

Research on the development status of domestic Korean catering industry

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Abstract: With the steady development of China's economy, the continuous improvement of people's living standards, the transformation of people's consumption concepts and the enhancement of their ability to accept foreign cultures, the special cuisine has been welcomed by Chinese people and became popular on their tables. Korean catering, which has its own unique flavor, is gradually developing among Chinese major cities. Compared with other regions, Wuhan, a second-tier city in China with relatively developed economy, relatively concentrated population, strong business culture and large proportion of young people, has a huge potential in food consumption. In addition, the unique conditions of Wuhan people's positive attitude to foreign culture and the mature international metropolis culture of Wuhan itself all provide the sustainable development of Korean catering industry. This paper mainly analyzes the first-hand field research information and data of Korean catering industry status in Wuhan Optics Valley area rigorously and pragmatically to find and solve problems, as well as provide feasible strategies for college students in Korean catering business.

1 Research background and significance

In recent years, influenced by the continuous warming of economic and cultural exchanges between China and South Korea, Korean dramas have been sought after by the Chinese, and Korean cuisine has also begun to enter the Chinese catering industry and has achieved considerable development. However, with the emergence of the THAAD issue in South Korea in 2016, the strategic confrontation between the two countries has gradually formed. As the enthusiasm for the blind pursuit of Korean culture by the Chinese people has begun to cool, the Korean catering industry has shown a slight decline in the competition in the domestic catering industry, and has begun to change the previous single business model. It's also facing the bottleneck of the development of dishes and Chinese localization. Korean cuisine was popular in Wuhan for a while and was loved by young people. However, each year hundreds of Korean-style restaurants close and hundreds of new restaurants open, which seems to have formed a vicious circle of investment-closure-reinvestment. These social issues involving food culture and business models are worthy of attention. The Optics Valley area is located at Hongshan District in the southeast of Wuhan. There are many universities and research institutions in this area. It is a vibrant and energetic area in Wuhan. The city culture and the city spirit of innovation are fully reflected here. Compared with other areas in Wuhan, the Optics Valley area is more typical and representative as a research site

for the Korean catering industry in Wuhan. Through field research, this paper collects accurate data and analyzes the development status of Korean catering industry in Optics Valley to make corresponding conclusions and provide reasonable suggestions and feasible strategies to guide college students' innovation and entrepreneurship.

2 Development status of Korean catering industry

The survey mainly focuses on the high, medium and low grades in the Optics Valley area of Wuhan. The subjects of the survey are employees and in-store consumers of about 20 Korean-style restaurants. The situation and existing problems are investigated, and the first-hand information obtained is sorted and analyzed.

2.1 Korean-style restaurants with chain and franchise operations have strong viability

In the field investigation, it is found that most individual Korean-style restaurants have difficulty in operating and are facing closure. Due to lack of capital and technical support, individual merchants often fail to make ends meet soon after opening, and face the edge of collapse. First, some shopkeepers with a small amount of investment will seek out locations with lower rents in order to control costs. Due to the remote location and less traffic, the catering business is greatly restricted, and is

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not conducive to future development. Secondly, in order to save costs, most of the shopkeepers are both operators and chefs. Although they may learn Korean cooking in some catering training institutions, the qualifications of catering training institutions vary, and the owners themselves lack experience. The level of Korean cooking is limited, and the Korean dishes produced are not good, so naturally there are not many people paying the bill. There are also some private restaurants that are struggling to survive even with sufficient funds and high-level chefs. The reason is that Korean-style catering has been replaced quickly, and consumers have gradually lost interest in the original dishes. This has caused many stores to become deserted in an instant, and the pressure of restaurant owners has increased. On the other hand, chain-operated and franchised Korean-style restaurants have a certain brand effect and can get lower shop rents. The headquarters provides financial and technical support, with sufficient funds, an innovative dish research and development team, experienced managers and professional marketing teams to help, so that these stores can actively adjust their strategies in the face of the unpredictable market, and have obvious anti-risk capabilities than small operators.

2.2 Student groups are the largest source of customers

A questionnaire survey is conducted with consumers in Korean-style restaurants in the Optics Valley area of Wuhan. A total of 90 questionnaires were distributed and 84 valid questionnaires were collected. The majority of consumers are 18-25 years old, accounting for 83.33%. Among the consumers, 72.62% have a college degree, 20.24% have a bachelor degree or above. Consumers with an average monthly income of less than 2,000 yuan accounted for 76.19%, and those with an average monthly income of 2,000-5,000 yuan accounted for 15.48%. 52.38% of the people can accept the per capita price of 20-50 yuan and 28.57% can accept 50-100 yuan. 41.67% of consumers in the group choose Korean-style restaurants for a different taste, and 35.71% want to taste authentic Korean cuisine.

3 Problems in the Korean catering industry

3.1 Ignore online publicity and have a single marketing strategy

The main ways for consumers to learn about Korean-style restaurants are through friend recommendation (69.05%), ordering apps (52.38%), billboards (29.76%), flyer (32.14%), social networks (32.14%), etc.

Through the above data, we can find that many Korean-style restaurants stick to the traditional propaganda model and still rely on word-of-mouth propaganda, these made them on a passive sales position. Today is the age of the Internet and the era of big data,

store operations should also follow the development trend of the times.

3.2 There is no stable and loyal customer group

77.38% of consumers go to Korean-style restaurants to dine 1-2 times a month, and 10.71% dine 1-2 times a week. Due to differences in food culture, most consumers only occasionally experience exotic flavors and are generally used to taste local food. The uncertainty and contingency of customer needs make it difficult for restaurant operators to retain customers.

