. Analysis of the development trend of catering industry Sector

4.2.2.1. Popular catering becomes the mainstream

With the continuous economic growth and the significant improvement of residents' living standards, catering consumption has gradually changed from luxury consumption to daily consumption. Consumers are increasingly inclined to invest more in the food and beverage sector in order to enjoy the pleasant experience of fine dining. This trend provides a huge development space for the mass catering market. Especially in the current stage, China's catering industry is in a critical period of transition. For the catering industry, this transformation process marks a major change in the mode, mode and form of industrial development. It has promoted the transformation of the catering industry from the traditional extensive development model to the intensive development model, which not only means the single pursuit of scale expansion to pay attention to the improvement of efficiency while expanding the scale, but also reflects the comprehensive transformation from mainly for the high-end market to the mass catering market to meet the needs of a wider range of consumer groups. At present, popular catering has become the pillar industry of catering industry, especially in recent years, catering enterprises with mass catering consumption as the main target market, such as Haidilao, Haokka, Zhou Black Duck, Xiaolong Kan and Grandma's, etc., have shown a strong momentum of development. The excellent performance of these enterprises has also promoted the current growth rate of the national catering revenue.

4.2.3.2. Digital transformation, integration of online and offline development

(1) Technology helps the kitchen

In the context of continuous progress in science and technology, digital transformation has become a development trend that cannot be ignored in the catering industry. With the in-depth development of the era of big data, it has a profound impact on all walks of life and People's Daily life. Data is becoming a solid foundation for enterprise development. Through in-depth analysis and mining of massive multidimensional data, it can provide new ideas and methods for precision marketing, so as to promote enterprises to achieve more efficient and accurate market expansion. In this digital era, if food and beverage stores can actively respond to and seize the opportunities of digital transformation, it will open a new direction of development, achieve higher efficiency, better user experience and broader market impact.

(2) Online and offline integration

With the rapid development of digital transformation, the online and offline integration of the catering industry has become more and more convenient. Food and beverage stores can increase sales channels and attract more customers by establishing online platforms to provide online ordering and takeout services. At the same time, online platforms can also carry out brand promotion, marketing and other activities to improve brand awareness.

(3) Data-driven decision-making

The rapid development of the era of big data makes the digital transformation of all walks of life more urgent. Food and beverage stores can use data analysis tools to collect and analyze customers' consumption habits, preferences and other information, so as to better understand customer needs and improve customer satisfaction through continuous optimization of menus and services.

(4) Technology helps the kitchen

The rapid development of information technology makes the kitchen operation more intelligent. Catering enterprises can improve the production efficiency and food quality of the kitchen by introducing intelligent equipment and kitchen management system, reduce system costs, and increase profits.

(5) Artificial intelligence services

Digital transformation has also spawned new models of artificial intelligence services. Food and beverage stores can try to introduce technologies such as self-service ordering machines and unmanned meals to improve service efficiency and reduce labor costs.

(6) Cross-border cooperation

The rapid development of the digital era has made the originally separated industries cooperate closely. Food and beverage outlets have cooperated with other industries to launch joint promotions, which has resulted in an increase in foot traffic and sales.

Personalized service: Digital transformation enables food and beverage outlets to provide better personalized service. Enterprises can provide personalized menus, services and dining environment according to the individual needs of customers, so that customers' sense of experience can be satisfied.

To sum up, digital transformation brings many new opportunities and challenges for food and beverage stores. Actively embrace the digital era, constantly innovate and improve the business model, improve service quality and efficiency, will make the restaurant stand out in the fierce market competition, to meet a better future.

4.2.2. Porter's Five Forces Analysis

4.2.3.1. Internal Competition in the Industry

Hot pot has been favored by many consumers, the number of hot pot restaurants continues to grow under the hot pot restaurant competition brand, the market share is relatively balanced, the current hot pot restaurant market in China's Haidilao, old hot pot, Xiaolongkan brand has a large market share.

Although the momentum of the catering industry and hot pot catering is very strong, the competition is still very fierce, and there are the following specific performances.

(1) Frequent restaurant closures or closures in the past two years

Catering is an important livelihood industry, and the crisis and opportunity of the catering industry have been amplified once again in the epidemic. Many enterprises without large cash flow support and customer maintenance have closed down On January 5, Haidilao announced the closure of 300 stores in the next 2 months, of which 20% of the closed stores are from the stores that have defied the market in the epidemic, obviously, most of the closed stores have survived for less than two years. After Haidilao, Xiabu Xiabu's plan to close 200 stores became a popular search, and these actions caused long-term anxiety in the restaurant market. For

first-line food companies, Haidilao, Xiabu Xiabu in the crisis under the broken arm to survive, is a strategic contraction of the helpless act; However, small and medium-sized catering, such as the closing of a large number of stores in the epidemic of Huo Fengxiang Company, is a poor ability to resist risks, and countless enterprises like Huo Fengxiang Company on the market have closed down or closed stores. This all reflects the fierce competition in the catering industry, and each different period is changing waves of crises and opportunities.

(2) The competition of Sichuan hot pot is fierce

In the whole catering market, the competition of Sichuan style hot pot is still the largest, due to the popularity of Sichuan style, as well as a more mature industry supply chain, making Sichuan style hot pot become the largest market in hot pot,2023 hot pot restaurant market in Sichuan style hot pot accounted for the largest proportion of 64.9%. According to the "2023 China Catering Industry Annual Report" released by the China Hotel Association, as shown in Table 4.1, among the top 20 Chinese hot pot enterprises in 2023, there are 12 Sichuan-style hot pot brands, accounting for 60%, and the number of Sichuan-style hot pot stores accounts for 52.7%, with stores all over the country in every city, Haidilao, Xiaolongkan, Tanyaxue, Shu daxia, and YouniantouThey are all local Sichuan brands.

Table 4.1 Hot Pot Catering Companies Directory

Serial Number	Brand name	Classification
1	Sichuan Haidilao Catering Co., Ltd	Sichuan style hot pot
2	Xiabu Xiabu Catering Management Co., Ltd	Other hot pot
3	Sichuan Zhicai Brand Management Co., Ltd. (Tan Yashu)	Sichuan style hot pot
4	Chengdu xiaolongkan Catering Management Co., Ltd	Sichuan style hot pot
5	Chongqing Dezhuang Food Chain Co., Ltd	Sichuan style hot pot
6	Chongqing Liu Yishou Industrial Co., Ltd	Sichuan style hot pot
7	Banu beef omasum hot pot Co., Ltd	Sichuan style hot pot
8	Chongqing Chaotianmen catering Holding Group Co., Ltd	Sichuan style hot pot
9	Shanghai Zuo Ting Youyuan Enterprise Management Co., Ltd	Other hot pot
10	Chengdu Shu Daxia Catering Management Co., Ltd	Sichuan style hot pot
11	Luowang (Shanghai) Catering Co., Ltd	Other hot pot
12	Chongqing wudou rice food culture Co., Ltd	Other hot pot
13	Chengdu Dalong Restaurant Management Co., Ltd	Sichuan style hot pot
14	Wuxi Dayu Catering Management Co., Ltd	Sichuan style hot pot
15	Beijing Donglaishun Group Co., Ltd	Other hot pot
16	Shanghai Longhui Catering Management Co., Ltd	Other hot pot
17	Hubei lierxianyu village chain Management Co., Ltd	Other hot pot
18	Zhejiang Arc de Triomphe Macau Doulao Holding Group Co., Ltd	Other hot pot
19	Chongqing Minxian Catering Management Co., Ltd	Sichuan style hot pot
20	Luxi beef slices Catering Management Co., Ltd	Other hot pot

Source: China Catering Association, China Business Industry Research Institute

The performance of Sichuan hot pot after 2024 is not good,2024 Haidilao has been a dominant, more than 1,000 stores, is the only brand more than 1,000,2024 net profit reached 2.345 billion. After the epidemic, other large chain hot pot brands also encountered the same problem, due to the particularity of hot pot products, the limitations of creating product differentiation are becoming greater and greater, the continuous subdivision of the competition is growing, the impact of regional and cultural differences, the market competition between

Sichuan hot pot and the local hot pot is becoming more and more fierce, the future of China's Sichuan hot pot market has slowly changed from incremental market competition to Stock market competition.

(3) Competition in other categories continues to emerge

In recent years, although the differentiation of competition is more limited, but the major brands in the differentiation of the competition has not relaxed, Sichuan hot pot is very popular, hot pot categories are constantly subdivided, such as Sichuan out of the evolution of the cuisine of hot pot, such as beef miscella hot pot, hot pot and so on; The new market competition is strong, the first line of hot pot brands also smell the crisis and business opportunities, take out a lot of cash to carry out hot pot innovation, Haidilao's "hot pot bistro" constantly test the water around; Kanye Hotpot restaurant directly opened the "tea bar", leading the new food fashion, once again broke the tradition.

4.2.3.2. The Potential Entrants

The threat of potential entrants in the catering industry has been huge, and it is mainly manifested in the following aspects.

From the perspective of operating capital, catering is attractive because catering has several capital advantages such as flexible investment amount, short investment cycle, low threshold, and cross-bank participation. The hot pot industry, compared with other catering, its total investment capital is not large, the franchise cost is less, the replication of the store is fast, the industry threshold is lower business characteristics, so the hot pot industry in the entire catering market there are a lot of potential entrants. From the point of view of product differentiation, the catering enterprises in the hot pot industry are more and more scattered, the subdivided categories are various, and the taste of hot pot is still the main pot bottom, so the entry threshold of product selection is getting lower and lower. Huo Fengxiang company in the hot pot bottom material formula and production process has its own unique secret recipe, each kind of food selection has been tested, so the product difference compared with the industry slightly better, in addition, Huo Fengxiang company choose self-service consumption model, there is also a certain difference.

From the supply of raw materials, three important ways are manufacturer resources, agent resources, wholesaler resources, seize one of them, there will be a reasonable profit, hot pot raw materials rich, dishes, base materials, spices, the advantages and disadvantages of these raw materials is very important for hot pot restaurants, can get cheap raw materials is very key,

at any stage, with suppliers have long-term good cooperation From this point of view, it is slightly more difficult for new entrants. In terms of marketing channels, online channels have become the main source for catering enterprises to attract consumers. Although merchants are troubled by the high customer acquisition cost of online channels such as Meituan and Dianping, they are still favored by catering enterprises. Therefore, although potential entrants are not subject to more restrictions in terms of marketing channels, they can even directly spend money to hire agents to contract various channels of marketing. Huo Fengxiang Company is weak in online marketing and has insufficient power, and the innovation of online themes in catering is very fast. Regardless of hot pot catering, including the entire catering industry, the threat of potential entrants has been and has long existed.

4.2.3.3. The Substitution ability

The number and scale of substitutes in the hot pot industry is an important factor affecting the income of the hot pot enterprise. If there are few substitutes in the hot pot industry, the income of the hot pot enterprise will not be affected. If there are many substitutes for hot pot, it is bound to lead to its tendency to choose other catering to meet the daily consumption needs, there are many substitutes for Huo Fengxiang company, such as Chinese food, barbecue, Western food, fast food and so on.

The advantage of fast food is that there are lower prices, faster eating rhythm, the general restaurant environment, the consumption scene is mostly in a hurry, the customer's requirement for quality is not high, and for hot pot, the latter pays more attention to the quality of ingredients, taste and taste, and the sense of dining experience, therefore, the replacement ability of fast food is not high. The advantage of Western food is consumers' experience of culture. Most of the environment of Western food is romantic, elegant and stylish. Western food has rigorous cooking methods, fine material selection, exquisite utensils, ceremonial presentation, and exotic environment. However, most western food prices are higher than hot pot, occasionally eat a western meal can reconcile diet and life, often eat western food is not in line with more people's dietary tastes, therefore, the degree of substitution of western food is very weak.

Barbecue is the most threatening alternative, in the catering, barbecue social attributes are also relatively strong, from consumer prices, dietary rhythm, auxiliary, are similar to hot pot, at the same time, hot pot and barbecue ingredients are very complex, in the concept of food, the same dining atmosphere, on-site service requirements are relatively high, so, for the Huo Fengxiang company, barbecue alternative ability is the strongest, save In a certain threatening nature.

4.2.3.4. Supplier bargaining power

In the operation of the catering industry, the raw materials of dishes are crucial, so the most important supplier of the catering industry is the supplier of food ingredients. At the same time, the profit of catering also depends on the control of the cost of raw materials and the stability of prices, and the bargaining power of catering suppliers directly affects the profit of catering. However, due to the limited supply of high-quality ingredients, many buyers cannot produce or find the products they need, and the products provided by a few suppliers are difficult to replace, and the imbalance between supply and demand leads to buyers in a weak position, which makes the restaurant operators have to bear higher costs.

Sichuan hot pot raw materials procurement complex and diverse, rich categories, its corresponding raw material suppliers can be roughly divided into five categories: edible oil, fresh, meat, fruits and vegetables, spices and drinks.

