

Problems and Countermeasures in the Transformation of Traditional Catering Enterprises

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Abstract. Under the background of the vigorous development of digital economy, the main consumer and the change of demand, the traditional catering enterprises are facing the unprecedented challenge of survival, which is in urgent need of enterprise transformation. This paper mainly studies the problems caused by the inability of the traditional catering enterprise model to meet the emerging consumer demand, the low quality of practitioners and the inherent characteristics of the catering industry. At the same time, in view of the problems raised, it is suggested that traditional catering enterprises should take corresponding countermeasures, such as adopting content marketing and network marketing instead of the traditional marketing model with product management as the core to solve the problem of failing to attract new consumer groups, recruiting high-quality employees and focusing on staff training to solve the problem of low quality and insufficient service awareness of employees. Actively carry out dish innovation and expand the business scope to overcome the lack of core competitiveness caused by the characteristics of the catering industry. Based on the problems that traditional catering enterprises may face, this paper puts forward the corresponding countermeasures, which can provide some practical enlightenment for the traditional catering enterprises that are facing the transformation dilemma.

Keywords: Traditional catering enterprises, generation Z consumption, business diversification.

1. Introduction

As the oldest basic service industry in the world, the catering industry not only bears the burden of meeting the basic survival needs in human civilization but also acts as a platform for people to communicate and connect emotional exchanges. To some extent, it is also regarded as the carrier of the city and even national culture. From the small firework halls in the streets to the chain brands in the high-end business circles, the changes of the catering industry not only reflect the changes of social civilization but also become the carrier of cross-civilization communication in the process of globalization [1]. The radiation effect of the catering industry can promote the coordinated development of agriculture, cultural tourism, logistics and other related industries, and form an employment network covering hundreds of millions of people, which makes it a barometer of social and economic vitality [2].

Since the beginning of the 21st century, technological revolution and the wave of globalization have reshaped the rules of business model operation. The deep integration of disruptive technologies such as artificial intelligence, big data and the Internet of Things into daily life, combined with the generational change of major consumer groups and changing consumer demands, is accelerating the collapse of the foundation of the survival and traditional industries and posing serious challenges to their survival. The catering industry bears the brunt of the multi-dimensional impact because it is directly oriented to end consumers: the ultimate pursuit of scene experience by Generation Z as digital natives forces service model innovation, supply chain fluctuations and market price war competition continue to squeeze profit margins, and the siphon effect of platform economy makes physical stores fall into "traffic anxiety". This systemic impact has led to the industry elimination rate rising year by year, and the average life cycle of global catering enterprises has been shortened year by year, highlighting the urgency of transformation.

In this context, the survival strategy of traditional catering enterprises has shifted from gradual improvement to fundamental change. This study carried out an in-depth analysis of the problems faced in the transformation of the catering industry, focusing on the characteristics of the consumption

habits, consumption patterns and consumption concepts of new consumers, analyzing the problem that the quality of enterprise personnel cannot meet the development demands of enterprises, and deeply thinking about the difficulties brought by the inherent characteristics of the catering industry to the transformation of enterprises. This paper not only studies the problems of the operation of traditional catering enterprises under the background of the new era, but also puts forward an operable practice path, providing theoretical support and decision-making reference for catering enterprises to reconstruct their competitive advantages in the market.

2. Questions

2.1. Inability to Meet Emerging Consumer Demand

According to the data of the World Bank and the White Paper on the Consumption Power of Generation Z, Generation Z has a huge consumption volume and consumption power and has gradually become the main force of catering consumption. As a consumer group with unlimited consumption potential and growing up in the Internet environment, Generation Z is different from other consumer groups in terms of consumption habits, consumption methods and consumption concepts [3]. In terms of consumption habits, Generation Z pays more attention to consumption experience such as shopping experience, scene experience, etc., and prefers "personalized" services, hoping to obtain happiness and spiritual satisfaction in the consumption process, and have a certain pursuit of product appearance [4]. In terms of consumption mode, due to the influence of the Internet and other technological products, Generation Z prefers to consume on online platforms or be consumed by "Amway grass" on social platforms. In terms of consumption concept, Generation Z's consumption concept is easily influenced by the surrounding groups, network communities and culture, and they share their consumption experience on social platforms, leaving a "planting grass" footprint [5]. On the other hand, the traditional catering enterprise model takes dishes as the core, neglects the dining experience of consumers, fails to meet the individual needs of modern consumers, and is difficult to form effective attraction and competitiveness.

2.2. Low Quality of Staff

Catering industry is one of the important ways to solve social employment [6], it can accommodate multiple levels of employment, from the lobby manager, cook and other people who need certain experience and technology to wash dishes, cleaning and other workers with low job requirements, can find a place in the catering industry. However, with the increasingly severe market competition environment and the change of consumer groups' consumption concepts, consumers' requirements on consumption experience are gradually increasing, and if catering enterprises want to improve service quality, high-quality employees are an important part of this change. However, nowadays, the education level of traditional catering employees in China is uneven, which is distributed in primary, middle and high schools. On the whole, the staff level shows a low-quality employment population [7], and high-quality talents, especially those with Internet thinking, are scarce. In the context of the wave of digital transformation, traditional catering enterprises are generally faced with a "digital divide". Employees' lack of skills such as big data analysis and social media operation directly leads to competitive disadvantages in key areas such as precision marketing and membership system construction, which will inevitably lead to the decline of some traditional catering enterprises due to changes in the market environment.

