The power of Social Media in a Pandemic: The Case of Smoke-Free Beijing’s Catering Industry

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Purpose: This study examined how the catering business quickly responded and recovered from the threats caused by COVID-19 with the use of social media in Beijing, China. It evidences how various catering businesses in Beijing continued to pursue their businesses after restrictive social distancing measures were imposed. Methodology: Unstructured face-to-face interviews were conducted with nine restaurant managers in Beijing, who worked during both waves of the pandemic in the spring and fall of 2020. Findings: COVID-19 further strengthened the smoke-free law enforcement in Beijing for the catering business. The Chinese consumers were found to replace restaurant consumption with stay-at-home delivery. Caterers consider social media platforms as essential tools for digital-led customer interaction in a pandemic, but also show concerns about the market power of these platforms. The Chinese government successfully implemented its health tracking app into popular local social media platforms in the battle against COVID-19, and enabled businesses to continue functioning. Value: COVID-19 not only disrupts our daily lives, but it has significantly impacted and improved a smoke-free environment, and it has accelerated the catering business to actively embrace technology which led to remarkable innovations. Integrating health tracking apps into popular and highly penetrated social media platforms is considered as one significant success factor for the containment of the coronavirus and a great help in restoring consumer confidence, leading to purchasing action. This research offers a Chinese inside view of the power of social media to enhance customer interaction and business performance even during a pandemic, profiting both businesses and consumers alike. Implications are raised for similar integration of health apps elsewhere.

Keywords: Smoke-free Beijing, COVID-19, Catering industry, Social media

INTRODUCTION

The year 2020 was remarkable due to the outbreak of the new COVID-19 coronavirus. The unknown and devastating pandemic posed a grave threat around the world. The coronavirus was first discovered in China from where it spread quickly to almost every country. China had to be the first country battling the outbreak and its effects on society world-wide. According to the WHO-China Joint Mission report, China’s fight against COVID-19 is “the most ambitious, agile and aggressive disease containment effort in history”1.
Drastic measures were taken by the Chinese government from the beginning of the outbreak, locking down entire cities and inhibiting the mobility of people to a large extent. Many restrictions were imposed on the public, to avoid physical contact in order to prevent the spread of the coronavirus. Business sectors were similarly affected. The catering industry in particular had to deal with imposed closures in the effort by the government to reduce contact points among the Chinese population. Many small and medium-sized enterprises (SMEs) in the Chinese catering industry had to cope with an instant loss of trade and were forced to call for different types of contactless services to compensate for restricted in-house dining².

Although COVID-19 has ravaged the catering business in many negative ways, there were still some upsides. According to the statistics from Beijing Tobacco Control Association³, there was a 50.3% decrease in the number of complaints regarding the smoking from the catering industry for the first quarter of 2020. Beijing has begun to implement the strongest smoking control law since 1st June 2015. Under the law, it bans all indoor and many outdoor smoking in public places. The law provides the strongest penalties to the owners and managers of establishments such as restaurants and bars. This action is also considered as a remarkable momentum for adopting a Chinese national smoke-free scheme in the future⁴. In the hospitality industry, many studies have proved that smoke-free policies helped reduce secondhand smoke exposure for the public⁵, while improved the respiratory health of their workers⁶. Moreover, some scholars⁷ consistently argue a claim of fact, smoke-free policy did not affect the profitability for restaurants and bars. Instead, smoke-free policy even could lead to a positive effect on business in the hospitality industry⁷.

Furthermore, during this existential crisis for these catering businesses, it is interesting to investigate their use of social media (SM). The number of Chinese internet users has reached 1.01 billion by June 2021, as internet penetration rose to 71.6 percent, according to a report released by China Internet Network Information Center⁸. The large number of netizens has resulted in a fast-growing SM ecosystem in China⁹. Many different and popular SM platforms were developed in China for the Chinese market only and are therefore unknown outside the country.

It is well established that SM, through its customer engagement, can help businesses better achieve profit-driven goals¹⁰. Fernandes et al¹¹ argued that SEMs benefit from applying SM to sustain business. SM has been considered as a low-cost promotional tool for small restaurants that lack manpower and other necessary resources¹². It has been shown that SMEs have been vulnerable during the COVID-19 pandemic due to their lower capital reserves, fewer assets, and lower levels of productivity than larger firms¹³.

Given the aforementioned context, this study aims to investigate the achievement of catering industry in smoke-free Beijing effectively responding to the threats caused by the COVID-19 pandemic in 2020 with the use of SM and draw conclusions of how to effectively pursue the business during a crisis. The methodology of qualitative interview was adopted to meet the goal of the research and the implications are given at the end for further thoughts on responding to the pandemic globally.

THE ADOPTION OF SOCIAL MEDIA IN THE CONTEXT OF COVID-19

Technology advancements have greatly enhanced the capabilities of businesses in the service sector to communicate with their customers and further understand their needs and wants in the age of the internet¹⁴. Much of the recent research regarding the negative impact of SM usage during the pandemic has focused on the topics of consumer panic-purchase behavior¹⁵ and widespread misinformation¹⁶,¹⁷,¹⁸,¹⁹. However, Internet and social networking also have the capacity to help the people quickly respond to and effectively recover from disasters²⁰. Therefore, this study aims to fill the current research gap by demonstrating how SM impacted the profitability of service business during the pandemic.