Among them, the most widely used cooking oil is the frying of hot pot bottom material. The hot pot base material of Huo Fengxiang store is uniformly produced and distributed by the cooperative factory in Chengdu, Sichuan Province. As Huo Fengxiang company has a certain scale, the oil factory has stable orders every month, which is a high-quality large customer, therefore, the butter and accessories in the base material provided by the factory supplier are stable prices, Huo Fengxiang company occupies a strong position in the relationship with the supplier.

In the process of selecting ingredients, in addition to the bottom material, the purchase of other categories of ingredients needs to be negotiated by each store. Some choose local procurement, and some need to be distributed elsewhere. Among them, the suppliers of spices and drinks have weak bargaining power, because the procurement frequency of these two types of goods is stable, and the price fluctuation range is small. For example, the price ladder of drinks is transparent, the wholesale price of direct purchase by local suppliers is much lower than the market price, the supply is stable, and the supplier is frequently promoted, so the buyer has more say in the transaction.

Hot pot dishes are rich in raw materials and a wide range of ingredients, many ingredients need to be fresh and authentic, from the best local Sichuan. Most of the stores of Huo Feng xiang pursue high quality, and many meat ingredients are transported by air from Chengdu, which are greatly affected by logistics conditions and other factors, and the price also has a large range of fluctuations. At the same time, beef ingredients are affected by import trade, aquaculture seafood and river fresh products due to the particularity of the product, vegetables and fruits are affected by the season and transportation conditions, the prices of these three

categories are extremely unstable, once again highlighting the strong bargaining power of the supplier.

4.2.3.5. Consumer bargaining power

Many popular restaurants attract a large number of consumers who are willing to invest time in waiting in line and even pay more to enjoy a meal; Others are giving out vouchers, offering discounts and running online group-buying campaigns to boost their popularity. These phenomena reflect the enhanced bargaining power of catering consumers. Hot pot consumer groups are widely distributed, most customers are more sensitive to the price, therefore, the pursuit of high cost performance has become an increasingly important consumer concept.

In the current society, the proportion of hot pot consumption in total consumption is on the rise, and consumers are more sensitive to price. Hot pot as the largest segment of the catering market, although it has a huge consumer base, but the market competition is extremely fierce, the market dominance of hot pot enterprises is weakening, relatively speaking, the bargaining power of consumers is relatively high.

Huo Fengxiang's per-capita hotpot pricing in the city is at a moderate level. At present, its main consumer groups are young people between the ages of 20 and 35, who give recognition to word-of-mouth and taste, and are also actively seeking various offers. More than 70 percent of customers prefer to pay at better prices through online platforms. In addition, the factors that consumers consider when choosing a restaurant are not limited to price, new factors such as brand influence and dining experience also have an impact on their behavior. The level of pricing directly affects the consumer psychology, which is not conducive to the stability of the market. Therefore, for a long time, catering businesses have been trying to seize market share, and are committed to enhancing the brand and improving the dining experience, which requires a lot of financial support behind these efforts, reflecting the improvement of consumers' bargaining power from the side.

In view of the strong bargaining power of consumers on the hot pot market, Huo Fengxiang company must continue to adjust its marketing strategy in the future, committed to providing better user experience and high-quality products, in order to maintain the growth of the number of consumers and the stability of revenue.

4.3. Internal Situational Analysis

4.3.1. Characterization of the Huo Fengxiang

Huo Fengxiang's characteristics are reflected in the visual elements and aesthetics of the store, which are design (brand visual identity, interior design and atmosphere, appearance and storefront, hot pot products - dish display), marketing strategy, communication and advertising strategy (digital and social media influence, local advertising and public relations, community involvement and sponsorship, customer reviews and word of mouth).

First of all, the visual elements and aesthetic design, in terms of brand visual identity, Huo Fengxiang hot pot brand identity, is highly consistent with traditional Chinese aesthetics. In China, the phoenix symbolizes good luck, prosperity and passion, highlighting the flame, evoking the core elements of hot pot dining. This design highlights the brand's connection with Chinese culinary traditions and consolidates its unique position in the hot pot market. The logo is used consistently in all physical and digital touchpoints, including signage, menus and digital platforms such as social media and websites, creating a strong brand recognition. As shown in Figure 4.5,

Figure 4.5 Huo Fengxiang brand logo design



Source: Huo Fengxiang official website(2025)

Secondly, in terms of interior design and atmosphere, the interior design of Huo Fengxiang Hotpot Restaurant perfectly blends traditional Chinese elements with modern elegance. Wood and bamboo materials create a natural and warm environment, while intricate murals depicting Chinese cultural patterns add a layer of authenticity and visual interest. The lighting is soft and warm, creating a comfortable dining space, and the independent induction cooker on each table further enhances this atmosphere. This not only maximizes functionality, but also enhances the dining experience by allowing each guest to control their own cooking process. Private rooms provide an upscale option for family gatherings or business dinners, with luxurious seating, custom decorations and more private space. As shown in Figure 4.6,

Figure 4.6 Inside the Huo Feng Xiang store



Source: Huo Fengxiang official website (2025)

Third, the exterior and storefront, the storefront design of the Huo Fengxiang hotpot restaurant stands out in high-traffic areas, with large, bright signage in the brands red and gold colors. Entrances often include floor-to-ceiling windows, allowing passersby to glimpse the vibrant and warm atmosphere inside the store. Each location is carefully selected for maximum visibility and foot traffic, strategically placed in downtown business districts, shopping malls, and high-density office areas. These locations also feature outdoor waiting areas to accommodate large numbers of customers during peak hours, thereby enhancing the overall customer experience. Figure 4.7,

Figure 4.7 Huo Fengxiang store exterior



Source: Huo Fengxiang official website (2025)

Fourth, hot pot products - dish display Here, the display of Huo Fengxiang hot pot dishes is a visual feast, reflecting the restaurant's focus on freshness and quality. The ingredients are

carefully arranged, colorful and artistic, with seasonal vegetables, meat slices, seafood and noodles placed on exquisite plates. Various flavors such as Sichuan spicy or Hunan hot pot are intuitively presented through colorful soups - deep red for spicy and golden for mild. Special sauces are served in custom condiment trays to add a personalized touch to each guest's experience. As shown in Figure 4.8,

Figure 4.8 Huo Fengxiang dishes display



Source: Huo Fengxiang official website (2025)

However, in terms of marketing strategy, Huo Fengxiang does not target a diversified customer base, including families, young professionals, and food lovers of all ages. There is no clear strategic positioning of the restaurant, which only attracts a certain number of customers. There are currently no loyalty programs and promotions. In terms of communication and advertising strategies, Huo Fengxiang Hotpot does not focus on social media marketing to increase its brand awareness, especially on platforms such as WeChat, Douyin (TikTok), and Weibo. It simply invests in local advertising campaigns, such as billboards and radio ads.

4.3.2. Mission, vision and values

Mission - As a well-known hot pot brand in Xinghua City, we are always committed to providing customers with high-quality services and delicious hot pot dishes. Our mission is to let

customers enjoy a unique hot pot food experience and let customers feel the warmth and comfort of home.

Vision - Our vision is to become the most popular hot pot brand in Xinghua City and bring continuous surprises and satisfaction to customers.

Values - In the process of achieving the goal of improving customer loyalty, we will always adhere to the following values: operate with integrity, provide high-quality ingredients and services, innovate and develop, continue to innovate, meet customer needs and taste preferences, be customer-centric, listen to customer suggestions and opinions, and continuously improve and improve our services.

4.3.3. Huo Fengxiang Prosperity Experience Marketing 6E Strategy Status

In the catering industry, different enterprises are at different stages of development, and experience marketing has different meanings for them. Take Huo Fengxiang as an example, its experience marketing strategy is currently in the initial stage of development. At present, Huofengxiang mainly adopts the marketing strategy with sensory experience as the core, and takes emotional experience and thinking experience as the focus of the strategy, while action experience and association experience are used as auxiliary means to improve the marketing strategy of customer experience. The following will explain the status of each experiential marketing strategy.

Current Landscape of Sensory Experience Marketing Strategy

The company's current sensory experience strategy is mainly reflected in the innovative food and beverage environment and the design of specialty products.

Huofeng Xiang originated in Chengdu, but its decoration design style is not closely connected with Sichuan and Shu culture, but boldly adopts the design elements of leisure and entertainment and industrial wind. The facade design is unified as a rectangle, with brown as the main color, and surrounded by running horse lights, and a huge red animated Logo stands in the center. Entering the store, the main display is the awards won in recent years and the visit of the stars. In the dining area, the scattered table accounts for 70%, the booth accounts for 20%, and there are 1-2 private rooms. In the lighting design, more customized water pipe lights and mahjong dice lights are used, and the indoor hue is mainly reddish-brown, supplemented by mahjong and poker characters and small murals. The self-service food selection area is equipped with self-service food and disinfection cabinets, and the self-service food table adopts convex design to meet the functional needs of customers to pick up materials, and the space layout is reasonable. All tableware is disinfected by disinfection cabinet, choose

with ultraviolet sterilization and high-temperature disinfection function of big brand cabinet, customers can intuitively feel the hygiene and health side in the process of access.

In terms of product design experience, this study focuses on the development of moderately spicy pan bottoms, healthy ingredients and innovative dishes. In terms of the bottom of the pot, disposable butter Sichuan hot pot is used, and the secret butter base is made by sealing the pot. The bottom of the pot is discarded immediately after the meal to eliminate the use of old oil. In terms of flavor preparation, by carefully boiling the base material and selecting spices, strictly controlling the ratio, paying special attention to the addition sequence and proportion, through constant temperature continuous fermentation technology, effectively avoiding the production of aflatoxin, while retaining the flavor of traditional hot pot. In the base material matching design, fully consider the preferences of young consumer groups, especially launched the spicy butter pot bottom, clear soup pot bottom, mandarin duck pot bottom three special flavors. According to data analysis by Dianping, the average customer rating for the taste of the pot bottom is 4.8 points, which is the industry leading level.

In the collocation of dishes, this study also shows diversity. The main signature beef series has established a cooperative relationship with well-known animal husbandry leading enterprises at home and abroad, focusing on quality and the choice of beef parts to ensure the taste of dishes and meet high standards. It is expected that through these measures, exquisite and special dishes will be delivered to diners. The series of dishes ranked second in the taste rating of Dianping and won wide recognition from customers.

Current Landscape of Emotional Experience Marketing Strategy

At present, Huofengxiang adopts three strategies of customer service, member management and online marketing interaction to win the favor of customers.

First of all, the company values the service attitude and ensures that the dishes are served quickly. Store staff use mature language in the service process, and follow the etiquette norms. In the process of ordering from the customer to the meal, the staff can take the initiative to introduce and recommend dishes, and effectively deliver customer complaints when facing problems to ensure that the store manager can solve them in a timely and proper manner. Most of the dishes are displayed via the electronic menu, and dishes that require instant cooking are guaranteed to be served within 15 minutes, even during a short lunch break, customers can enjoy hot pot dishes with friends or colleagues. Secondly, Huofengxiang company establishes member customer files in detail, and provides differentiated gifts according to members' birthday, gender, age and other information. During holidays, the company will send warm SMS greetings and travel reminders to improve the service details

for VIP customers. Finally, the company pays special attention to customer reviews on third-party online platforms and responds to every message, whether positive or negative. In addition, provide the store manager's wechat QR code, add friends when the meal can be free to Sichuan famous "brown sugar glutinous rice cake" or "scorched sesame ball". Customers can not only make comments at any time or book a reservation in advance through wechat, but also participate in the daily red envelope grab, sign up to experience new products, and learn about the weekend and various holiday store promotions in the community established by the store. In this way, the distance from ordinary customers is constantly being narrowed, and eventually more people are converted to stores for consumption.

Contemplating the Current State of Experiential Marketing Strategies

Through the environment layout, dish naming and the production of brand publicity videos, Huo Fengxiang restaurant has implemented a deliberate experience marketing strategy. The strategy aims to highlight the restaurant's unique style by structuring the customer's thought process. Huo Fengxiang believes that the restaurant environment should not be limited to the traditional Sichuan style, although the brand is rooted in Sichuan culture. Instead, a novel visual experience should be pursued, so the current environment design adopts an entertaining industrial style. In terms of dish creativity, it also integrates entertaining naming and elements, subjectively believing that this will be loved by customers. In order to better reflect the unique experience brought by the bamboo skewers, several special dishes are named "Bawang signature", such as "Bawang Ribs", "Bawang beef", "Bawang chicken wings" and "Shangshang signature". Through the naming of the environment and dishes, Huo Fengxiang shows the characteristics of the restaurant and creates a cultural atmosphere to stimulate customers' thinking experience.

