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The Rise and Development of Chinese Fast Fashion Catering

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Abstract: With the rapid development of national economy and the improvement of consumption level, the catering industry, which plays an important role in people's life, has shown a trend of upgrading in recent years. Several fast fashion catering brands have sprung up in the Chinese market. Chinese fast fashion catering brings more choices to consumers, at the same time, it is also constantly enriching people's consumption experience. This paper will deliberate and discuss the factors affecting fast fashion catering and the current development situation of fast fashion catering in China.

Keywords: Fast Fashion Catering; Rise and Development; Dining Out

1. The Scale of Chinese Fast Fashion Catering Market Is Huge

Chinese fast fashion catering belongs to the next emerging category of popular catering. As a new type of catering consumption, Chinese fast fashion catering is imitated to the fast fashion clothing brand, and is favored by young consumers with the competitive advantages of high-cost performance, high efficiency, and fashionable dining environment. According to the general definition in the industry, Chinese fast fashion catering is between fast food and dinner, and is generally located in business circle, mainly focusing on high-quality food materials and healthy catering. The dining time is less than 1 hour, and it is located at the middle end. They provide limited services with the unit price between 50 and 150 yuan. At present, the famous Chinese fast fashion catering brands include Taier, GRANDMA'S HOME, XIBEI, GREEN TEA, etc.

In recent years, the micro-economic growth, and the deepening of the policy to expanding domestic demand have promoted the continuous growth of China's total retail sales of consumer goods. Driven by the growth of total retail sales of social consumer goods, China's popular catering is also heating up. Among which the development of Chinese fast fashion catering is particularly rapid, and its market scale and proportion continue to rise. According to relevant data, in 2019, the revenue of Chinese fast fashion catering market would reach RMB 218.9 billion, accounting for 4.6% of general catering industry. It is estimated that in the next few years, the growth rate of Chinese fast fashion catering market will far exceed other general catering industry in the same period. Chinese fast fashion catering will maintain a compound annual growth rate of 20.3%, and the total market size will reach RMB 550.2 billion in 2024. With the growing demand of consumers, the improvement of new infrastructure and the improvement of management technology, Chinese fast fashion catering is becoming the most "burning" track in China's catering market.

2. The Driving Factors of the Rise of Chinese Fast Fashion Catering

2.1. High-End Catering Declined, and Popular Catering Has Been Recognized by the Market and Developed Rapidly

At the end of 2012, the central government issued eight regulations of implement strict economy to fight against waste, which affected the turnover of China's high-end catering industry. As a result, many high-end catering enterprises have closed one after another, and China's catering industry has also started the pace of

structural adjustment. Under this background, popular catering for ordinary consumers obtained recognition and welcomed by the market because of its economic benefits and convenience. With the central government restrict three types of official business expenses, the catering market has squeezed out the bubble and started to return to reason. The catering industry has gradually gained recognition and favor from domestic and foreign investors, which has improved the rapid development of our country's popular catering. At present, popular catering has accounted for 80% of China's catering market share. With the improvement of people's living standards, catering industry is facing renewal and iteration. Multi-level and differentiated catering innovative formats begin to emerge and Chinese fast fashion catering is one of the categories.

2.2. Dining out Lifestyle Prevails, Young Consumers' Demand for Quality Consumption Increases

The rapid development of China's economy has changed people's way of life to a great extent. Compared to the past, dining out is mainly concentrated in official dinner and family gathering. Now more and more families and individuals choose to eat out rather than at home, and the proportion and frequency are growing. Young consumers, especially, have become the backbone of dining out consumption and the trend is increasing. According to the data released by China's Commercial Data Center, young people born in 1980-1999 account for nearly 70% of Chinese restaurant users, and young people born in 1990-1999 are gradually surpassing those born in 1980-1989. In the context of consumption upgrading, young people are characterized by a fast pace of life and high demand for high-quality consumption. They need higher food quality, better dining atmosphere and service. For them, dining out is not only a social interaction demand but also a leisure demand. However, their average annual income is about 100,000 yuan, which limits their spending power. As a result, restaurants whose price levels are close to theirs and whose overall style is more in line with consumers' psychological needs are often the consumer's first choice.

2.3. Shopping in Mall Era Weakens Catering Drainage and Helps the Rise of Chinese Fast Fashion Catering

In recent years, with the quick growth of new consumption patterns dominated by shopping centers in China, an increasing number of consumers go to shopping centers with integrated consumption functions. From 2010 to 2019, the number of shopping centers in China has increased from 570 to 3,549, with a compound annual growth rate (CAGR) of 26%. In the future, the number of shopping centers will continually increase by about 500 per year. However, with the fast development of the Internet, China's consumer shopping channels are diversified, and the purchasing function of shopping centers is weakened. The original 7:2:1 consumption mode of shopping, dining and entertainment is being broken (Li, *et al.*, 2018). Catering, due to its daily, high-frequency and scene attributes, has been playing a leading role in the development of shopping malls, and has gradually becoming the development trend of major shopping centers. Among them, Chinese fast fashion catering has become a popular investment attraction for shopping centers because its target group is mainly young people and it plays a dominant role in gathering the flow of people. Many shopping centers aiming to increase the proportion of catering and seek transformation will introduce fast fashion catering brands with various preferential measures, thus accelerating the rise of Chinese fast fashion catering in China.

