


Haidilao delivers memorable experience beyond hotpot dining

Haidilao creates an ultimate experience for its customers through empowered employees, leveraging technology and building a strong foothold through brand advocacy.



Putting faith in my staff has paid off for me. Giving them the responsibility and autonomy is how you show trust. 

Zhang Yong, Founder and Chairman of Haidilao



海底捞火锅 Haidilao Hot Pot

Haidilao is a Chinese hotpot dining business founded by Zhang Yong in 1994. Over the years, the company grew from a small business into one of Forbes World's Best Employers and Forbes Top Regarded Companies in 2019. Currently, they own a total of 935 restaurants across the globe.

We studied Haidilao and their most prominent success factors that help differentiate the restaurant from their peers. Haidilao was also chosen to stand among Twimbit's Top 10 APAC companies to ace CX.





Highlights



Strong financial performance in 2019 with 57 percent Y-o-Y increase in revenue



Premium brand positioning with 20-30 percent higher average spending per diner against market peers¹



102K employees globally; that is an almost twofold increase from the previous years



Challenges

China's hotpot industry is a booming one, with over 500,000 restaurants in the country. Some of the biggest challenges facing these companies are:

1

They face higher attrition rates and a lack of loyalty especially among the younger generations

2

Traditional hotpot restaurants struggle to digitally engage with the mobile-first younger generations and ensure their continued patronage

3

Additionally, due to the competitive environment of the business, companies find it hard to stand out among competitors

¹<https://digital.hbs.edu/platform-rctom/submission/hai-di-lao-service-beyond-imaginations/>



Employee experience

a. Value-driven recruitment to align values and build loyalty

Haidilao hire employees from an underserved community with an emphasis on individual values over experience and qualifications. It ensures that employee values such as customer-centric mentality and hard work are aligned with those of Haidilao. In return, employees show gratitude through their strong dedication to customer service and loyalty.

b. Empowerment of frontline staff to address customer concerns

While restaurant managers are given autonomy to lead their restaurants, the frontline workers are entrusted with the task of taking appropriate decisions to instantaneously address customer dissatisfaction. This includes waiving their bills and offering free beverages to enrich their dining experience.



Digital experience

a. Mobile-first innovation to strengthen customer loyalty

Every customer journey is made easy through their mobile app, “Super APP”, with facilities ranging from bonus point redemption and birthday gifts to choosing various personalised derivative Haidilao products. It simplifies a customer’s journey and attracts a large base of digital citizens into becoming their loyal customers.

b. Applications of robotics to delight the customers

They have introduced the robotic arm of the automatic service room and opened new technology-supported restaurants to enhance operational efficiency and improve quality of service for guest satisfaction. Also guests are delighted with the introduction of robot waiters, a truly 21st century change in one’s dining experience.



Brand experience

a. Value added services to enhance brand advocacy

Haidilao delights their guests through the various value-added services they offer, such as manicures and free beverages while the guests wait to be seated. These services help create a long-lasting memory and appeal to the diners to become loyal customers and provide a strong global advocacy of their brand.

b. Consistent global services to build a strong brand story

They place primary focus on consistent services (for example, manicure services, noodle dance and attentive employees) throughout all their restaurant chains. Employees are trained and motivated to put customers above everything else. This has helped Haidilao gain a strong brand power among customers worldwide.



Outcomes

Less than 10%

frontline staff attrition rate
and almost 0 management
team attrition rate

54.7 million

users worldwide since the
launch of Haidilao Super APP
in 2018, building a remarkable
base of loyal customer

65% increase

in new restaurants opening
in 2019, from 466 to 768





Key Takeaways

1



Emphasise values as an important aspect of hiring, in addition to experience and competency

Aligning company values with individual values is important for building a culture of motivated employees. A company's mission and vision should emphasise on values and become a guiding principle for employees.

2



Empower frontline employees to deliver company's CX aspirations

Employee empowerment is central for delivering outstanding customer experience. Customers are looking for quick solutions to arising issues and the ability to smoothly deliver solutions could help improve their experience with brands.

3



Technology innovation focusing on mobile solutions

A company should have a clear digital strategy with a focus on "mobile-first" solutions to simplify customer needs and attract digital citizens to become their loyal customers.

4



Customer first policy throughout all service deliveries

A company should strive to delight customers with creative and remarkable services. Happy and satisfied customers will become brand ambassadors, which is an essential channel for customer acquisition.

About Twimbit

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Affordable and accessible



Actionable for your business processes

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Custom workshops to unlock growth opportunities and develop a common understanding of the future.

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Customized solutions to help realize your business aspirations.