Status of Experiential Marketing Strategy

Huo Fengxiang company with the idol effect to stimulate and mobilize consumers' desire to buy. Its founder participated in two youth idol programs of Hunan Satellite TV and Zhejiang Satellite TV, and the three top flow stars in the program made Huo Fengxiang the only hot pot brand in the country that participated in two programs at the same time, and was known as a typical representative of Chengdu youth hot pot. After the broadcast of the program, the majority of consumers have a strong interest in Huo Fengxiang, its attitude to life and brand cognition has undergone significant changes, and it has indeed triggered a short-lived shop-

visiting boom, and consumers are eager to have a chance to interact with the stars zero-distance.

The current state of experiential marketing strategy

Huo Fengxiang Company has not made in-depth planning for the related experience marketing strategy, its point of view is that through product taste, dish size, price and other experience elements, as well as the attention to food safety issues and the provision of store environment and service experience, it is enough to show its value to customers. Companies tend to believe that customers can perceive these experiences on their own, so they do not systematically export value marketing. The company has not taken concrete steps to convey the value of feelings, actions, and thoughts, and to strengthen the sense of connection with customers.

4.4. SWOT Analysis

Strenghts

The core advantages of Huofengxiang are reflected in the cost advantage and product advantage.

- Cost advantage. With its many years of deep experience in the catering industry and a strong supply chain system, Huo Fengxiang has realized the unified production and distribution of hot pot bottom materials. Thanks to the scale effect of the company, Huo Fengxiang provides stable oil orders to cooperative factories every month, and as a high-quality large customer, it occupies a dominant position in the supply chain. In terms of food procurement, in addition to the bottom material, each store needs to negotiate with the supplier on its own, involving local procurement or off-site distribution. The bargaining power of condiment and beverage suppliers is relatively weak, mainly due to the stable procurement frequency of these two types of commodities and small price fluctuations. For example, the price ladder of drinks is transparent, the wholesale price of direct purchase by local suppliers is far lower than the market price, the supply of goods is stable, the promotion activities are frequent, and the buyer has a strong say in the transaction. This vertically integrated supply chain model not only reduces the dependence on raw material suppliers and reduces raw material costs, but also ensures the high standards of raw material production bases by means of self-sufficiency. In addition, the rapid development of the logistics industry has provided a solid foundation for the cost management model of Huofengxiang, ensuring that the enterprise can obtain the maximum profit.

- Product advantages. The product is the decisive factor for the success of the enterprise, especially in the hot pot industry, the taste of dishes is directly related to the survival and development of the enterprise. Huo Fengxiang is committed to innovation and constantly introduces new products. Its hot pot soup base has a variety of flavors, including red oil pot bottom, tomato pot bottom, water pot bottom and mushroom soup pot bottom, etc., to meet the taste needs of different customers. At the same time, Huo Fengxiang's variety of dishes, covering meat, vegetables, fungi, seafood and staple food and other types of ingredients, snacks and condiments are also very rich, such as small crispy meat, brown sugar glutinous rice cake, mushroom sesame oil strips, oil dishes, sesame paste and seafood seasoning. Rich ingredients and small ingredients, so that Huo Fengxiang won the favor of consumers. In addition, the direct chain operation ensures that Huo Fengxiang has a high degree of standardization in product taste, and the taste of each store remains consistent. Although it cannot satisfy all consumer tastes, its excellent service and innovative marketing strategies have won wide praise from customers. This comprehensive advantage makes Huofengxiang have a strong competitiveness in the market, attracting a large number of loyal customers.

Weaknesses

- Single product line. As a company focusing on hot pot products, Huo Fengxiang faces the challenge of changing market demand. In the long-term market competition, only relying on a single product line is difficult to continue to meet the market demand. Although Huo Fengxiang has gained a foothold in the industry with a "blockbuster" product and achieved sustained growth in performance, such a strategy is not a long-term solution. At the same time, Haidilao, the leading brand in the hot pot industry, has been aware of the potential crisis. In order to cope with market changes, Haidilao began to actively explore the development path of diversified catering brands, and launched a series of new catering features, such as "Qiaoqiao's powder", which mainly focuses on potato flour, "Meng Xiaojiang" and "Luo DaSao", which mainly focuses on pasta, "Bai private room noodles" and "Lao Pai Youmian Er". These brands are controlled subsidiaries of Haidilao and mainly operate in the form of fast food. The moves underline Haidilao's strategic intention to enter the Chinese fast food sector. However, despite Haidilao's ambitious expansion plans, it has encountered some difficulties in actual operation, and by the end of 2021, some of Haidilao's brands, such as "Qiaoqiao's powder", "Bai private room noodles" and "Lao Pai Youmian", have failed after trying to expand their business scope. This also shows that expanding the scope of marketing is not an easy task, and enterprises must maintain a high degree of vigilance when facing the expansion of new areas, ensuring that the new

business can complement the core business, so as to achieve sustainable development. In addition, the hot pot industry is highly competitive, due to the low threshold and strong replication, resulting in the influx of new competitors, making the market competition extremely fierce. For Huo Fengxiang, a single explosive product has undoubtedly become one of its disadvantages. Therefore, Huo Fengxiang needs to think deeply and adjust its strategy. It can adopt strategies such as exploring diversified product lines, strengthening brand marketing and marketing promotion to cope with changing market demand and fierce market competition, so as to ensure its long-term stable development.

- Lack of marketing strategy. On the Internet platform, Huo Fengxiang has less advertising, which has a negative impact on its brand awareness. At present, Huo Fengxiang's marketing strategy mainly relies on word-of-mouth communication of consumers, and its investment in marketing is obviously insufficient. However, in the current competitive catering market, relying only on word of mouth is far from enough. While Huo Fengxiang's turnover has risen, it has done so slowly, reflecting constraints on its market share expansion. Therefore, in order to adapt to the fierce competition of the catering industry and enhance the competitiveness of Huo Fengxiang, it must adjust the marketing strategy and increase the investment in advertising. Through the design of unique and creative advertising slogans, effectively convey the product concept, output brand culture, and attract more consumers' attention and love. Such a change will help Huo Fengxiang stand out in the fierce market competition and achieve more stable and sustainable development.
- Instability of service quality: Although Huofengxiang pays attention to service experience, there are still problems such as high staff turnover rate, insufficient training and low quality of staff, which affect consumer satisfaction and loyalty.

Opportunities

Of course, Huo Fengxiang is also full of opportunities, mainly reflected in three major areas, respectively, the development prospects of the catering industry, market demand and the application and impact of the network platform three core aspects.

- Analysis of the development trend of the catering industry. At present, the catering industry shows a broad development prospect and rich opportunities, but also faces certain challenges and uncertainties. With the rapid development of economy, people's living standards have been significantly improved, and catering consumption has received unprecedented attention. In recent years, the revenue of the catering industry has continued to grow, highlighting the vitality and huge potential of the market. The continuous expansion of market size and quantity has prompted consumers to put forward higher requirements for the catering industry, no longer meeting the basic satiation needs, but

pursuing diversification and quality, providing catering enterprises with broader development space and opportunities. China's catering market has gradually entered a mature and stable stage, but the growth momentum is still strong. At present, the catering industry is developing in a diversified, diversified and all-round direction, and the market prospect is very broad. In addition, with its extensive market coverage, rapid growth momentum, strong attraction and far-reaching influence, the catering industry has become an important platform for countries to promote their own culture and brands.

With the deep penetration of Internet technology, the catering industry is gradually transforming to digital and intelligent. Catering enterprises improve operational efficiency and optimize customer experience through online platforms, intelligent ordering systems, big data analysis and other means to better grasp market trends. This emerging trading model not only simplifies the transaction process, but also promotes the rapid development of the industry. Further analysis of consumer groups shows that young consumers have become the main force of consumption, and they have a high acceptance and demand for novel and convenient trading methods. As a product of the Internet era, the younger generation is more receptive to digital consumption patterns.

- Market demand. With the growth of people's income and the continuous improvement of cultural literacy, the demand of the catering market has changed to the direction of diversification and refinement, and consumers have higher and higher requirements for the quality of catering products. They are more likely to choose foods with unique quality and taste, such as organic ingredients, food without additives, etc. At the same time, they also put forward higher requirements for the environment and service quality. It can be seen that the current catering market demand is showing a trend of diversification, quality, health, facilitation and individuation. Catering enterprises should pay close attention to changes in market dynamics and consumer demand, and constantly adjust their business strategies and product structure to maintain competitive advantages.
- Application of network platform. With the rise of online platforms, the catering industry has actively expanded the Internet platform, especially during the epidemic, and the take-out business has achieved rapid growth. The rise of catering network platform is not only the product of the deep integration of Internet technology and catering industry, but also a direct reflection of the changes in modern consumer demand. The rise of catering network platform also reflects consumers' new expectations for catering consumption experience, consumers are no longer just satisfied with the basic dietary needs, but pay more attention to the quality, characteristics, environment and service of catering. The catering network platform provides consumers with more choices and references through rich dishes display, user evaluation, preferential activities and other ways to enhance the sense of experience and satisfaction of catering consumption. At the same time, with the rise of new media

such as Tiktok and live broadcasting, catering enterprises actively invest capital to promote products online through anchors, store visits and other forms, expand sales channels, improve brand exposure, and thus enhance the profitability of enterprises. Major platforms have launched group-buying activities to attract consumers to buy group-buying coupons at preferential prices and enjoy high-priced gourmet food in physical stores, further promoting the improvement of consumption levels. In the future, with the continuous progress of technology and the constant change of consumer demand, the catering network platform will continue to play an important role in leading the catering industry to a higher level of development.

Threats

- Huo Fengxiang is currently facing four major challenges, including food safety issues, fierce competition in the hot pot industry, the influx of foreign restaurant brands and significant changes in consumer diets. First of all, food safety issues have become increasingly prominent in the context of the rapid development of the catering industry. Although in the past, due to the restrictions of economic conditions, food safety has not been fully paid attention to, but with the development of the national economy, the public's attention to food safety has increased significantly. The government has issued a series of regulations to regulate the business behavior of catering enterprises, and the supervision department has implemented stricter supervision on the food safety of brand enterprises. The emergence of food safety problems may seriously damage the brand image, reputation and business income of enterprises. However, although companies are gradually recognizing the importance of food safety, food safety challenges still exist due to the uneven quality of employees, lack of professional management personnel and imperfect management models.
- Secondly, the hot pot market is increasingly competitive. As a popular form of catering, hot pot occupies an important position in the catering market. However, due to the relatively low barrier to entry in the hot pot industry, there are a large number of hot pot brands in the market, resulting in extremely fierce competition. Although some emerging brands may face short-term survival challenges, the entire hot pot market still shows a trend of continuous expansion, and the competitive pressure will increase. In addition, the influx of foreign catering brands has also constituted a significant impact on Huo Fengxiang. With the deepening of reform and opening up, more and more foreign catering brands have entered the Chinese market, such as Western food, Korean food and fast food. Although the initial market acceptance of these brands was limited due to cultural differences and differences in consumer habits, with the passage of time, consumers' acceptance of foreign

catering gradually increased. The entry of these foreign brands has not only enriched the diversity of the catering market, but also created competitive pressure on local hot pot brands. Finally, the change in consumers' dietary structure is a big challenge for Huo Fengxiang. With the progress of society and the acceleration of the pace of life, consumers' eating habits are also changing, more and more people tend to choose fast and convenient food categories, and hot pot due to a longer dining time, is no longer the first choice of consumers. This change in consumption trend is undoubtedly a huge challenge for hot pot enterprises, which requires enterprises to constantly innovate and adjust business strategies to meet market demand.

4.4.1. SWOT Matrix Analysis

After analyzing the strengths, weaknesses, opportunities and threats of Huo Fengxiang Hotpot, a corresponding SWOT matrix was constructed for the four elements, and combined analysis was conducted, thus forming the strategic directions corresponding to SO, WO, ST and WT, as shown in table 4.2,

Tbale 4.2 SWOT Matrix Analysis

<table>
<tr><th>Strengths (S)</th><th>Weaknesses (W)</th><th rowspan="2">Opportunities (O)</th><th rowspan="2">Threats (T)</th></tr>
<tr><td>1. Fast and efficient modern logistics system
2. Loyal customer base
3. High-quality dishes
4. Humanized management model
5. Strong brand reputation</td><td>1. Limited product variety
2. Insufficient marketing awareness
3. Incomplete service infrastructure</td></tr>
<tr><th colspan="2">SO Strategies (Strengths + Opportunities)</th><th colspan="2">WO Strategies (Weaknesses + Opportunities)</th></tr>
<tr><td colspan="2">1. Enhance service quality to attract consumers
2. Increase marketing investment to boost brand awareness</td><td colspan="2">1. Strengthen team management and training
2. Diversify promotions to increase customer traffic</td></tr>
<tr><th colspan="2">ST Strategies (Strengths + Threats)</th><th colspan="2">WT Strategies (Weaknesses + Threats)</th></tr>
<tr><td colspan="2">1. Innovate products and services to maintain competitiveness
2. Launch unique product bundles
3. Diversify services for personalized development</td><td colspan="2">1. Strictly control product quality
2. Expand marketing channels to attract diverse consumer groups</td></tr>
</table>

Source: Author (2025)

4.5. Experience Development Plan Objectives

4.5.1. Construction of a Personalized Communication System

Establish a user tag database to achieve datafication of over 80% of member consumption behaviors (dish preferences, dining time slots, consumption frequency). Optimize push content through AI algorithms to increase marketing message open rates from the industry average of 15% to 25%. Deliver targeted personalized content at least 4 times monthly (e.g., hot pot base recipe stories, exclusive member benefits, regional limited-edition dish previews).