3.3 The dining environment is non-characteristic

The supporting dining environment of the restaurant should create a Korean atmosphere as much as possible. In terms of the dining environment design of the Korean-style restaurants that have been investigated, most of them only have localized design and decoration features, so they fail to make good use of the Korean restaurant's dining environment to attract customers. For example, although the decoration of the Korean restaurant Gaoliyuan is basically the same as the Lanzhou Ramen next to it, the addition of a few Korean words under the store plaque have attracted the attention of many students and form a unique logo in the restaurants. After interviewing Korean students who came to eat here, we find that it is these elements of Korean characteristics that make them feel more cordial and willing to eat often.

3.4 Few varieties and unstable quality of dishes

The dishes in Korean restaurants are mostly grilled meats, kimchi, and cold dishes. Most dishes need to be marinated in advance. The taste of the pickled dishes is different due to the different picking personnel and fermentation time, so the quality of dishes is not stable. All of these make it difficult to establish consumers' confidence to the brand and the formation of loyal consumers. In addition, Korean restaurants rarely introduce new dishes so that the same dishes will gradually lose their appeal to customers.

4 Suggestions for college students to start a Korean-style restaurant

4.1 Small investment, combining online and offline publicity

According to the survey, in December 2015, the overall APP active users in the Internet catering food delivery sector reached 22,753,500, which is showing a good development trend in the second half of the year. In addition, as of December 2015, 73,815,800 have installed takeaway apps, and the number of applications reached more than 30%.

Driven by factors such as the continuous improvement of the food delivery logistics industry,

technological progress, and urban expansion, the Internet food delivery market is booming. The development of China's online food delivery market has experienced stages of exploration, market launch, and rapid development. The next stage will be the application maturity stage. Many virtual economies have caught the ride of the Internet, and the development of the Korean catering industry should be no exception. With the basic formation of user habits, the Internet food and beverage delivery market has begun to expand rapidly. For small Korean-style restaurants, this is an opportunity and a trend to follow.

First, increase sales and turnover. When in-store sales are not optimistic, many stores are relying on takeaways to increase orders, coupled with online discounts, discounts when full, new customers' first order discounts, cash back coupons and other methods to make restaurants develop better.

Second, increase online publicity and reduce labor costs. Do a good job of online and lasting publicity through the Internet, reduce the distribution of manual leaflets to lower costs. Some newly opened restaurants like to use flyer to promote the storefront, and some restaurants conduct online promotion. The latter can better achieve the effect of widespread dissemination and has a long timeliness.

Finally, optimize and summarize the back-end data and adjust the operation and management methods. Through the operation and management back-end system, store owners can quickly count and view monthly sales, dish order rankings, customer order rankings to adjust the management method in time to maximize profits. Each takeout software has a customer evaluation function, so that operators can view customer evaluations, and explain negative comments to make improvement. It can also make timely adjustments to the price of dishes in order to carry out corresponding promotional activities.

For college graduates who have just started a business, their investment cannot be very high. Due to a big expense of rent, it's better to rent a few square meters without lobby and with lower requirements on the location so that store owners can focus on take-out delivery. In addition, in order to reduce labor costs, there is no need for service and front office management, meanwhile, Korean-style restaurants can introduce some simple and easy-to-operate food to increase revenue, and the benefits will be considerable.

According to the survey, it can be found that the main consumers of Korean-style catering are college students and beginners in social work, and their common characteristic is that they have a strong ability to accept new things. At the same time, the time-saving and labor-saving characteristics of takeaways make consumer demand strong. In addition, Wuhan is hot and rainy in summer, and external factors such as urban traffic jams also make people more inclined to takeout service.

4.2 Grasp female consumers and use marketing strategies flexibly

The group most affected by Hallyu is female consumers,

and Korean catering quickly captured the hearts of female consumers with its exquisite and fashionable concepts. According to observations and exchanges with restaurants owners, it is learned that most male consumers come with female companions, and it is rare for men to dine in restaurants together. Therefore, so long as the needs of a group of young female consumers can be firmly grasped, the long-term stable customer source in the store can be maintained. First, it is possible to increase the stickiness and activity of customers through various management methods such as member loyalty points and membership rating system, so that the customer consumption cycle can be continued. The member information entry system can help the store find members who are about to lose, and carry out targeted SMS marketing to effectively avoid the loss of customers. Second, restaurants should make better use of the convenience and timeliness of social promotion. For instance, customers can get the benefits from the first order discount by paying attention to the store's official account. Stores can also carry out regular new product promotion and irregular promotion on the official account to forward and collect likes to attract traffic. Third, restaurants can carry out dish tasting activities inside and outside the store to tap potential customer resources.

4.3 Characteristic management to improve restaurant recognition

"Han Ding Shi" refers to a form of grouping various Korean dishes together. Many "Han Ding Shi" stores in South Korea have unique designs and are smart in decoration. Most of them occupy an independent second-story storefront, with a traditional flat low table for people to sit with the legs crossed on one of the floors, and a dining table with chairs on the other floor. Although there are high requirements for the introduction of "Han Ding Shi" dishes, it has great import value because of its obvious Korean characteristics in terms of decoration. If the local Korean-style restaurants can introduce Korean dishes while supporting the introduction of Korean decoration design, it will certainly benefit. Undergraduate entrepreneurship has relatively large funding limitations. Therefore, they can consider introducing some Korean elements when decorating the store, so as to improve the recognition among restaurants.

4.4 Rich and innovate dishes to enhance customer attractiveness

As one of the emerging trendy cuisines, Korean catering has the advantage of novelty in the types of catering, which can attract customers. Korean-style restaurants can through developing innovative dishes, promoting dishes on a regular basis, and putting better dishes into the menu based on customers' feedback to enhance customer attractiveness. In addition, the menu can be enriched, and Korean dishes such as fried, fried or soup pot can be

added to increase the customer's choice of dishes to taste, so as to enhance customer attractiveness.

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