2.3. Product Homogenization

The catering industry has the characteristics of low threshold and low technical content [8]. The low industry barriers lead the catering industry to fall into the "Red Sea competition" and considering the lack of effective protection paths for its products, the specialty dishes or specialty services can be imitated by rivals. Due to the high cost of innovation, long innovation cycle and other reasons, most of the catering enterprises only stay on the traditional menu or simply imitate the menus of other

enterprises, resulting in the dishes provided by most of the catering enterprises in the market are identical, lacking uniqueness and innovation. This makes the enterprises fall into the trap of homogeneity, easy to replace, but also unable to attract customers. In this context, the lack of core competitiveness of catering enterprises has to fall into the quagmire of price war, through the way of promotion discounts to compress profits to attract business. However, from the perspective of the long-term development of catering enterprises, only the "expedient" is not the fundamental solution to the survival of catering enterprises. If the traditional catering enterprises do not keep pace with The Times to innovate and change, it is difficult for enterprises to obtain the patronage of new and old customers leading to dismal business and eventually facing survival difficulties and bankruptcy risks.

3. Countermeasures

3.1. Single Marketing Approach

The establishment of traditional catering brands and the publicity of enterprises often relies on "oral publicity" and the development of offline stores [9]. In the Internet era, traditional catering enterprises could flexibly use social network platforms such as Weibo, Douyin and XiaoHongshu to carry out content marketing in line with young people's preferences, attract new consumers to consume in stores, and hold some activities that can promote interaction between enterprises and consumers and arouse consumers' desire to share [10]. While reducing advertising costs through consumer split sharing, it can also timely understand consumers' current preferences, which is helpful for enterprises to make future decisions [11]. The "beautiful meal" marketing strategy that has been popular all over the Internet can serve as a reference for traditional catering enterprises. The core of "beautiful rice" marketing strategy lies in stimulating consumers' desire to share, forming a cycle of "sun - grass - buy - sun". This model not only increases the exposure of the brand, but also makes consumers become the communicators and operators of the brand. Traditional catering enterprises can also enhance "visual marketing" to arouse consumers' desire to share. For example, by creating a unique store atmosphere to provide customers with punch points, and jointly launch theme packages with popular IP, they can enhance consumers' consumption experience to achieve a closed loop of "online grass planting → offline punch → secondary communication".

3.2. Recruitment of High-quality Staff

In terms of operation and management, enterprises can recruit employees with Internet thinking to manage and operate their Internet accounts to fully tap the online market, carry out network marketing to enhance brand awareness, and deal with some unexpected public relations events in a timely manner to reduce corporate losses. The daily training of employees cannot be ignored. Now consumers pay more and more attention to the service experience of consumption, and the service awareness and service quality of employees are related to the development of catering enterprises. Enterprises can establish the awareness of "catering is service" through daily training, improve the service level of employees and carry out a certain degree of supervision and inspection on employee behavior to ensure the quality of service. The combination of school and enterprise is a new way to ensure the development of talent needs of enterprises. The two sides can cooperate to cultivate catering talents under the Internet environment, strengthen students' Internet thinking, and reserve talents for catering enterprises.

3.3. Business Diversification

If enterprises want to maintain long-term vitality, they need to keep pace with The Times and continue to innovate and develop, so do catering enterprises. If the catering enterprises always provide the same products and services, they will eventually be abandoned by the market. In terms of dishes, catering enterprises can launch limited edition dishes according to the characteristics of seasonal ingredients, which can attract new customers and attract repeat customers. In the service, enterprises can also draw inspiration from the Internet, collect the current consumer preferences, combined with

social hot spots to hold special consumption activities such as joint gifts with popular IP corresponding characteristics of the surrounding.

Catering enterprises can also diversify the catering industry chain. Catering enterprises can open up new businesses such as community catering and chef delivery to meet the new catering demand generated by adapting to the new lifestyle. Catering enterprises can also extend to the food raw material industry, cooperate with agricultural products base and animal products base, provide the sale of green food, reduce the cost of enterprises and ensure the quality of products. The development of diversified business can provide various possibilities for catering enterprises and enhance the anti-risk ability of enterprises.

4. Conclusion

This study reveals the operational problems faced by traditional catering enterprises in the era of digital economy: unable to meet the consumer demand driven by the change of consumption, insufficient personnel literacy to provide consumers with a good service experience, homogenized competition caused by low innovation barriers continues to shrink profit margins. Based on the above problems, this paper proposes that when traditional catering enterprises are facing the crossroads of transformation and upgrading, only by changing their business strategies, breaking through the bottleneck of talents, and rebuilding their competitive advantages can they seize the initiative of development in the digital wave. Future research can further explore the transformation path differentiation law of catering enterprises of different sizes, especially the balance between technical input and cost constraints of small and micro catering. This will further improve the theoretical graph of the digital transformation of the traditional service industry.

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