Implementation Plan:

Develop the "Huofengxiang Member APP" with a mandatory taste preference quiz for new registrants to generate personalized recommendation tags. Leverage LBS technology to push "nearest store wait-time alerts + ingredient stock notifications" (e.g., "Marbled beef you frequently order is in stock - click to reserve and skip queues"). Activate a re-engagement mechanism for inactive users (30-day non-consumers): distribute hot pot base coupons + push "new releases you missed" short videos (linking to UGC dissemination opportunities identified in SWOT analysis).

4.5.2. Loyalty Program Upgrade

Membership APP subscription users have increased by 50% annually, linking consumption data with social media accounts;

Sending over 100,000+ customized direct communications monthly (including birthday gifts, consumption points expiration reminders, community exclusive event invitations)

Specific plan:

Integral fission mechanism : Members who refer new users to register will receive double points (1 registration = 200 points, redeemable for signature beef vouchers).

Contextualized benefits design:

Silver Member: Free upgrade of the base pot (e.g., from beef tallow base to mushroom and beef tallow combination)

Black Gold Member: Exclusive access to the "Midnight Diner" hours (22:00-24:00, with complimentary craft beer for purchases)

Dynamic benefits push: Automatically match "compensatory discounts" based on user consumption history (e.g., after consecutive hotpot meals, push discount vouchers for "refreshing special drinks"). Segmentation , Targeting and Positioning

4.5.3. Synergistic strategies with SWOT

Strengthening Strengths (S)

Leveraging the proprietary secret base sauce formula as the narrative core, we create an immersive content delivery experience; we deeply integrate the Black Gold member benefits with our signature beef product line (free monthly enjoyment of one celebrity single item), building a moat of taste memory.

Compensating for Weaknesses (W)

We anchor the APP user growth KPI, focusing on strengthening the weak points of online marketing, gradually building a private domain traffic barrier; relying on member consumption data, we reverse-optimize the supply chain system to achieve precise inventory management.

Seizing Opportunities (O)

Develop a member co-branded beverage for the "Hotpot + Tea Break" scenario exclusive package; Integrate membership tier identifiers into the user-generated content dissemination chain to stimulate social fission potential.

Withstand threats (T)

Introduce an exclusive price protection mechanism for premium members (locking in the bargain price for hot deals for 180 days), building a moat of brand loyalty; Innovate the "pick up at store with pre-made pot bottoms" member service (APP booking + transparent kitchen experience), infusing the ritual of hand-stir-fried craftsmanship, creating a differentiated competitive barrier.

4.6. Value creation development: marketing, experience and personalisation strategies

4.6.1. Segmentation

Table 4.3 Market segmentation criteria

Market Segmentation Criteria	Specific Segmentation Content	Targeted Strategies and Methods
Geographic Location	City centre area, suburbs and residential areas, rural and surrounding areas	Provide fast and efficient service; Offer family packages or group discounts; Emphasize local characteristics and farm flavours.
Consumer Characteristics	Age and family status, income level and consumption habits	Provide children's tableware and family packages for family consumers; Formulate different pricing strategies and package options according to income levels.
Consumer Behavior	Loyal customers, new customers and potential customers	Implement a membership system or point system to reward loyal customers; Offer discounts and welcome packages to attract new customers to become repeat customers.
Consumer Preferences	Taste preferences, service and dining environment preferences	Provide personalized service and adjust the spiciness level of dishes according to customer tastes; Improve service quality and dining environment experience.

Source: Author (2025)

4.6.2. Targeting

Table 4.4 Target market

Target Market	Description	Demand
Family Consumer Groups	Looking for hot pot sets suitable for the whole family	Offer family meal packages to attract family customers. Provide discounts, children's tableware, parent-child activities.
Young Professionals	Busy at work, looking for quick and convenient dining options, focusing on food quality and service efficiency.	Quiet dining options, fresh ingredients, fast service. Children's tableware and colorful dishes. Set up a children's play area or family dining area. Offer quick lunch packages or takeaway services. Emphasize the freshness of ingredients and the efficiency of service. Provide online reservation and takeaway platforms.
Older Customers	Focus on a quiet and comfortable dining environment, healthy and light food choices.	Provide a quiet and comfortable dining environment and service. Provide healthy dishes with low salt and low oil content. Pay attention to the healthy dietary needs of elderly customers.
Groups and Social Gatherings	Looking for a place suitable for large groups of people to dine together, requiring a spacious and comfortable dining environment and group discounts.	Group packages, private room services, group booking discounts. Provide a quiet and comfortable dining environment and service. Provide healthy dishes with low salt and low oil content. Set up banquet services or event planning support.

Source: Author (2025)

Among them, the primary target market is family consumer groups. The family consumer group is very consistent with Huo Fengxiang's emphasis on tradition and collective dining experience, which are the core elements of hot pot culture. Families are likely to become repeat customers, especially when they find a warm environment that is suitable for both adults and children. There is a growing demand for family-oriented dining options that can provide healthy and fresh ingredients in a comfortable environment. Therefore, launch discounted family packages that meet the needs of adults and children. Provide children's tableware, colourful tableware, and dedicated children's play areas or family dining areas. Organize special activities that encourage family participation to enhance the overall dining experience.

4.6.3. Positioning

Positioning statement:

"Huo Fengxiang Hotpot aims to become the first choice for hotpot dining in Xinghua, combining traditional flavors with modern services, providing a high-quality dining experience and a unique social venue."

Target audience:

Leading group: Local family residents

Demographic characteristics: A wide age range, focusing on young people and families seeking a high-quality dining experience, paying attention to food safety and a clean environment (Zhao, L., & Li, Q., 2023)

What makes Huo Fengxiang Hotpot different:

a. Authentic flavours with a modern style: Huo Fengxiang combines traditional hotpot flavours with a modern dining experience. The restaurant provides a comfortable and modern dining environment and efficient service while retaining classic flavours.

b. Commitment to quality and safety: We prioritize the use of fresh, high-quality ingredients and maintain strict hygiene standards during food preparation to ensure the health and satisfaction of our customers. This focus on quality not only enhances the dining experience but also builds trust with customers.

c. Social gathering place: Huo Fengxiang is not just a place to eat but also a centre for social interaction. Whether it is a gathering with friends or a family dinner, the restaurant provides a warm and comfortable atmosphere to enhance the social dining experience.

d. Cultural connection: Huo Fengxiang respects and incorporates the unique cultural elements and eating habits of the Xinghua region. By building strong connections with the local community, we create a dining experience that is both familiar and special.

e. Exclusive member benefits: Our loyalty program provides regular customers with the opportunity to accumulate points and enjoy special rewards, such as birthday gifts and exclusive member events. This system not only encourages repeat visits but also deepens customer loyalty.

f. Innovative promotions: Regular special events and promotions, such as holiday discounts and seasonal menu releases, help attract new customers while keeping our loyal customers engaged and excited to visit again.

4.7. 7P Marketing-Mix

4.7.1. Product

The premise of creating exquisite dishes is to control the quality of ingredients. As people increasingly pursue quality of life, food safety and quality issues have gradually attracted people's attention. For catering companies, the quality of dishes determines the survival and development of the company. Huo Fengxiang Hotpot must strictly control the quality of ingredients at the source, pay attention to food hygiene and safety during the production process, and provide consumers with clean, safe and satisfactory dishes. In view of the excellent feedback from customers who dine at Huo Fengxiang Hotpot, it is recommended that the company establish its own hot pot base production line, use advanced equipment and production lines, and expand the production of hot pot base (Aburayya et al., 2020). In the menu update of Huo Fengxiang Hotpot, we will highlight the adjustment of the restaurant's offer to better adapt to market demand and customer expectations. First, we will introduce the theme of healthy hotpot, launch a series of homemade base materials, and provide a variety of flavors of base materials (such as spicy, tomato, mushroom and medicinal diet) to attract customers at more reasonable prices. In addition, we will launch a single-person hotpot set meal designed for busy young people and office workers to ensure that the set meal is cost-effective and easy to consume. We will also add vegetarian hotpot options to meet the needs of vegetarians and healthy eaters while maintaining price competitiveness (Varadarajan, 2020). In order to reduce the consumption burden of customers, we will launch limited-time discount dishes combined with seasonal fresh ingredients and design basic side dish combinations (such as tofu, mushrooms, green vegetables, etc.) to meet customer needs in a more cost-effective way. In addition, we will use environmentally friendly and personalized packaging to provide a convenient ready-to- eat solution for hotpot base materials to enhance the overall consumption experience. Finally, we will promote through social media, short video platforms and e-commerce platforms to ensure that customers can learn about our offers and new products. Through these price adjustments and menu improvements, Huo Fengxiang Hotpot will further enhance customer loyalty, enhance brand image and market competitiveness.

4.7.2. Price

When pricing products, the company's profit goals and the customer's spending power must be combined. Both are indispensable. In order to achieve a flexible pricing strategy, Huo Fengxiang Hotpot can adopt differentiated pricing methods among cities at different levels. At present, the various Huo Fengxiang Hotpot stores are basically distributed in the provincial capitals and prefecture-level cities in the northwest region. Due to the different economic and consumption environments between regions, the consumer spending power is also different (Zhong & Moon, 2020). Therefore, Huo Fengxiang can set different prices according to the per capita disposable income gap between residents in each region. For example, taking the price of the provincial capital city as the standard, the pricing of the prefecture-level city should be slightly lower than that of the provincial capital city, and the pricing of the county- level city should be slightly lower than that of the prefecture-level city, and so on. After differentiated pricing according to different regions, the company must also flexibly adjust the price of dishes according to seasonality and the current market supply and demand relationship. For example, a series of dishes are launched during holidays. The price of dishes that are in excess of demand in the current market can be appropriately reduced. When there are dishes that are in short supply in the market, the price will not be easily raised while retaining the original quality of the dishes, thereby cultivating more customer trust. When "low-priced and affordable Huo Fengxiang hotpot" becomes the common perception of Huo Fengxiang among consumers, consumers will not only choose to consume Huo Fengxiang hotpot because of its excellent soup base taste but also choose to repurchase because of its affordable pricing. This chain of links will gradually increase consumers' brand loyalty to Huo Fengxiang hotpot. It should be noted that the positioning of "high-quality dining experience" seems to conflict with the positioning of "low-priced and affordable hot pot", but with careful management, these two concepts can actually coexist harmoniously. Huo Fengxiang Hot Pot can balance these two elements by focusing on value rather than price. "Low-priced and affordable" does not necessarily mean cutting corners on quality, but is reflected in operational efficiency, intelligent ingredient procurement, and regional pricing strategies, aiming to make the dining experience accessible without compromising the overall customer experience. For example: By tailoring prices according to the economic conditions of different cities, Huo Fengxiang can ensure that its pricing is considered affordable based on local spending power. This does not mean lowering the quality of the dining experience. Instead, it ensures that prices reflect the reasonable level of the local market, allowing consumers to enjoy a high-quality dining experience at a price they consider fair. By maintaining high operational efficiency and focusing on customer value, Huo Fengxiang Hot Pot can position itself as a high-quality and affordable dining option that appeals to a wide range of consumers in different regions.

4.7.3. Place

Huo Fengxiang Hotpot Restaurant has always paid great attention to site selection, and usually chooses to open stores in large shopping malls with large traffic and convenient transportation. This kind of site selection strategy not only facilitates customers' dining, but also improves the popularity and image of the brand. Furthermore, each Huo Fengxiang location should serve as a focal point for offline marketing activities. This can include hosting local events, participating in community festivals, and collaborating with nearby businesses for cross-promotions. By organizing activities that resonate with the local audience, the restaurant can strengthen its community ties and improve brand visibility. To enhance convenience for consumers, Huo Fengxiang should implement a pre-order system via social media channels, allowing customers to place orders ahead of time. This not only streamlines the ordering process but also captures consumer data to tailor marketing efforts further. By strategically using both online platforms and localized marketing initiatives, Huo Fengxiang can effectively increase brand awareness and customer loyalty.

4.7.4. Loyalty promotion strategy

Some people's needs will be fully stimulated in specific scenarios. Finding the right scene means finding marketing opportunities. Therefore, Huo Fengxiang Hotpot needs to open up new media consumption channels, so that consumers can place orders in advance through new media platforms. At the same time, Huo Fengxiang Hotpot should take each store as a radiation point and offline marketing channel, gradually increase the marketing radius of the store (Ali&Anwar, 2021), carry out various marketing promotions around the store, and comprehensively improve the brand awareness and influence of the store (TAI, etc., 2021). the basis for the loyalty program management will be the "Huo Fengxiang Hotpot App" so that you can track and manage the loyalty schemes, while communicating in an individual basis with the consumers. Huo Fengxiang Hotpot implements a sincere promotion strategy to stabilize old customers and attract new customers. The graded membership system, personalized communication, event promotion and interactive marketing strategies enhance customers' sense of belonging and excitement, improve loyalty, and lay the foundation for the long-term prosperity of the brand.