Social media marketing

SM has been considered an effective tool for businesses to build profitable relationships with customers through ongoing engagement²¹. Customers are active to share their own experiences and create social networks through interaction between multiple actors on the
platform of SM. In fact, user-generated content (UGC) is the most significant difference between Web 2.0 and Web 1.0. Increased scholarly attention has been given to the interactive nature of SM in its unique capacity of facilitating interaction between buyers and sellers. It is necessary for marketers to understand how the tool of SM can be used effectively to engage with customers, to better serve them and satisfy their needs.

Customer engagement is described as repeated interactions among firms and customers through the process of value co-creation, particularly in the catering industry. Customers with higher firm engagement are likely to generate customer advocacy and result in brand loyalty. Meanwhile, the importance of interaction not only concerns active participation but is also related to the passive engagement and connection that can influence others in peer-to-peer interactions.

Electronic word-of-mouth (EWOM) and Influencer Marketing

SM provides a digital platform for the creation of EWOM that enables a dissemination of information to peers. Recently, EWOM has become an important marketing tool for the restaurant industry, as it has helped to achieve an exponential expansion of the consumers’ voice. Online reviews have become an important source of EWOM. Online reviews can also provide direct messages about the service product quality.

Given the importance of EWOM in the marketing function of many service organizations, the impacts of online reviews have attracted significant attention among hospitality researchers. Prior research has provided insights into how the characteristics of online reviews impact consumer purchase intentions, and profitability of hospitality businesses. The application of SM and EWOM have been widely accounted into overall marketing strategy for hospitality businesses.

Consumers are exposed to a plethora of commercial messages and shared content on SM platforms in the information age. Consumers are overwhelmed by seeking information from hundreds of online reviews and they have to find a way to integrate those into their own decision-making process. The expertise of the reviewer has been considered as a factor of the perceived credibility of EWOM to influence consumers, because people with greater expertise tend to be perceived as more trustworthy. Similarly, Gómez et al. identify the role of such influencers as likely to impact other customers’ preferences and purchase decisions, rather than organizational messages, as their organic and authentic content is more believable for potential consumers. Influencers can also play a role in consumer purchase decisions in the restaurant industry by promoting their food choices to their followers. The role of such “Key Opinion Leader” (KOL), as they are mostly referred to in China, and their ability to engage with potential customers on SM, will be one aspect of investigation in this research.

STRATEGY FOR THE RECOVERY OF THE CHINESE CATERING INDUSTRY

The first outbreak of the new coronavirus is known to have occurred in the city of Wuhan, the capital of the Chinese Hubei province. The entire city with a population exceeding 11 million was put into an immediate lockdown before the traditional Chinese Spring Festival on 22nd January 2020. It soon became a national problem with the virus spreading all over the country. Chinese governmental responses have been very restrictive and remain like that, to date. Even though the pandemic has been declared as finished, small regional outbreaks are still fought with complete city lockdowns and mass corona-testing strategies.

Undoubtedly, the Chinese catering service industry has been affected by COVID-19 greatly. According to National Bureau of Statistics (NBS), the Chinese annual catering revenue was 3952.7 billion yuan (equivalent to 565 billion US dollars) in 2020, which saw a decrease of 16.6% compared to 2019. Before, the national catering revenue in China had been growing steadily by approximately 10% annually since 2015.

Due to the great uncertainty about the new virus, the Chinese government took the rigorous measures to lockdown nationwide in January 2020, shortly after the first outbreaks. As a result, all catering services had to follow the strict governmental procedures and were closed. According to the NBS, 70% of Chinese catering businesses saw a drop in revenue by 90% from January to March 2020.
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The Chinese government later decided to coordinate actions to control the pandemic and accelerate economic and social recovery, in order to steadily resume normal work and daily life. In line with the NBS data, the national catering sector in the second quarter of 2020 had made an average recovery to 60% of the same period of 2019, and it had recovered to 97% in the third quarter. However, catering services had maintained strict control measures such as ensuring indoor air quality, monitoring customers’ temperature, limiting the number of dine-in customers and upgrading hygiene standards.

In parallel with the more traditional virus-containment measures mentioned above, the Chinese government had soon been paying attention to supporting these measures with technology. Here, close cooperation was established with companies leading in the “Internet of Things” (IoT) domain. By applying big-data technology and artificial intelligence, the Chinese government launched Health QR codes and implemented systems of digital travel records on common SM platforms (WeChat and Alipay). This enabled a fast response system to outbreaks and a seamless tracking-control system throughout the country. Moreover, an “epidemic map”, which can display the detailed information of infected places was applied by using big data. As a result, the Chinese government successfully integrated IoT devices into different government agencies and provided them with insights by using big data for making quick responses toward regional outbreaks. This techno-driven approach significantly helped China to control and limit the further transmission of the pandemic. In the meantime, the issues of individual privacy and human rights in this context have been widely discussed by many western scholars and media outlets.

The downturn to the Chinese catering industry caused by COVID-19 also had an upside. Digitalization in the sector was boosted due to the pandemic. Online food ordering especially, received digital sophistication. The Chinese catering industry has taken advantage of the new-age technologies and upped their interaction with customers during the pandemic.

With their growing experience of dealing with the coronavirus, Chinese provinces started to gradually lift the restrictions from the end of February 2020. Consequently, catering services also modified their response measures to become more effective, such as checking customers’ health codes and body temperature, and keeping larger distances between dine-in tables. Meanwhile, the Chinese government conducted mass nucleic testing across the hospitality sector in order to ensure the health conditions of service providers and to reduce consumer concerns. As a result, the revenue of the catering industry returned to a positive growth rate. More recently, the revenue of the national catering industry during the Chinese New Year of 2021 had increased significantly and grew by 358.4% compared to 2020 and 5.4% compared to 2019, according to the VAT invoice data of the State Administration of Taxation.