2.4. The Rapid Development of Online Social Media Has Brought Fans Economy to Restaurants

Catering industry is an industry that attaches great importance to public praise. Apart from dishes, services, and management, it is a difficult problem for the development of catering enterprises on how to publicize its own brand and interact with consumers effectively to let more consumers understand and favor their own catering enterprise brand. In recent years, social media based on users as content production and communication platform is gradually dominating the Internet. With the popularity of social networks such as Facebook and Twitter in foreign countries, the domestic Internet also follows. For example, Microblog, WeChat, Forum, Podcast constantly grow. As the main group of the Internet, young people spend one third of their online time on social media. The life of young people in China is inseparable from online social media. Young consumers share all cognition, experience, and opinions through social media, which makes the most real and natural communication chain so that catering enterprises no longer need to sell to the public in the hard wide mode. Social media is becoming a new link between Chinese catering enterprises and consumers. For young consumers, all the content that can bring their unique consumption experience such as characteristic dining scenes, exquisite food or creative brand names, catering activities will become the reason for online sharing. Young consumers share on social media every time will help the restaurant attract more potential customers to promote the faster and better development of the restaurant.

3. Development Status of Chinese Fast Fashion Catering

3.1. Focus on a Single Category and Seize Market Segments

As consumers lay more and more emphasis on “eating”, the “big and complete” catering industry will be replaced by “small and refined” one. Fast fashion catering has begun to transform to a personalized single category that focuses on the dishes made of a certain kind of food and matches with the side dishes or operating a single dish. For example, in order to meet the needs of all kinds of people, GRANDMA’S HOME has launched the “LUYU” of grilled fish, the “GUOXIAOER” of hot pot, and the “hands-on bar” of unarmed cooking. In this respect, the most successful one is “Taier sauerkraut fish” of Taier company. On the one hand, the large single product of sauerkraut fish is a high-quality track with a huge mass base. On the other hand, it pays close attention to young consumers in terms of brand name, store design, personalized dining regulations, and the slogan of “sauerkraut is better than fish” with the clearest positioning. Therefore, “Taier sauerkraut fish” not only ranks first in the pickled fish segment industry, but also is the main brand with the strongest business growth under TAIER. It is one of the key expansion brands of the company after listing. The number of stores has increased from 13 in 2016 to 126 in 2020, with a compound growth rate of 113% (Zhang, 2020).

3.2. Multi Brand Management, Covering More Consumer Groups

With the aggravation of the competition in the catering market, fast fashion catering brands have started multi-brand management. Through differential positioning, they strengthen their competitiveness in the field of fast fashion catering and cover more consumer groups. For example, founded in 1998, as a representative brand of fast fashion catering, GRANDMA’S HOME is unique and has a good reputation in the catering market of the red sea. At present, there are more than 100 stores in 60 cities across the country, launching nearly 20 brands, such as gold medal Grandma’s Home, LUYU, GUOXIAOER, TIME TRAVEL, YANXIHU, HANGERFENG, STEAM YOUNG, etc., and bringing consumers continuous freshness and diversity on choice (Jin, 2015). Founded in 2004, CHANGSHA TEPPANYAKI XIANG has launched eight fast fashion Chinese food brands, including HAOSHISHANG, HAISHISHANG, NOTHING BIG BUT EAT, I love Fish Head, HOUSHIFU.

3.3. The First Tier Market Is Saturated and Extends to the Second and Third Tier Cities

With the gradual saturation of the catering market in China’s first tier cities and the growth of residents’ consumption power in the second and third tier cities, more and more Chinese fast fashion catering brands begin to turn to the second and third tier cities for opening new markets. In addition, the abundant supply of raw materials in the second and third tier cities and the more favorable leasing conditions provided by the owners are also the reasons for the transfer of brands to the second and third tier cities. Among them, Chengdu, Nanjing, Wuhan, Xi’an, Suzhou, and other cities, have become the second-tier cities favored by fast fashion catering brands in China due to their large population and rapid economic development.

3.4. Standardization Is the Only Way to Develop

Due to the complexity of raw materials and production technology, it is difficult for Chinese catering to achieve high standardization of western fast food, and standardization is the key factor affecting the success of food chain expansion. With the increasingly fierce competition in the industry, a certain degree of standardization has gradually become the only way for the development of Chinese catering. The main means of standardization of Chinese chain restaurants are self-built central kitchen, the use of intelligent cooking machinery and equipment and production process control. Among the more famous fast fashion catering brands in China, XIBEL, TAIER, WEIQIAN, WANGXIANGYUAN and other brands mainly apply the central kitchen; ZHENGONGFU and HUDA restaurants mainly use intelligent cooking machinery and equipment; TAIER, WEIQIAN RAMEN, WANGXIANGYUAN, YOSHINOYA and other brands mainly realize standardization through on-site production process control (Gu, 2019).

4. Epilogue

With the increase of residents’ income, the number of Chinese residents eating out is gradually increasing. In 2010, the proportion of Chinese residents eating out was 8.2%, rising to 15.0% in 2019. However, compared to developed countries, the proportion of Chinese residents eating out is still at a low level. In 2019, about 44% of Japanese residents will eat out, and about 50% of Americans will eat out. As a result, compared with nearly

half of the out-of-home dining ratio in developed countries, there is still a lot of room for Chinese residents to eat out. Chinese fast fashion catering is rising and developing quickly because it creates a simple and fashionable dining environment and atmosphere, which caters to the living habits and consumption habits of young customers. However, compared with the situation that the growth rate of fast-fashion catering in the United States has increased uninterruptedly in the last decade with the share doubled to 18%, fast-fashion catering in China is still in the early stages of development. In the high quality and multi-variety of food requirements, there is no room for development. Modern people's living habits are changing with the rhythm of the times, and new dining needs are generated. It is obvious that there is a long way to go for Chinese fast fashion catering to constantly update and iterate in the process of innovation and breakthrough.

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