(1) Membership level, the goal is to build customer engagement by providing a tiered loyalty system that rewards frequent visits and consumption.

Action:

Launch a three-level membership system: basic membership, silver membership and gold membership. Members upgrade levels based on their consumption and visit frequency.

Each level offers increasing benefits, such as exclusive menus, priority reservations, free desserts or appetizers and birthday month discounts.

Regular promotions for silver and gold members, such as "double points week", encourage repeat visits.

Achievement plan: Cultivate loyalty through personalized rewards and exclusive experiences, and increase customer retention by 20% in six months.

(2) Gamify the loyalty program, the goal is to encourage participation and repeat visits by making the loyalty program interactive and fun.

Take Action:

Introduce a gamification system where members earn badges when they achieve milestones (e.g., "visited 10 times," "spent more than 500 yuan").

Offer small, tangible rewards (e.g., free drinks, 5% discounts) when milestones are reached to make the program attractive and rewarding to customers.

Gamified challenges, such as the "spicy hot pot challenge," can provide participants with extra points or free dishes.

Achieve Program: Drive repeat purchases by 10% and increase social media shares by 15% through interactive engagement.

(3) Loyalty-based referral program with the goal of attracting new customers while rewarding loyal members for bringing in new business.

Take Action:

Members can earn points for every new customer they refer. The referrer will receive 10% off their next meal, and the referred customer will receive 5% off their first order.

Encourage referrals by offering bonus points during promotional periods (e.g., "refer friends during the Lunar New Year to earn double points").

Offer exclusive gifts or discounts to members who refer a large number of new customers to promote word-of-mouth marketing.

Achievement plan: Increase new customer acquisition rate by 15% while improving member satisfaction and engagement.

(4) Personalized customer communication, with the goal of tailoring communications to individual customers to enhance their sense of importance and connection to the brand.

Action:

Leverage the membership system to send personalized offers and promotions via WeChat or SMS based on past orders, preferences, and dining frequency.

Implement birthday month promotions to allow customers to receive personalized discounts and free desserts on special days.

Send special VIP offers to give members early access to exclusive holiday menus or offers.

Achievement plan: Achieve a 25% increase in return visits and customer satisfaction by providing personalized, thoughtful interactions.

(5) Seasonal and event-based promotions, with the goal of using themed promotions and events to maintain excitement and customer interest throughout the year.

Action:

Organize seasonal events, such as the "Spicy Hot Pot Winter Festival", offering limited edition hot pots with seasonal ingredients and unique flavors to create a buzz.

Create holiday-specific promotions, such as Valentine's Day "Couple Menu", Lunar New Year celebration offers, and Mid-Autumn Festival family hot pot packages.

Encourage customers to celebrate anniversaries or birthdays with special packages, including decorations, desserts, and personalized service.

Achievement plan: Increase foot traffic by 30% during holiday and seasonal promotions to attract regular customers and first-time customers.

(6) VIP member-only preview nights, the goal is to make customers feel valued and appreciated by providing member-only experiences.

Action:

Host VIP preview events for new menus or seasonal products, where members can taste dishes before they are available to the public.

Provide behind-the-scenes experiences, such as cooking demonstrations by chefs, and provide special discounts for participants.

Create exclusive dining nights for gold members, with personalized menus and special guest chefs to create an exclusive atmosphere.

Achievement plan: Retain 40% of high-spending customers by creating memorable and exclusive experiences to enhance their loyalty.

(7) Interactive customer feedback mechanism, the goal is to continuously improve customer experience and loyalty by listening to customer feedback and taking action.

Action:

Implement a system where customers can get real-time feedback through QR codes on the table or electronic receipts.

Provide points or small rewards to customers who complete feedback surveys to encourage participation.

Analyze feedback regularly to adjust menus, service processes, or promotions to show customers that their opinions are valued and taken on board.

Achievement plan: Increase customer satisfaction by 15% within six months and increase repeat business by showing customers that their opinions directly affect the dining experience.

Focus on communication and loyalty management:

(1) Media channels

Meituan: Increase investment in promotions such as limited-time discounts and set meals. Launch promotions during peak times (such as weekends and holidays) to maximize exposure.

Dianping: Strengthen engagement through regular user engagement activities (such as review incentives). Focus on timely promotions, especially during local festivals or events.

Douyin and Xiaohongshu: Use short videos and visual content to promote special dishes and events. Encourage users to share their experiences by providing discount coupons to encourage user-generated content.

(2) weekly schedule

In the first week, we will improve Huo Fengxiang's online presence on various platforms including Meituan, Dianping, Ele.me, and WeChat. This includes identifying different packages suitable for single diners, couples and families, and creating promotional materials such as eye-catching posters and digital ads.

In the second week, we will launch online limited-time package promotions, inviting influencers and bloggers to the store to create engaging content to promote these products. In addition, we will strengthen WeChat fan interaction and establish an automatic reply mechanism for official accounts to ensure that customers are informed of promotions in a timely manner.

In the third week, we will launch a points and membership system to reward points for first-time customers and provide cash back rewards in comments to encourage users to share their experiences. We will actively promote this system through various channels to increase user engagement.

In the fourth week, we will release a promotional video focusing on the Huo Fengxiang brand. This video will be shared on Douyin and Xiaohongshu to attract a younger audience. During this period, we will continue to promote our products through a combination of online and offline methods, analyze feedback data from various platforms, and make necessary adjustments and improvements to our strategies.

(3) Key communication messages

Promotional messages: Emphasize value for money, such as "Double package only 99 yuan, quantity is limited" or "First order discount of 20 yuan".

Brand story: Share Huo Fengxiang's heritage, food quality and unique products through engaging videos and articles to attract new customers and retain old ones.

(4) Loyalty promotion strategy

Membership system: Launch a membership program that offers exclusive discounts, points accumulation for future rewards, and birthday month specials.

Theme promotions: Organize activities such as "spicy challenge" or "couple exclusive package" in conjunction with festivals and anniversaries to attract different customer groups.

Flash sales: Implement daily flash sales during specific time periods to create a sense of urgency, combined with weekend specials and group purchase discounts to encourage large orders.

Through these targeted actions and communications, Huo Fengxiang Hot Pot will effectively adapt to the Internet + catering trend, improve user experience and customer satisfaction, and ultimately cultivate long-term brand loyalty.

4.7.5. People Strategy

Employee training and development is required; for example, all employees should receive rigorous training that focuses on providing excellent customer service and emphasizes attentiveness, enthusiasm, and efficiency. Implementing ongoing training programs to keep employees up to date on service techniques, food safety standards and customer interaction techniques. Fostering a positive work environment where employees feel valued and motivated will lead to better service and higher job satisfaction, which, in turn, enhances the customer experience

4.7.6. Physical evidence

Blend traditional Chinese elements with modern decor to create a warm and inviting atmosphere that reflects Xinghua's cultural heritage. Maintain a spotless environment, paying particular attention to visibility in dining areas, restrooms and kitchens, and reinforce the restaurants commitment to food safety and cleanliness. Use consistent branding across all touch points, including menus, signage, staff uniforms and digital platforms, ensuring the brand identity is easily recognizable. Design a straightforward, visually appealing menu that reflects the brands traditional-meets-modern positioning, using high-quality imagery and descriptions to attract customers. Offer a variety of seating options, including family-friendly areas, private dining rooms and group social spaces, all designed with comfort and convenience in mind. Ensure the restaurant is accessible to all patrons, including those with disabilities, by providing easy access, clear signage and convenient amenities.

4.7.7. Service Process

Streamline the reception and seating process with trained hosts who guide guests to their preferred seating areas, minimizing wait times and ensuring a smooth start to the dining experience. Implement a digital ordering system that enables fast and accurate order processing, with real-time updates for guests and kitchen staff, reducing errors and improving

service speed. Ensure food is served at the ideal temperature and in a timely manner, with staff checking in regularly to address any needs or concerns guests may have throughout the meal.

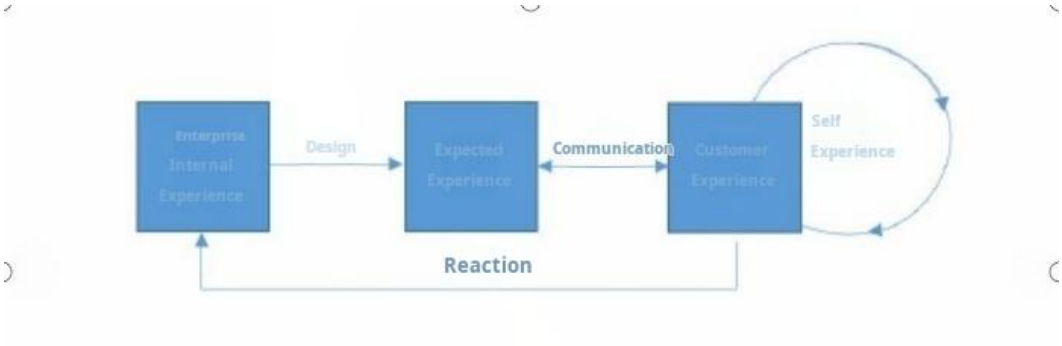
4.8. Experience Marketing Strategy Optimization Based on the 6E Theory

Through an in-depth analysis of the internal and external environment of Huofengxiang Company, this study finds that despite Huo Fengxiang's current competitive advantage in the market, the external competitive environment it faces remains severe. In the pursuit of corporate development, optimizing experiential marketing strategies is crucial for achieving sustainable corporate growth. Currently, the five-dimensional marketing strategy adopted by Huofengxiang, which integrates sensory, emotional, cognitive, behavioral and relational experiences, has issues such as lack of distinctiveness and insufficient systematic approach. Therefore, this study aims to develop a more comprehensive experiential marketing strategy. Subsequently, it will be proposed a targeted experiential marketing strategy optimization plans and corresponding safeguard measures based on the 6E marketing model and the actual situation of Huofengxiang Company.

4.8.1. Enhance the brand experience

Huo Fengxiang Company needs to pay close attention to every detail of the customer's consumption process to ensure customer satisfaction. If a comprehensive and perceptible overall experience is to be built, catering enterprises must value the customer's experience path before, during, and after the sale in actual operations, and provide full-phase customer-centric services. This is an effective strategy for fully shaping the brand experience, as shown in Figure 4.9,

Figure 4.9 Customer experience formation path



Source: Huang Feng, Lai Zujie, Experience Thinking [M], 2020.

(1) The construction of brand experience: Starting from the design service blueprint

In the catering industry, optimizing customer experience is crucial. Enterprises need to focus their core resources on key service nodes to ensure the stability of the service process. Taking the Huo Fengxiang company as an example, its service process has set eight key nodes, and then constructs a service blueprint for target customers, as shown in Figure 4.10,

Figure 4.10 Target customer service blueprint



Source: Author (2025)

This process requires strengthening the training of service skills, covering the aspects of greeting, pre-meal, during-meal, post-meal service, as well as customer reception and checkout. Subsequently, based on the established service blueprint of Huofengxiang Company, a pleasant experience for customers at each service stage should be created.

During the customer's reservation for dining, communicate with the customer in a polite and clear manner, remind them of relevant precautions, and confirm the number of diners and the time. Upon the customer's arrival at the store, proactively open the door to welcome them, politely inquire about their needs, and guide them to the reserved seats. During the customer's process of ordering from the menu, provide suitable dish recommendations based on the number of diners, gender, age, and other factors, inquire about dietary restrictions, and inform them of the current operational status and estimated time for serving the dishes. When the customer chooses self-service dishes, Huofengxiang Company, in designing the pick-up path, needs to fully consider the congestion level of customers picking goods, the convenience of the pick-up route, the usability of the ingredient counter, the convenience of adjusting the tray, and the lighting projection points within the customer's field of vision, all of which need to be re-optimized. When customers are picking goods, service personnel should be on standby at any time to answer questions with professional knowledge, and immediately assist in transporting the dishes to the table if the customer takes too many. During the customer's dining process, the waiter should keep an appropriate distance, be available at any time, and avoid excessive attention to a single table of customers, so as not to infringe on customer privacy. Any garbage generated during the customer's dining should be cleaned and replaced in a timely manner, and soup should be replenished promptly. For any questions about the dishes, the waiter should patiently answer and be ready to handle returns and exchanges at any time. Although the service work is hard, the waiter needs to pay attention to maintaining a

professional image, avoid casual behavior and gestures, so as not to affect the restaurant's image and leave a bad impression on customers.