METHODOLOGY

Grounded theory, first proposed by Glaser and Strauss, was selected in this research, because the concept helps scholars to unveil the undiscovered insights. As discussed previously, the COVID-19 pandemic was a new global disaster, which caused a series of unexpected consequences across many industries. Neither governments nor foodservice providers had the experience or knowledge to defend themselves in such difficult circumstances. Furthermore, due to limited evidence on the Chinese catering industry during COVID-19 and little discussion regarding their SM strategies in the given context, the deductive approach such as hypothesis testing and conventional survey research measures was deemed as insufficient. Moreover, the goal of inductive theory building is motivated by the qualitative researcher. Efforts were made to generate qualitative data such as experiences and perspectives from senior practitioners in the Chinese catering industry in order to complete this research. Also, a qualitative approach has been widely accepted and used before in relation to the impacts of SM. Therefore, this research adopted an inductive approach to collect and analyze qualitative data in order to address the application of SM as a response to the issues caused by COVID-19 in Beijing’s catering industry.

Face-to-face interviews were conducted between 21 August 2020 and 24 October 2020 in Beijing. Such interviews can generate comprehensive information about the topic from
observing interviewees’ body language, tone of voice, and other reactions that arise during the interviews. The research adopted a purposive and snowball sampling method to recruit participants who were working in the catering industry during both the first and second wave of the pandemic. In order to assure representativeness of interviewees, only senior frontline managers or marketing managers of catering businesses in Beijing were selected for the research. The participants in this research needed to have a comprehensive and in-depth knowledge of a broad level of operations during the pandemic. This research adopted the recent study of Parsa et al. to categorize the participating catering services. The authors identify the following four main groups of restaurants in the concept of hedonic and utilitarian consumption: (1) Luxury Restaurants, (2) Fine-Dining Restaurants, (3) Casual Restaurants, and (4) Quick-Service Restaurants.

Two broad opened-ended questions were asked to each of interviewees, “Would you like talk about the biggest changes for your restaurant during the COVID-19 and how did you cope with the changes?”; “As we all know that SM is widely used in China, so does SM help your business respond to or recover from the pandemic? If yes, would you like to share your experiences? If no, could you explain why?”.

Unstructured interviews with open-ended questions were used in this qualitative research which is common for narrow markets. Open-ended questions are designed to obtain more information from respondents such as their feelings and attitudes. Thus, open-ended questions attempt to improve the authenticity in their answers for researchers.

The interviews were independently undertaken by one Chinese native speaker interviewer. The interviewees’ consent was obtained and information given of the purpose and time duration of the interview in advance, and the confidentiality of their information was guaranteed to them. The interviewees were advised of their right to withdraw from the research at any time. All interviews were conducted in Chinese and audio-recorded with permissions. The interviewees were allowed to answer each question freely without interruption from the interviewer. The duration of the individual interviews was between 12 and 72 minutes (mean is 32 minutes). Saturation, that no new or unique insights were emerging, was reached after the ninth interview. A description of the interviewees is presented in Table 1.

All interviews were transcribed in English by the interviewer and proofread by another English-fluent co-author. The final transcripts were repeatedly read and checked several times independently by both authors. However, due to the clear differences in sentiment intuitively detected by the interviewer during the interview, the two authors discussed the transcripts together in order to gain a consensus and clear understanding about the final interview material.

The transcripts were analyzed manually by two researchers using qualitative content analysis. In order to unveil any inexperience incidents, an open mind was maintained throughout the analysis and discussion, according to the concept of grounded theory. Initially, the co-author analyzed the transcripts with a series of codes and raised several questions from the content. Next, the interviewer reviewed the codes and answered the questions. Suggestions for additional codes were given. The co-author responded with his explanations. Finally, the analyses were discussed by both authors together until any differences in coding were resolved and consensus was reached.

FINDINGS
The findings are divided into four themes by 38 codes and summarized in Table 2. The answers of the interviewees are presented as direct quotes taken from the interview transcripts and further discussed.

<table>
<thead>
<tr>
<th>No.</th>
<th>Theme</th>
<th>Coding</th>
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<tr>
<td>a</td>
<td>The changes that the pandemic caused to the sampled businesses</td>
<td>Close; Government policy; Business model; Delivery; Training; Retail Product modification; New product; Price; Existing customer; Smoke-free</td>
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<tr>
<td>b</td>
<td>The purposes of using social media during the pandemic</td>
<td>Dianping; WeChat; Xiaohongshu; Douyin; Meituan; Eleme; CRM; Communication; Engagement; Regular customer; Group-chat; Lifestyle; Voucher; EWOM; Quality</td>
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<table>
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<th>Interviewee</th>
<th>Gender</th>
<th>Age</th>
<th>Years*</th>
<th>Size*</th>
<th>Classification</th>
<th>Cuisine</th>
<th>Position</th>
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<tr>
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<td>30</td>
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<td>Cake</td>
<td>Owner manager</td>
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<td>20</td>
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<td>Coffee</td>
<td>Owner manager</td>
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<td>Owner manager</td>
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<td>35</td>
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<td>Café</td>
<td>Store manager</td>
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<td>23</td>
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<td>Italian</td>
<td>Store manager</td>
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<td>70</td>
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<td>Cake &amp; Café</td>
<td>Owner manager</td>
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<td>Café</td>
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<td>37</td>
<td>16</td>
<td>10</td>
<td>Fine-Dining Restaurants</td>
<td>Japanese</td>
<td>Owner manager</td>
</tr>
</tbody>
</table>

*Size indicates the number of employees. The owner managers and marketing directors gave the number for their entire business, but the store managers each gave the number of the one where he was in charge.