In the settlement process, solicit feedback from customers on the taste of the food and the service experience, and if there is dissatisfaction, a free small gift can be provided to the customer as a pleasant surprise, in order to create a pleasant end to the consumption, thereby increasing the possibility of customer repurchase. In the face of customers waiting in line, Huofengxiang Company should avoid customers being in a waiting state only, regardless of the size of the waiting area, it should become a place to provide services. The key lies in effective management of the customer's waiting psychology, which can be achieved by providing books, TV programs, games, music, and other means to alleviate the customer's boredom; by updating the customer's waiting status through the queue system or manually in a timely manner; continuously reminding customers in the waiting area that we are paying attention to their needs, if the customer feels hungry, special snacks can be provided to alleviate it. Managing the emotions of customers in the waiting area will help them have a positive impact on the overall experience of the restaurant. When customers leave after checking out, they should also be warmly greeted with farewell words. Customers' positive evaluations of Huofengxiang Company and their willingness to recommend it to others reflect the high recognition of the brand by customers. The standardization and sustainability of the service blueprint are difficult to maintain, therefore, it requires the continuous commitment of all employees to promote the continuous improvement of the brand experience.

(2) Enhance staff hotpot professional knowledge and service professional knowledge training

In the field of hot pot industry, it is crucial for service personnel to master relevant hot pot knowledge, which can not only enhance customers' trust in the company. Each service staff of Huofengxiang Company needs to be proficient in the production process and characteristics of the pot bottom and special dishes, and can clearly explain the taste characteristics of other dishes, so as to accelerate customers' cognition of dishes, reduce communication costs, and enhance customers' trust experience. At the same time, it is necessary to conduct training exercises for different customer groups of Huofengxiang, including but not limited to young groups, middle-aged groups, couples, etc. It is necessary to develop service skills for different customer groups, such as service strategies for picky, hesitant and expert customers, so it is necessary to maintain a high degree of flexibility in service skills and avoid rigidity and rigidity. Therefore, the training system of the store must be strictly standardized, the service of each employee is standardized, processed and quantified, and the three principles of measurability, enforceability and responsibility must be followed. Only by truly realizing the unity of quality and service can the company enhance brand reputation and market share among customers and enhance brand experience.

(3) Optimize environmental experience

Environmental experience covers both the offline experience of customers in physical Spaces and the online experience through digital platforms. The company needs to design an environmental experience that is easy for customers to understand, simple and practical. Lighting design is particularly critical, it is recommended to provide individual lighting for each table, while keeping the aisle dark, and install more spotlights on the surrounding walls to match the sense of fashion and not interfere with the dining experience. Although the decorative items such as mahjong and bridge selected by the Huo Fengxiang company to cooperate with the theme of bamboo skewers dishes are innovative, they lack coordination with the surrounding environment, lack beauty, and fail to fully express the connection between the environmental theme and the brand. Therefore, the store environment design should first consider the integrity, followed by decorative.

In addition, in the decoration process, it is necessary to consider the functionality of hardware and software. In terms of hardware, services should be upgraded, such as adding a six-person table and expanding the area of private rooms; In software, comfort should be improved. At the same time, the convenience of customers of different genders should be considered, such as women's toilets should be more spacious, and more toilets should be equipped with clean and simple dressers. What the customers who enter the restaurant see, hear and feel need to be carefully planned, which not only reflects humane care, but also enhances the marketing potential of the environment and enhances the brand experience.

In the construction process of the digital platform, Huofengxiang company should make full use of modern service technology to help stores improve user experience and optimize online environment design. This will not only help expand online business, but also provide more precise insights into consumer preferences. Therefore, the company needs to re-plan the platform page design. First of all, the head map of all online display platforms should be consistent and avoid frequent logo changes to maintain the corporate image; Secondly, the pages that consumers click to enter, such as the store environment, door display, recommended dishes and other key parts, should use professionally processed beautiful pictures to enhance visual appeal; Finally, in view of the limitations of consumers browsing through mobile phones, page information should be focused and focused to avoid clutter, so as not to affect the patience of customers.

For the design of takeout page, Huo Fengxiang company should pay more attention to achieve a better online environment design effect. Since food delivery consumers are most concerned about convenience, page design should also reflect this feature, so that consumers can quickly access the information they need. At the same time, the exquisite and orderly page layout and high-quality food pictures can show the delicious food to the greatest extent. Hot pot takeout can be divided into the bottom of the pot, required products, special dishes, spices,

vegetables, meat, viscera, seafood, wine and other different areas, can also refer to Haidilao and other brands for more detailed classification. In general, the design of the takeaway environment experience should follow the principles of prominent focus, reasonable and understandable layout, attractive color, and design beauty, so as to stimulate consumers' viewing interest and communication willingness, so as to play the social attributes of hot pot in cyberspace and further enhance the user experience.

(4) Highlight the added value of the product

Huo Fengxiang is committed to improving the added value of products through design aesthetics and service processes. In the bottom of the pot link, should avoid a single emphasis on "taste in the Dao", but should let customers experience the health and health of the business philosophy through practical actions. For example, the steps of opening and sealing the bottom of the jar in the back kitchen can be shown to the customer, unsealing and cooking on the spot. The attraction of hot pot dishes mainly comes from the ingredients themselves, so Huo Fengxiang company needs to pay attention to the deep meaning and value of the ingredients, such as highlighting the selected parts of the signature beef series, special production process and nutritional value; Shape the story of the ingredients, convey the deep meaning of the food, such as duck blood, pepper sesame crisp meat, etc., and highlight the color and fragrance on the packaging. Because the visual experience of the customer precedes the taste, the art of plate setting is crucial to the taste of the food, it can significantly stimulate the appetite of the customer, and encourage the customer to take photos and share, so as to promote the communication to a certain extent.

In addition, the packaging of Huo Fengxiang's takeout products also needs to be improved, and the takeout boxes should be redesigned to improve the material quality and tightness, so as to solve the problems of unstable lid and soft leakage of juice in case of heat. The theme color and shape of the packaging needs to be reconfigured to optimize the delivery process and improve recognition. At the same time, the main problem facing takeaway is temperature control, Huo Fengxiang company should be equipped with thermal insulation in the takeaway packaging, to ensure the taste of food at the same time, to avoid affecting other ingredients in the enclosed space. By providing online customers with a more warm, interactive and interesting delivery experience, consumers' willingness to spend in the store can be increased, thus creating additional consumption value.

4.8.2. Optimize situational experience

Huo Fengxiang Company has failed to deeply understand the characteristics of the core consumer groups in different regions in shaping scenarios, resulting in a scenario experience that has not fully covered. For scenario design, Huofengxiang needs to further deepen insights

into consumer needs, especially while meeting the young mainstream consumer group, to avoid excessive interference. When designing, the number of people scenarios, functional scenarios, and emotional scenarios should be comprehensively considered.

Firstly, Huo Fengxiang Company should introduce a more professional design team. Many hot pot chain brands generally adopt modular and replicable strategies in the expansion process. However, the current entertainment-oriented decoration style combined with Sichuan-style hot pot has not enabled customers to smoothly integrate into the scenario. Therefore, it is recommended that Huofengxiang stores design differentiated hot pot store styles based on local cultural characteristics. For example, the design should highlight Sichuan cultural elements, but not be completely limited to Sichuan traditions, to create a different dining space environment from other brands. Through such design, both aesthetic value can be created and special functional activities can be realized, thereby attracting customers and guiding them to deeply experience; given that the young consumer group is the main target, elements representing young culture should be integrated into the design, such as trendy items, meeting scenes, etc. Taking Starbucks as an example, it adopts different environmental design strategies for stores in different regions, some imitate the style of Siheyuan, others are similar to lofts or magnificent palaces, making the same brand able to provide a dual experience for different customer groups, both fresh and full of anticipation. In terms of scenario construction, design details need to be carefully considered to make the design a preferred experience scenario for consumers.

Secondly, as a psychological experience, Huofengxiang can set a marketing theme text to express the attitude towards consumer expectations, and can also build a virtual imagination environment, or use props to create a real scene. Learn from the successful scenario marketing cases in other industries, such as the hot pot industry predecessor Xiaolongkan, which marks "one day you will come to eat" on the storefront and packaging, and through the hot pot lively scene "afraid of getting Huo and drinking “Wanglaoji", these two forms of language convey a sense of scenario to consumers, significantly enhancing consumer brand recognition. Xibei, by setting up cooking scenes with topics such as children not liking to eat and parents not liking to cook, opened private dining courses for parents and children, and let children learn cooking together with Xibei chefs, which not only increased the entertainment interest but also conveyed the high quality of Xibei. When setting scenarios, Huofengxiang should be close to customers, create novel and interesting experience scenarios, stimulate customers' associations and thinking, thereby strengthening customers' endless affection for the brand.

Finally, through the five-sense experience of food, the combination of marketing and cognition is formed. Huofengxiang needs to shape the unique value of visual, auditory, olfactory, taste, and tactile senses, making the soft scene both unique and communicative

value. Among these five key points, the core module is the combination of products, environment, and services mentioned in the previous section. These key points together constitute an unforgettable scenario experience.

4.8.3. Enhance the event strategy experience

Huo Fengxiang Company should further strengthen its event strategy to enhance new associated experiences. Hotpot, as a dining format with strong social attributes, also tends to be entertaining. It is evident that Huo Fengxiang's strategy of sponsoring variety shows has been effective, but to meet the needs of social entertainment, it is necessary to further enrich the event strategy. For the young consumer group, events should be designed to stimulate interaction and generate topics, in order to achieve conversion.

To further enhance the entertainment attribute, online game activities can be designed, where winners can receive various rewards, thereby changing the dining experience of customers. This allows customers to enjoy the happy social experience of eating hotpot while also being able to watch and participate in games.

Event marketing is the implantation of marketing thinking, and its purpose is not only to advertise widely. Huofengxiang Company plans to experiment in the field of variety show sponsorship in the future, and when formulating plans, it is necessary not only to reasonably promote the brand but also to ensure that customers can experience the script content easily and enjoyably, and stay closely connected with fans. Sponsoring high-value entertainment marketing activities is not only to increase exposure but also to embody the brand value of Huofengxiang.Implementation

4.8.4. Enhance immersion strategy

The core of the immersion experience strategy lies in stimulating customers' active participation. In terms of scene construction, it is necessary to achieve this through creating specific scenes and realizing interaction. The first section of this chapter has already provided suggestions on the online and offline environments and styles. This study further suggests that Huo Fengxiang Company should optimize its online platforms, such as Dianping, by replacing a large number of static images with more attractive dynamic images. This shift from static to dynamic not only enhances the consumer's sense of presence but also helps to differentiate the online environment, thereby increasing the efficiency of consumers actively learning about the brand in a short time.

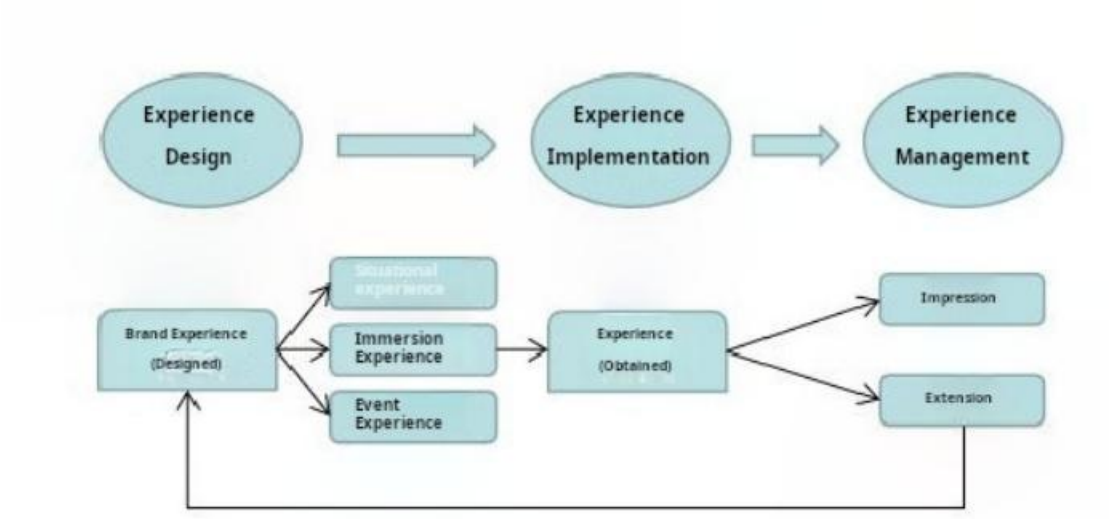
Huo Fengxiang Company has a vast customer community base, with the majority being young people. These consumers typically have a tendency for self-expression and desire to

gain a labeled identity within the community to achieve a sense of belonging. Huo Fengxiang Company should continue to attract new consumers to join the community through diverse marketing activities. In terms of membership management, the company needs to enhance more valuable strategies, such as organizing member interest activities and forming interest alliances, like the Foodie Alliance, Sports Alliance, etc. By these means, customers can actively participate in more social and entertainment experiences while enjoying hot pot services and delicious food, thereby helping young consumers find their own group at Huo Fengxiang Company. Through role immersion, the brand can be effectively disseminated and, from a long-term perspective, establish consumer trust and loyalty towards Huo Fengxiang.