*Years indicates the years of experience working in the catering industry.

Table 1 Background information of interviewees

The changes within the catering industry during the COVID-19 epidemic

All interviewees firstly emphasized the sudden and massive drop in their business due to the lockdown. Not only because of the lowest willingness of consumption, the governmental policy was also enforced to reduce gatherings and introduce a range of restrictions to the spread of the coronavirus. As a result, many of the surveyed catering businesses initially responded to the incident by temporarily suspending their services (I3, I4, I5, I6, I7, I8). However, the catering industry had to find alternative plans to cope and sustain themselves during the crisis in the long run.

Catering and its related services are still theoretically able to take place inside. However, the most common and normal ways of serving food and enhancing the dining experience were disrupted by coronavirus. Given the dramatic change, many foodservice providers had been quick to adapt their business model. For example, “The coffee shop is a social place, but there was little desire or opportunity for socializing over coffee during the pandemic, and therefore offline needs were much reduced. We did not close our shop during the pandemic because there was still demand from regular customers. There was very bad business in February and March. But it was also a good time for us to rethink our business model, for example adding takeaway and delivery service.” (I2)

“In the past, the cocktail bar was barely using takeaway or delivery service because we are dedicated to deliver the in-store drinking experience to the customers. I agree with the idea of retail in this circumstance but I still think it is just a way to survive at the critical time.” (I3)

“During the pandemic, our business highly relied on online delivery services such as Meituan and Ele.me.” (I4)

Clearly, amid the pandemic restrictions, the catering operators had to offer a retail experience to consumers for stimulating the willingness to purchase. Many interviewees (I1, I2, I6, I8) were confident of the demand for consuming their foods and drinks during the pandemic, but which had to be satisfied at home. Therefore, food takeaway and delivery services have shown their distinct advantage at this critical time.

In fact, long before the epidemic, due to the widespread popularity of mobile internet and the diverse demands of customers, China has well-developed infrastructure for online delivery and the industry has experienced a remarkable growth since 2015. Affected by the epidemic, 20% of revenue of China’s catering industry was contributed from online delivery in 2020. Many restaurants had to switch their business online and relied on delivery to increase their income during...
the pandemic. On the other hand, according to the results from Alibaba Group Announces June Quarter, there was a 30% increase year on year in the number of registered merchants on Ele.me by 30th June 2020. Meanwhile, 55% of the business expressed they would develop their offline and online catering services equally in the future.\(^5\)

Thinking positively, COVID-19 has had undeniable consequences on fostering the growth of the delivery industry.

According to the interviews, some operators were eager to share their novel solutions in regard to coping with the surge in demand for food delivery. For example,

“We sold a lot of packed coffee beans and ground coffee, various coffee-makers and bottled coffee drinks via WeChat to the regular customers, to compensate the loss from in-store consumption.” (I2)

“The solution of bottled cocktails aims to bring the cocktail home for the consumers. Basically, consumers can place orders via WeChat and then we will call the express delivery service, who picks up a pack of cocktail, ice cubes, and decoration and sends them to the customers within one hour.” (I3)

“We launched a new product line particularly for the delivery service, part-cooked foods, for example, raw spaghetti with fully cooked and sealed sauce.” (I4)

The above evidence seems to imply that the catering operators fulfilled their private needs for ordering and transactions online and further enhanced their existing customer relationship by using WeChat. It is also interesting to note that the delivered foods and drinks were relatively smaller than the normal in-store portions during the pandemic. Many restaurants had begun to launch single-person meals. For example,

“We downsized the menu and re-organized the products into a few fixed single-person combos. By doing so, we reduced the cost of operation and kitchen and also offered the convenience for the customers making their food decisions.” (I6)

“Speaking of our retail products, we were concentrating on offering the smaller portion foods for the individual customers. Because most people stayed at home alone, sharing was no longer an option at that time.” (I4)

Due to the measures of home quarantine, lockdown and social distancing, almost everyone had to stay with family and work from home, rather than socializing. As consumers remained cautious, unnecessary social gatherings and public crowding during the pandemic was greatly reduced. This phenomenon is also proved by other interviewees. For example,

“One example can tell the change, that the size of the cakes ordered during the pandemic was getting smaller. Because fewer people can hang out together to share the food.” (I1)

The results have similarities with Kim et al\(^2\)’s findings, which state that the dine-in consumption at restaurants is one of the lowest priorities amid COVID-19. As demonstrated above, the situation has created new opportunities for catering businesses by providing more flexible, pandemic-friendly options for increasing income. The caterers need to alter their food offering in the context of home isolation by re-designing the portion size and packaging, in order to retain and sustain the business.

Another interesting change during the pandemic has been spotted that there was little effort being paid to persuade customers not smoking indoor during the pandemic (I1, I2, I3). Because of the strongest enforcement from smoke-free law, there is highest pressure in Beijing’s catering industry. In fact, China has the second-highest level of smoking in restaurants and bars (82% and 89% respectively) in comparison with other 15 countries included in the ITC project.\(^4\) However, it seems like the situation was getting better when the pandemic was getting worse. For example:

“We barely saw the cases of smoking indoor or outdoor during the pandemic. I think it is because customers did not shop around for a long time.” (I1)

“In the past, we were facing the troubles that customers insisted on smoking in the bar very often. However, customers are more likely to follow the rule during the pandemic. As a bar manager, I’m very appreciated about it.” (I3)

As mentioned before, the social needs had been greatly reduced during the pandemic, in return, the sharp decline in the flow of people led to a less crowded and more smoke-free environment. Indeed, there were much less reports of illegal smoking from the catering industry than in residential areas in Beijing in 2020.\(^3\) Moreover, it...
is well known that COVID-19 is a lung disease and smoking highly related lung diseases. People are now more aware of their health status and life quality. The server threats caused by the coronavirus has also offered people the second chance to quit the bad habits and rebuild healthy lifestyle. Only if customers’ attitude and behavior towards smoking are converted, the law will come into effect ultimately. By doing so, the caterers would save the energy to better run the business constantly and the entire catering industry would benefit eventually.

The use of social media for content-driven promotions

This chapter demonstrates the key drivers of using diverse Chinese SM for the surveyed foodservice providers, with a special consideration of the issues caused by COVID-19. Interviewees responded to the necessity for keeping using SM amid the pandemic, in order to stay in touch and generally engage with their existing customers (I1, I7, I8). In response to the question concerning how SM has been helpful during the lockdown, much of the discussion centered on the digital-led engagement resulting from the dissemination of interactive content on various SM platforms. As presented above, customers’ social needs have shifted online, and as a result, many foodservice providers have been using SM to promote products, inspire people or share lifestyle for the ongoing online interaction. A common agreement emerging from the findings was the similar pattern for the surveyed catering operators on utilizing diverse SM platforms by tailoring different strategies to fit specific SM platforms and company targets. The findings are demonstrated below in detail, starting with a classification of SM platforms.

WeChat

First, the discussions indicated that WeChat had been given top priority by a majority of respondents to conducting SM marketing during the pandemic. As the most influential SM in China, WeChat had more than 1.1 billion monthly active users in 2019.57 WeChat is a multimedia instant messaging app that provides many other functions beyond the scope of instant messaging. The app is popular for its moment function, which is a social networking platform similar to Instagram or Facebook. WeChat is also a leading mobile payment system and allows users to send money and pay bills easily. WeChat launched mini programs in 2017 for encouraging users to access their daily needs such as hailing a taxi and ordering food online, which further allows practitioners to build a personalized channel and provide customized information, which addresses individual needs and preferences. For example:

“Our regular customers like to connect with us in a more private and direct way, such as is possible on WeChat for reserving tables or asking questions. It is more efficient and interactive to communicate with our customers that way.” (I6)

Once the needs and preferences of customers can be determined with the help of the WeChat-enabled dialog, it is equally important to transfer this knowledge into different areas of business so that customer needs and preferences can be met with the right products and the appropriate processes. In this regard, WeChat offers a closed loop of transactions within its own ecosystems allowing the participating businesses to gain important customer value.58 This can be considered as a social commerce solution in the critical time. This applies in particular to the WeChat mobile payment solution which was highlighted by many interviewees as a key driver for extra income, and lessened burdens caused by the pandemic. For example:

“WeChat is the most effective and trustworthy tool to catch up with regular customers and sell them our new bottled cocktails during the pandemic. The customers can place the order straightway with us on WeChat. WeChat helped us well in doing business.” (I3)

“We created a group-chat on WeChat, where we sold a lot of part-cooked foods to the regular customers. This helps us to recover some of the business during the pandemic.” (I4)

Regarding the group-chat on WeChat, some interviewees further indicated the importance of sharing content. Instead of only providing information, entertaining content and sales promotion are found to lead to higher interaction. The surveyed café owner exemplified this:

“We kept interacting with our regular customers via the WeChat group-chat. We did not encourage any direct selling in the group-chat, but we would regularly provide some vouchers. We were
devoted to delivering interactive content such as toward showing healthy lifestyles and sharing secret recipes in the group-chat. We aimed to interact with our customers by providing relevant content. (I6)

Indeed, some interviewees (I7, I8), argued that without the interesting and attractive content, consumers would appear bored in the group-chats so that no engagement was generated, which resulted in unsubscribing to the particular group-chat eventually. It can be argued that during the pandemic, relevant and interactive content on SM platforms, such as WeChat group-chat, can trigger more customer engagement and even higher sales.

In line with the aforementioned findings, WeChat was considered as a key communication tool, which had significant effects on improving customer relationships especially during the pandemic. Several interviewees (I2, I3, I8) suggested that customers with whom they engage on WeChat could even reach SM friendship status with the businesses’ staff. For example,

“In our restaurant, there is a staff member who deals with daily customer issues on WeChat in particular. During the pandemic, WeChat was almost the only effective tool where we could inform our customers in time about our changes and catch up with them regularly. We didn’t want to lose any contacts during the pandemic and are always devoted to developing a WeChat friend relationship with our customers.” (I5)

“We reminded the customers of us by posting moments on WeChat in order to affect consumer attitudes and inspire them with confidence when dealing with the impacts of the pandemic. I think it was a good chance to show our corporate values and enhance our customer relationship significantly.” (I1)

Overall, based on the held interviews, WeChat has proven to be a prolific tool of customer interaction and engagement during the pandemic. This result is in accordance with Chen’s58 WeChat strategy in China. The catering businesses have taken the advantages of WeChat to create a sense of community and direct communication in order to strengthen the interaction, and ultimately achieve mobile commerce revenues.