4.8.5. Deepen the consumer's experiential impression

In the aforementioned chapters, this study has provided a detailed explanation of brand experience design strategies. After the implementation of these strategies, customers are able to have a genuine dining experience and leave a lasting impression. The following chapters will delve into how to further deepen the consumer experience impression and optimize other extension strategies, aiming to form a complete closed-loop logical system for the 6E experience marketing strategy, as specifically shown in Figure 4.11,

Figure 4.11 Data Visualization Overview Chart



Source: Author (2025)

In the food service industry, the dining experience of customers is crucial. First and foremost, service personnel need to understand customer expectations from the customer's perspective. Specifically, three core issues need to be addressed: firstly, what kind of treatment customers expect to receive during the consumption process; secondly, what kind of lasting

impressions customers hope the restaurant will leave; thirdly, how to efficiently resolve issues raised by customers. Although these questions may seem simple, only by effectively addressing them can we ensure that customers maintain a positive attitude towards the overall experience of the restaurant.

(1) Properly handle crisis management

The catering industry faces a diverse customer base, and customer dissatisfaction occurs from time to time, making crisis management a core management issue for many catering companies. Huo Fengxiang Company also frequently encounters customer complaints, and face-to-face resolution of complaints is indeed the preferred way to establish effective communication with customers.

Given that Huo Fengxiang stores will inevitably receive complaints, the company should proactively build customer complaint channels. A telephone complaint system can be established to directly connect with regional managers or franchisees; an online complaint platform can also be opened on the official public account, displaying the authenticity and severity of customer issues through images; and in-store on-the-spot complaints become the key to problem-solving due to their strong timeliness. The timing of handling complaints in-store is particularly important, and showing generosity and fairness when solving problems will help shape a positive impression of the restaurant among other customers.

When handling complaints, it is necessary to adopt appropriate methods. Given the wide variety of hotpot dishes, customers may have different opinions on the quality of ingredients, while the restaurant has its established standards. Therefore, when facing issues of principle, customer misunderstandings, and miscommunications between customers and service staff, the aim should be to provide a high-quality dining experience. It is essential to soothe customer emotions, clarify attitudes, and designate relevant responsible parties. Properly addressing complaints can transform them into opportunities for excellent service and marketing.

Every customer complaint should be regarded as a valuable learning case to remind other employees. The process of handling complaints should integrate standardized and humanized elements, strictly following the regulations of vertical and horizontal processes. For instance, when the person in charge receives a complaint, they should proceed according to the steps of listening, inquiring, and explaining. First, they should patiently listen to the customer's demands to deeply understand the motivation behind the customer's complaint. For every reasonable complaint that exposes issues, the restaurant management must pay sufficient attention and seek opportunities for improvement in the areas and processes where customer evaluations are low. It is necessary to carefully consider and adopt appropriate measures to ensure customer satisfaction, thereby alleviating negative emotions and transforming the complaint crisis into an opportunity to enhance the customer experience.

(2) Refined Member Management

Huo Fengxiang Company needs to further strengthen the care mechanism for its member management strategy. Becoming a member implies that customers are highly satisfied with the current consumption, and members have a high level of recognition, trust, and brand evaluation for the restaurant, which in turn transforms them into loyal customers and brand communicators for the restaurant. To avoid member consumption inertia and loss, it is essential to deepen the service connotation.

Firstly, the daily maintenance work for members needs to build a systematic mechanism. Huofengxiang has established corresponding digital platforms to maintain relationships with members, which provides a solid foundation for member management. However, continuously establishing interactive relationships with members, building member communities, activating the atmosphere, closing the distance with customers, and promoting the fission effect are key to keeping customers engaged and enhancing the word-of-mouth effect.

Secondly, in addition to providing basic benefits such as discounts, points, and birthday gifts to members, restaurants should also offer a richer range of value-added services. For instance, regularly conducting member surveys and interviews to understand members' opinions and needs at different stages; organizing events like "Master Chef Teaches You How to Stir-Fry the Base Sauce," offering free product experiences, which not only increases interactivity and fun but also demonstrates the restaurant's commitment to quality to its members. Through these measures, the special status of the membership system is solidified in the hearts of customers, and the business can attract and maintain a greater number of valuable members.

Finally, the entire company must always value the importance of members, recognizing that maintaining old customers is more critical than attracting new ones. Providing a unique experience is the core of management. Utilizing a variety of marketing strategies, promote long-term emotional partnerships between members and the restaurant.

4.8.6. Optimization of other extension strategies

(1) Developing the Entertainment and Social Attributes of Hotpot.

Huo Fengxiang could consider developing a series of derivative products with unique themes, such as dolls based on the company's logo, decorative items shaped like chili peppers, and chopsticks made from high-quality materials. Through these products, customers can experience a positive interactive experience while enjoying the products and services, obtaining distinctive additional items that enhance their memories and strengthen customer recall.

As mentioned in the fourth section of this chapter, Huo Fengxiang Company can leverage its traffic advantages to develop and establish a social platform, thereby attracting more traffic

to its offline restaurants. Based on the social platform, the company can encourage consumers to purchase derivative products, customize birthday cakes shaped like hotpot base ingredients, and find "hotpot partners" online to share hotpot experiences. These initiatives help to enhance consumers' sense of identification with the Huofengxiang brand.

(2) Exploring Innovative Experiences in the Industrial Chain

Huo Fengxiang Company has its own cooperative processing factories located in the middle of the industrial chain. After technological upgrades, these factories have reached modern production standards and are specifically responsible for the production of hot pot base and condiments. The company can host a Consumer Experience Day in Chengdu annually, inviting pre-selected lucky customers to participate, allowing them to taste Chengdu cuisine and experience Chengdu culture. During the event, customers are organized to visit the Huofengxiang factory to witness the modern production process of hot pot base and seasonings on-site. Such experiential activities not only allow customers to enhance their trust in the quality of Huo Fengxiang's food supply chain in a relaxed and pleasant atmosphere but also effectively spread the positive experiences of the industrial chain by choosing influential customers.

4.9. Personalized Marketing Upgrade

The value of Huo Fengxiang's catering should not be limited to the products themselves, and its interactivity should not be confined to physical stores. The company needs to actively seek sources of traffic to achieve effective market exposure. Huofengxiang must pay attention to the implementation of multi-platform experiential marketing strategies to completely improve the current situation of poor online marketing effects and lukewarm customer responses. Given the variety and uneven quality of internet platforms, the key lies in grasping the core elements of traffic. Especially mainstream platforms such as Dianping, Meituan, E Leme, Kuaishou, Douyin, Xiaohongshu, etc., should be given more attention. In the new media era, the information consumers can access is characterized by a "bazaar" feature, with information being diverse, chaotic, heterogeneous, and rapidly updated. Therefore, building the most attractive internet experiential marketing strategy is the key to establishing a close emotional connection with consumers.

Huo Fengxiang Company should pay special attention to the creation of short video marketing content. Short video platforms like Kuaishou and Douyin have strong social attributes and user stickiness, with direct dissemination effects and low video production costs. Large enterprises such as Haidilao and Banu Hotpot have accumulated a large amount of online traffic through short video marketing and successfully converted it into offline

consumption. Therefore, Huofengxiang Company should fully utilize this tool to create valuable video content, which will become an important customer acquisition channel for the company.

4.9.1. The principle of fun realizes entertainment

Sichuan-style hotpot inherently possesses entertaining characteristics, thus, the construction of online scenarios has already taken a natural advantage. For instance, in the video creation on the Douyin platform, the content needs to be fun, highly appealing, and widely disseminated. Content creation should be closely connected with customers' daily lives, while also having the ability to attract customers' attention, making the audience feel that this is both an advertisement and not a traditional, rigid form of advertising dissemination.

The concept of fun content can be linked to product-related extensions, service forms, or stories related to customers. For example, an event where a customer's phone accidentally falls into the hotpot can be turned into a heartwarming service by the waiter who replaces the pot for free. This can be turned into a joke or a song, with the theme revolving around "how to avoid customers' phones falling into the hotpot due to excessive excitement." Content with appeal is easy to evoke customer empathy, provoke thought, and create a chain reaction. Each repost, like, and favorite is a positive affirmation of the subject matter.

4.9.2. The principle of interest realization in marketing

In the marketing process, publicity is fundamental, and it is essential to ensure that substantial benefits are provided to consumers. For the food industry, consumers expect to gain specific privileges through information obtained from online platforms, which may manifest as discounts, gifts, or free experiences. By ensuring material benefits, the consumer's experience is enhanced, thereby increasing the value of the information. Moreover, beyond material benefits, marketing activities should also stimulate consumers' relational interests, meeting their spiritual and intellectual needs, thus fostering a sense of brand identification among consumers. Marketing strategies themed around national sentiment, such as releasing short videos featuring dining discounts for active and retired military personnel during Army Day, can resonate widely and inspire consumers to actively spread the brand.

4.9.3. Interactive Principles to Achieve Engagement

Public domain traffic fan interaction.

In the marketing process, publicity is fundamental, and it is essential to ensure that substantial benefits are provided to consumers. For the food industry, consumers expect to gain specific privileges through information obtained from online platforms, which may manifest as discounts, gifts, or free experiences. By ensuring material benefits, the consumer's experience is enhanced, thereby increasing the value of the information. Moreover, beyond material benefits, marketing activities should also stimulate consumers' relational interests, meeting their spiritual and intellectual needs, thus fostering a sense of brand identification among consumers. Marketing strategies themed around national sentiment, such as releasing short videos featuring dining discounts for active and retired military personnel during Army Day, can resonate widely and inspire consumers to actively spread the brand.

The closed-loop interaction of private domain traffic fans.

Huo Fengxiang Company can adopt various channels to expand its private domain traffic, including but not limited to Douyin, WeChat communities, WeChat official accounts, etc. In terms of content creation, it should focus on consumer needs, producing valuable short videos and engaging articles to stimulate customers' curiosity, thereby promoting the spread of content. During the interaction process, the content should be diversified. WeChat communities should periodically distribute cash and non-cash benefits in WeChat groups, using the WeChat community to delve into customers' lives and gain their emotional identification. In terms of short videos, precise audience dissemination can also be achieved. The content should be based on the principles of fun and interest, naturally incorporating product information into the interaction process, subtly achieving interaction with users. Efforts should be made to increase comment replies, striving to communicate and interact with each fan. At the same time, using common internet interaction methods, such as giving coupons or vouchers to the top three comment likes, or drawing for prizes upon sharing, encourage users to redeem rewards at designated stores. In this way, with the help of users, information can be easily conveyed to Huofengxiang's customers, achieving viral communication, influencing many potential customers, and ultimately possibly achieving a symbiotic relationship with merchants. The sense of gain brought by this interactive experience turns consumers from participants into loyal customers.

4.9.4. Personalization Principles to Meet Customer Needs

Personalization is the character trait of Huofengxiang Company's consumer group, hence designing personalized communication experiences that match this can align with customer cognition. The design process needs to adapt to the consumption habits and philosophies of

the core users, enhance information transparency, and implement public oversight to strengthen customer protection. At the same time, utilizing big data technology to collect information can continuously improve products and services.

Live streaming serves as a means to showcase personalized experiential marketing. Huofengxiang can package its employees as young anchors to display their lifestyles and personalities, attracting similar fan bases, and thus integrating personal expression with the hotpot restaurant and its products. The content of the live streams should be selected based on popular and appealing topics, making fans not only identify with the content's entertainment value but also be willing to engage in online shopping and participate in offline store consumption. Current consumers are passionate about the creation processes of various cuisines, and food safety is a widely discussed topic online. The content of the live streams can include the daily operations of a restaurant's kitchen, a format that not only allows netizens to oversee the restaurant but also encourages the store to self-regulate, ensuring customer dining safety. This type of marketing touches on the psychological safety threshold of customers, significantly enhancing the dining experience.

4.10. Implementation

4.10.1. Schedule

Timeline of key activities and milestones for the marketing plan.

Table 4.5 Marketing plan

Phases	**Dates**	**Main Tasks**	**Key Milestones**
Project Launch & Market Analysis Phase	August 1, 2025 – August 15, 2026	Determine the project team and leadership structure	Identify project manager and team members
	August 16, 2025 – September 15, 2026	Develop a detailed marketing plan and budget	Complete marketing plan and budget
	September 16, 2025 – December 31, 2026	Conduct market research and consumer analysis	Complete market research report

Strategy Development & Implementation Phase	January 1, 2025 – June 30, 2026	Develop marketing strategies and implementation plans	Complete marketing strategy and implementation plan
	July 1, 2025 – December 31, 2026	Implement marketing activities	Achieve predetermined market share and sales targets
Monitoring & Evaluation Phase	January 1, 2027 – February 28, 2027	Monitor market response and sales data; Adjust marketing strategies as needed	Complete midterm evaluation report
Adjustment & Improvement Phase	March 1, 2027 – Dates*	Adjust marketing strategies based on market feedback	Improve marketing activities and strategies
Final Evaluation & Reporting Phase	March 1, 2027 – Dates*	Summarize the effects and results of the entire marketing campaign	Complete final evaluation report and summary
Final Delivery Phase	March 1, 2027 – Dates*	Submit the final marketing strategy and implementation report	Complete project delivery

Source: Author (2025)

4.10.2. Budget

Allocate resources and budgets for marketing activities, R&D and distribution expansion.