Dianping

Another SM platform that was brought up and discussed repeatedly by the interviewees is Dianping. According to the report of “Big data of China Catering 2020”, Dianping is the largest Chinese online review app, with about 450 million users and more than 6.1 million registered merchants62. Chinese consumers largely rely on Dianping online reviews, UGC and ratings for dining experiences across the country. Due to the platform’s enormous importance for consumers when choosing their food options, Chinese out-of-home and delivery food businesses have to spend extra effort on Dianping to find the right appeal. Many interviewees acknowledged the importance of Dianping online reviews to their business (I4, I7, I1).

The COVID-19 pandemic is likely to significantly accelerate the shift to digital communication, which has been witnessed in the catering business world. As interviewee I4 said, the in-store, face-to-face communication was one key part of their daily work in pre-COVID-19 times. However, customer engagement had been moved online since the outbreak of the coronavirus. I4 further added that the usual personal and long conversations with customers were even banned in the restaurant at the worst times. Therefore, the catering operators had to enhance digital experiences to satisfy the “digital” consumers, especially during the pandemic. Indeed, many interviewees mentioned that they followed what the customers said on Dianping more often during the pandemic. For example,

“The sudden outbreak of the coronavirus disrupted the normal business. Many restaurants closed temporarily or shortened their opening hours without notice in advance. Sometimes the availability of food was reduced due to the shortage of imported raw materials, for instance for our cake shop. Therefore, we needed to inform people about the changes and respond quickly to various customers’ questions and needs on the most used and public platforms such as Dianping.” (I1)

“The regular customers might contact us via WeChat straightaway, but there are still many people who never shop with us, or cannot visit us or do not have our WeChat contacts, thus, Dianping is equally or somehow became even more important for more people to be updated with
our latest offers or keeping in touch with us during the pandemic.” (I8)

However, some interviewees stated that the information shared by customers on Dianping was also considered as one form of online customer engagement which was not led directly by the restaurant but still would influence customers’ dining decisions. For example,

“It is very common to see customers making comments or answering questions on Dianping on their own initiative. It is not something we can control and without effort we can benefit from those engagements.” (I11)

Indeed, the power of EWOM among peers has been well recognized23, 30. Interviewee I6 suggested their creative engagement strategy on Dianping was to encourage the positive sharing by customers and participate in their reviews by making comments or answering questions, which could increase the amount of online interaction with customers and influence the attitude and sentiment of online reviews.

The power and importance of Dianping in the way the interviewed businesses conduct their operations became evident. Some restaurants would implement the reviews on Dianping into their own quality-control systems and even link them into employee bonus schemes. For example,

“Dianping is also a very efficient tool to obtain the real feedbacks from customers.” (I16)

“Dianping provides the chances for us to inspect our quality from the perspective of the consumers.” (I11)

Some restaurants had established strict quality control policies toward the negative customer reviews on Dianping. For example,

“We check the online reviews on Dianping regularly. We have staff meetings regarding the online reviews once a week. In fact, the quality of online reviews would directly influence the incentives and salary of our staff in-store.” (I15)

“We request to solve every issue from the negative reviews by tracking back whether it is regarding food preparation, waiting or table services.” (I17)

The results support the previous studies31, 33 that Dianping, as an online review platform, is crucial for caterers, as it influences consumer purchase intentions35, 36. and potential customer purchase decisions37. On the other hand, the surveyed caterers particularly identified that Dianping is an administrative tool in their daily operation and personnel regarding quality control in food and service.

Xiaohongshu

Another popular Chinese SM platform used by the catering industry is Xiaohongshu (meaning “Little Red Book”). This platform allows them to target diverse customer segments with different content types. Xiaohongshu is a lifestyle-sharing platform and mostly welcomed by female Chinese millennials63. By November 2020, the monthly active users of Xiaohongshu numbered 12.32millions65. Over 43.8% of registered users on Xiaohongshu were living in first-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen, and 88% are women64. The influential power of Xiaohongshu is recognized by four (I1, I6, I7, I9) of the foodservice providers included in this study.

Indeed, Pate and Adams65 indicate that celebrity endorsers or influencers take on new importance in Millennials’ purchasing behaviour. Interviewee I7 commented regarding the pandemic, saying he believed that Xiaohongshu provides desirable and trustworthy appeal for their audiences:

“People had less chances to go out for dining so that they would be very cautious for choosing restaurants. In other words, they would like spend the limited available chance and money on the most desirable restaurants. Therefore, Xiaohongshu has become one of their trustworthy references for making dine-in decisions.” (I17)

A similar viewpoint was given by I2 who said that consumers would shop with the safest option rather than try an unknown or new restaurant during the pandemic. I1 also claimed that the principle of “survival of the fittest” was affecting the catering industry during COVID-19. Indeed, according to the report of “Xiaohongshu 2021”, over 70.66% of Chinese consumers’ trust toward social commerce was gained via the platform of Xiaohongshu65.

Moreover, interviewee I1 said that dining behavior was contained during the pandemic, but people might respond to their emotional and social needs in searching and sharing at a specific online community. Therefore, it was a good opportunity to engage with consumers via meaningful branded content online and for maintaining a positive
image of the restaurant. Considering the interactivity of content, I1 highlighted Xiaohongshu:

“Xiaohongshu is not a traditional platform for running mass advertising. It focuses on delivering high-frequency and in-depth interaction by the real consumption-experiences sharing.” (I1)

I6 made a comparison between Xiaohongshu and Dianping:

“Dianping only provides online reviews, mainly text only or with pictures sometimes. But Xiaohongshu is a community, where people share their authentic experiences in detail such as photos and video, and this can generate more effective resonances among our audiences” (I6)

In order to leverage the advantage of Xiaohongshu, many operators had paid a lot of attention to launching KOL strategies on Xiaohongshu. For example,

“We invited foodie KOLs to share their dining experiences with us on Xiaohongshu in order to increase our dine-in consumption during the pandemic.” (I7)

“We do not post any commercial contents about our products on Xiaohongshu. The best way is to encourage important consumers or KOLs to post their recommendations about us on Xiaohongshu.” (I1)

The above findings show that Xiaohongshu as a new emerging lifestyle platform now greatly influences young female Chinese consumers’ behavior. As the distinctive feature of Xiaohongshu is to encourage users to share UGC, the foodservice providers need to identify the most important influencers on this platform and create the most relevant and appealing sharing to their targets. Indeed, the influencer marketing has gained popularity due to high authenticity and credibility. Meanwhile, the influencers’ message has been proved to lead to higher interaction in the hospitality industry.

**Douyin**

The native SM platform Douyin (TikTok in other foreign markets) has become China’s ubiquitous short-video platform with six million daily active users by August 2020, according to the Douyin 2020 data report. The platform gained the most popularity of all the apps in China, seeing a growth of 70% year on year. Many of the sampled operators in this study shared the short-video strategies they applied on Douyin as an attempt at recovery from the loss of business caused by the COVID-19 outbreak. For example,

“Many celebrities and online influencers are active on Douyin nowadays. They are experts in making attractive content and have large numbers of followers of their videos. For example, we invite well-dressed celebrities regularly to film their enjoyable Japanese dining experiences in our restaurants and post it on Douyin, which would noticeably lead to much curiosity about the restaurant, by the views.” (I9)

“Regular customers are also suggested to share their experiences on Douyin, but it is important to add the location where the restaurant is to the short video, for giving more exposure to the restaurant with minimal effort.” (I7).

The short videos posted by influencers seem to create interaction between brands and consumers; alongside this, the large volume of video-sharing by consumers seems to increase the general visibility of featured restaurants on Douyin.

Furthermore, as people are exposed to more and more digital content, it is important to show creativity in order to stand out from competitors. Given the context of COVID-19, several cases were shared by the interviewees:

“Due to the social distancing policy by the local government, restaurants had to limit the number of tables inside. In order to improve the holistic dining experience, we launched a series of interesting short videos telling the stories happening during queue times at the restaurant, so that our customers could have fun on Douyin while they were waiting.” (I7)

“We filmed a few short cooking videos by our chiefs for use on Douyin. We noticed that people were interested in home cooking during the pandemic. This kind of content generated more attention and engagement with our audiences. Meanwhile, we also used livestreaming on Douyin for showing how to bake or cook at home when we had to close down the in-store dining service.” (I6)

In summary, Douyin is mainly used as a short-video outlet for entertainment purposes, and helps to create and maintain brand awareness by the restaurants interviewed in this research. Indeed, short videos are argued to perform better in attracting users’ attention in digital marketing.
communications. In addition, the positive feedback from customers discussed above shows the interactivity that the Douyin video platform allows. Similarly, Aydin suggests to post short videos instead of text-only content because it is more effective for increasing users’ interaction and engagement.

The negative effect of using social media

Despite the positive effects that derived from the use of several of the above-mentioned SM platforms, some concerns were also raised. Some of the interviewees were concerned about a rising power shift toward customers, who can “make or break” a restaurant with their reviews:

“Consumers are having the power and influence on evaluating the performance of catering services on the SM platforms. Negative online reviews can greatly affect the overall rating of the merchant. However, I think reviews are dependent on the customers’ own personal preferences or are based on misunderstandings about unfamiliar, foreign dining experiences. It is not very fair for the merchant because we cannot defend ourselves in such a circumstance.” (I2)

“It is really a big challenge for the catering practitioners, because online consumers’ judgments have become the main and almost the only measure in the market nowadays. SM amplify the consumers’ subject judgments regardless of them being true or false.” (I9)

Indeed, the interviewee I1 also mentioned that Dianping was a double-edged sword for their business, because positive online reviews would generate attention and lead to purchases, while a negative one was able to destroy the efforts that they kept making.

All the surveyed caterers had contracts with Dianping, which shows the unique position the platform has in the Chinese catering industry. In this context, interviewee I9 particularly discussed his concern about the overarching market position of Dianping:

“To be honest, I dislike Dianping, personally. Dianping almost monopolizes the entire hospitality market in China because of the huge number of active users and the best conversion rate. Thus, they are too domineering, which seems like you cannot do business without them.” (I9)

The importance of SM for doing business for the sampled restaurant operators is evident. However, the power that some customers and market leading SM platforms have over business is recognized. This can also cause frustration, as seen from some of the operators.