Table 4.6 Budget plan

Phase/Task	Cost items	Budget (Unit: RMB)
Project startup phase	Project management costs	50,000
	Marketing plan development	20,000

	costs	
Market analysis phase	Market research costs	80,000
Strategy formulation phase	Marketing strategy development costs	100,000
Promotion phase	Marketing activity costs	500,000
Market monitoring and evaluation phase	Data analysis costs	50,000

Source: Author (2025)

Remarks.

Project management costs: These include project management salaries, office rentals, and other administrative costs.

Market Research Costs: This includes market research, data analysis, and external consulting services.

Marketing activities expenses include advertising, promotion, event organisation, and public relations expenses.

Market monitoring and data analysis expenses, including market feedback collection, data analysis tools and human resources.

Contingency reserve fund: reserved for possible budget overruns or other unforeseen circumstances.

4.7.2. Control and assessment

Monitor and evaluate marketing performance through Key Performance Indicators (KPIs). Regularly evaluate and adjust marketing strategies based on market feedback and performance data. Implementation Programme for Control and Evaluation Actions To ensure the effective implementation and effectiveness of the Huo Fengxiang Hotpot marketing plan, the following is a specific control and evaluation programme, including key performance indicators (KPIs) and implementation steps:

Where (1) Key Performance Indicators (KPIs) include market share growth rate, which is interpreted as the growth rate of Huo Fengxiang Hot pot's market share in the target market every quarter. The measurement method is to calculate the market share at the end of each quarter through market research and sales data analysis and compare it with the previous quarter. (2) Sales Target Achievement Rate: KPI is the monthly or quarterly comparison of Huo Fengxiang Hot pot's sales with the expected sales target. It is measured by assessing the

gap between actual sales and the set sales target through sales data reports at the end of each month or quarter. (3) Evaluation of advertising effectiveness, with KPIs of

clickthrough rate, conversion rate and brand awareness improvement of advertisement placement. Measured by regularly analysing the clickthrough rate and conversion rate data provided by the advertising platform and assessing changes in consumer awareness of the Huo Fengxiang Hotpot brand through market research. (4) Customer Satisfaction Score KPIs are Huo Fengxiang Hotpot customer satisfaction scores collected by customer surveys or feedback systems. The measurement method is to send customer satisfaction questionnaires or collect feedback regularly, calculate the satisfaction score and track the change trend. Through the above control and evaluation programmes, the Huo Fengxiang Hotpot marketing team is able to effectively monitor the progress and quality of the project, identify problems and take measures in a timely manner in order to maximize the expected goals and results.

Table 4.7 Control and assessment (KPI)

KPI	Definition	Measurement Method	Goals	Responsible Party	Research/Monitoring Tools
Market Share Growth Rate	The growth rate of Huo Fengxiang Hotpot's market share in the target market.	At the end of each quarter, market share is calculated through market research and sales data, and compared with the previous quarter.	Grow 10% per quarter.	Marketing Manager	Market research reports, Sales data
Sales Target Achievement Rate	Comparison of Huo Fengxiang Hotpot's monthly or quarterly sales with the expected sales target.	At the end of each month/quarter, the sales data report is used to evaluate the gap between actual sales and set sales targets.	Achieve 1,000 vehicles per month.	Sales Team Leader	Sales reports, CRM system

Advertising Effectiveness Evaluation	The clickthrough rate and conversion rate of Huo Fengxiang Hotpot advertising, as well as brand awareness.	Monthly, clickthrough rate and conversion rate data provided by the advertising platform are analyzed, and market research is used to evaluate brand awareness.	Achieve 2% clickthrough rate and 20% increase in brand awareness.	Digital Marketing Specialist	Advertising platforms, Market surveys
Customer Satisfaction Rating	The customer satisfaction score collected by Huo Fengxiang Hotpot customer survey or feedback system.	Regularly send customer satisfaction questionnaires or collect feedback, calculate satisfaction scores and track changes.	Achieve a satisfaction rating of 4.5 out of 5.	Customer Service Manager	Online survey tools, Feedback platforms

Source: Author (2025)

Market share growth rate and sales target achievement rate: assessed quarterly and at the end of each month and compared with targets.

Advertisement Effectiveness Evaluation: Analyse data from advertising platforms on a monthly basis and evaluate brand awareness in conjunction with market research.

Customer Satisfaction Scores: send out quarterly questionnaires and analyse feedback to track changes in satisfaction scores.

5. Conclusions

5.1. Marketing Status of Huo Fengxiang Hotpot

AIn today's increasingly competitive hot pot restaurant industry, Huo Fengxiang Hot Pot has experienced initial growth but is currently facing a sluggish economic environment. Despite these challenges, its development momentum remains stable and gradually improves. As Internet technology continues to be integrated into domestic physical enterprises, traditional hot pot restaurants must adapt to remain relevant and seek further development. Therefore, improving marketing strategies has become essential. This thesis takes Huo Fengxiang Hot Pot as the main research object. First, it uses questionnaires and literature reviews to deeply analyze the current marketing situation and find out the existing problems and their causes. Next, Executive Overview, External Situational Analysis including Hot Pot Market; PESTEL Analysis; Sector Analysis; Competitor Analysis; Porters Five Forces Analysis and Consumer Analysis are conducted. And Internal Situational Analysis is conducted, including: Characterization of the company; Mission, vision and values. At the same time, a SWOT Matrix Analysis is conducted on the Strengths; Weaknesses; Opportunities; Threats of Huo Fengxiang Hot Pot Restaurant. Finally, the Loyalty Management Plan Objectives are determined. Segmentation, Targeting and Positioning and 7P Marketing Mix (Product; Price; Place; Promotion; People Strategy; Physical evidence; Service Process) were carried out for the areas of improvement. Finally, Implementation was carried out, including Schedule; Budget; Control and Assessment. A series of marketing improvement strategies were formulated for Huo Fengxiang Hotpot. Through comprehensive analysis, several key conclusions were drawn.

5.2. Current Disadvantages of Huo Fengxiang Hotpot

Through questionnaire survey and literature review, we know that Huo Fengxiang Hotpot has not formed an inevitable development trend in the Xinghua area. The comprehensive quality of store staff is uneven, the products lack innovation, the pricing mechanism lacks flexibility, the marketing channel is too single, the promotion activities are too traditional, the service staff is not good, the process service needs to be improved, and the tangible display needs to be strengthened. These problems will restrict the further development of Huo Fengxiang Hotpot in the future.

5.3 Huo Fengxiang Hotpot Loyalty Program improvement Strategy

In the course of this research, the STP analysis method was applied to clarify the market positioning of Huo Fengxiang Hotpot in the Xinghua region. The brand primarily targets young, middle-income consumers, with its presence concentrated in large, comprehensive commercial areas. Drawing on the companys strengths and opportunities, and based on the "7Ps" marketing mix and experiential marketing theory, this paper proposes seven improvement strategies specifically focused on enhancing customer loyalty. These strategies aim to strengthen customer retention and long-term engagement with the brand.

Product improvement Strategy to Enhance Customer Satisfaction: Focus on developing and refining products that align with customer preferences and provide superior quality. This includes introducing new flavors, seasonal menus, and customizable options that resonate with loyal customers, encouraging repeat visits.

Price improvement Strategy Based on Customer Perceived Value: Introduce more flexible pricing options within the loyalty program, such as special discounts or points redemption for loyal customers. Offering tiered rewards systems and exclusive deals will enhance the perceived value of the loyalty program and incentivize higher spending.

Channel improvement Strategy for Seamless Customer Experience: Streamline the customer experience across multiple channels, including online and offline. Ensure that loyalty program features, such as points tracking and rewards redemption, are accessible through mobile apps, websites, and in-store interactions, making participation more convenient for customers.

Promotion improvement Strategy with a Focus on Communication: Strengthen communication between the brand and customers by utilizing social media, email campaigns, and personalized notifications. By sending timely updates about loyalty program benefits, exclusive offers, and special events, Huo Fengxiang can engage customers more effectively and build stronger relationships.

Personnel improvement Strategy to Improve Customer and Staff Loyalty: Train staff to understand and promote the loyalty program effectively, ensuring that customers are informed and encouraged to participate. A well-trained staff can help build stronger connections with customers, enhancing their loyalty to the brand.

Process improvement Strategy for a Satisfying Customer Journey: Ensure that all aspects of the loyalty program, from enrollment to rewards redemption, are smooth and customer-friendly. Simplifying the process and providing clear instructions will lead to higher customer satisfaction and increased program participation.

Tangible and Intangible Display improvement Strategy: Enhance the visibility of the loyalty program through both tangible and intangible elements. This includes improving in- store displays that promote the program and utilizing digital platforms to highlight the benefits of

membership. Additionally, fostering a sense of exclusivity and prestige among loyal customers will further solidify their commitment to the brand.

These loyalty program improvement strategies aim to support Huo Fengxiang Hotpots expansion in the Xinghua region, while also providing theoretical and practical references for the development of other chain hotpot restaurant brands in China.

5.4. Future Prospects and Research Directions

The improvement of the marketing strategy of Huo Fengxiang Hotpot in the Xinghua area proposed in this paper, on the one hand, enables Huo Fengxiang Hotpot to better adapt to market changes. On the other hand, the chain franchise business model of Huo Fengxiang Hotpot discussed in this paper can provide reference and references for similar hotpot catering companies.

The practicality of the marketing strategy improvement and guarantee measures proposed in this paper needs to be tested in practice and continuously improved in future work and study. First, due to the small number of questionnaire survey samples, it cannot represent the wishes of all consumers. It cannot fully reflect the market environment faced by Huo Fengxiang Hotpot in Xinghua. The marketing strategy improvement formulated on this basis may not achieve the expected results; second, the implementation of marketing strategy improvement requires the full support and cooperation of the company's human resources and material resources, and some measures may not be effectively implemented; third, with the development of social economy, many economic data, policies and systems are changing in real-time. Therefore, the analysis and conclusions of this article have a certain timeliness. In further revision and research, it is necessary to continue to understand the situation in various aspects, such as social, economic, and industry development, before making corresponding adjustments.

The short-term goal of Huo Fengxiang Hotpot is to blossom and bear fruit in Xinghua, China, and the long-term plan is to spread all over the country. Therefore, the company should keep up with the pace of the times, innovate development concepts, earnestly learn the successful experience of domestic hot pot catering giants, make full use of Internet technology, and adopt a scientific management model to achieve the long-term development goal of Huo Fengxiang Hotpot.

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Appendices

Appendix A – Huo Fengxiang Hotpot Customer Loyalty Survey

Thank you for taking the time to complete this survey. Your feedback is crucial in helping us improve our services and enhance your dining experience. This survey will take approximately 510 minutes to complete.

Part 1: General Information

1.Age Group:

Under 18
18-24
25-34
35-44
45-54
55-64
65 and above

2.Gender:

Male Female
Prefer not to say

3.How often do you dine at Huo Fengxiang Hotpot? First time
Once a month
23 times a month

Once a week
More than once a week Part 2: Dining Experience
4.How would you rate the quality of food at Huo Fengxiang Hotpot? Excellent
Good

Average Poor
5.How would you rate the variety of dishes offered? Excellent

Good Average Poor

6.How would you rate the cleanliness of our restaurant? Excellent

Good Average Poor

7.How would you rate the friendliness and professionalism of our staff? Excellent

Good Average Poor

8.How satisfied are you with the overall dining experience at Huo Fengxiang Hotpot? Very Satisfied

Satisfied Neutral Dissatisfied

Very Dissatisfied

Part 3: Loyalty and Rewards

9.Are you a member of our loyalty program? Yes

No

10.If yes, how satisfied are you with the benefits of the loyalty program?

Very Satisfied Satisfied Neutral Dissatisfied

Very Dissatisfied

11.What type of rewards would you like to see in our loyalty program? (Select all that apply)

Discounts on meals Free dishes

Exclusive member events

Special birthday offers

Points system with redeemable rewards Other (please specify):

Part 4: Suggestions and Feedback

12.What do you like most about Huo Fengxiang Hotpot? (Openended)

13.What areas do you think we can improve on? (Openended)

14.Do you have any additional comments or suggestions for us? (Openended)

Thank you for your valuable feedback!

Feel free to adjust the questions or add more specific inquiries based on your needs.