Special consideration: Health Kit app

An important addition to the commercially viable SM platforms discussed by the sampled caterers is the government-operated Health Kit app (Jiankangbao in Chinese). Health Kit is a mini-program that runs on WeChat and Alipay apps. It was launched at the end of March 2020 and has served since as a major tool in China to contain the spread of the coronavirus. With the tracking app, users have to check-in and -out of their residences or when entering public spaces such as restaurants. The app is also linked to one’s own health status regarding COVID-19, such as vaccination and COVID-19 test results. A useful feature of the Health Kit app has been the displayed information on high-risk areas. Health Kit does not collect information of users’ locations, but analyzes data from roadblocks, flights and trains information.

During the interviews, four interviewees (I1, I4, I5, I6) claimed that Health Kit was a convenient and welcomed solution to address the spread of COVID-19 and support service-sector businesses, due to its feature of embedding in the existing SM platforms. People in China are asked compulsorily to verify their health status everywhere, which facilitates offline shopping behavior during the pandemic (I1). Despite COVID-19 fears, consumers are less worried about the possibility of getting infected at the crowded places, so long as health codes via the Health Kits are mandatory. For example,

“Since applying the Health Kit, people have been showing more willingness to shop offline. Hence, we decided to reopen our in-store service early in April 2020.” (I1)

“QR tracking system could encourage the citizens to freely move by showing their ‘green code’ and provide effective prevention and control of the further spread of COVID-19.” (I4)

“By using Health Kit, people have more confidence to combat the coronavirus.” (I5)
Furthermore, many caterers surveyed (I1, I2, I4, I5, I6) believed that the catering industry suffered less from the second wave of the pandemic in Beijing (from the end of June to the beginning of July 2020) due to the introduction of Health Kit. Health Kit is considered as a dynamic management tool of people's movement under the situation of COVID-19 containment. Its use has been effective in reducing the public panic toward COVID-19 and further minimizing health and economic consequences in general. For example:

“Our business suffered much less negative impact from the second wave of the pandemic. The local authority released the real-time pandemic information and measurements on a daily basis so that consumers were fearless for dining outside. For example, the health tracking QR code.” (I5)

“The measure of Health Kit, with the compulsory social distancing and masks-wearing indeed restored the foodservice providers’ confidence in the economy, especial during the second wave.” (I6)

It is interesting to observe that the much-discussed tracking apps are implemented on existing SM platforms such as WeChat and Alipay in China. The results show that customers’ willingness to visit restaurants has increased since the Health Kit app launched. Theoretically, customer behavioral manifestations occur when a firm’s activities on SM stimulate customer engagement71. By integrating the app, the Chinese government used the popularity and large penetration of SM apps among Chinese users to its own favor. The Health Kit mini-program served the government to contain the spread of the COVID-19 virus and helped to restore consumer confidence and lead to action. Business owners and consumers alike have been profiting from this technology.

CONCLUSION AND IMPLICATIONS

The presented research and its setting in the Beijing catering environment during the COVID-19 pandemic in 2020 describes how Chinese SM platforms have been used to continue pursuing the profitable business in the crisis. The findings are unique as they stem from a selected panel of interviewees who are senior employees in the catering industry in Beijing, where the comprehensive smoke-free law in force. While the pandemic has posed several difficulties for businesses and the society at large, it has also brought us with unique opportunities.

Due to the negative effects of COVID-19 to human health, people are more likely to quit smoking in order to improve their body condition to fight off the virus. To some extent the changing attitude and behavior have positively enforced the smoke-free law in Beijing. By doing so, it has prohibited smoking in all indoor areas, reduce the exposure of secondhand smoke, improve the air quality, and create an eco-friendly atmosphere to the public. In return, the catering industry benefits a lot from a smoke-free environment. As a result, it’s an unexpected upside what COVID-19 has presented to the catering industry in Beijing.

Furthermore, in order to adapt, and overcome the coronavirus situation, Chinese catering businesses were active to embrace the technology in working with online delivery platforms, which allow operators to sustain business while customers enjoy food at home. The research has shown its theoretical implications by supporting that previous similar communication objectives continue to be relevant by using SM during societal and economic lockdowns. However, in particular, SM platforms can be very effective tools to compensate the lack of personal customer interactions and customer engagement due to business closures and social distancing measures in a lockdown scenario. The importance of the different SM platforms in China and the diverse segments they serve is a significant finding.

China runs its own digital media landscape and some of the omnipresent SM platforms play an important role in the daily lives of Chinese consumers. SM giants like WeChat take on several important functions for companies, including in the catering industry. The way the Chinese government has implemented its Health Kit app into these existing SM platforms can be considered as a simple yet very effective way to gain instant penetration of this important feature in the Chinese population and help to contain the spread of the coronavirus and rebuild consumer confidence to shop offline again.

The restaurant operators were concerned about the way SM had enabled a remarkable power shift toward consumers. Such power shifts could also be seen as an opportunity as opposed to a threat.
According to the findings, China experiences a similar market concentration of tech giants as can be observed in western markets. The lack of alternatives and the dependency on customer reviews on a selected number of SM sites can literally make or break a restaurant. This is particularly relevant in the Chinese catering market, whose customers are to a very large extent digital natives and very active on SM platforms.

The practical implications of this research are manifold but also limited. From a marketer’s point of view, SM offers to a large extent the only way to connect and interact with restaurant customers in a lockdown situation. Catering operators regardless of size should consider the possibilities that SM offers in this context. Especially, maintaining brand awareness and brand loyalty remain important communication objectives, especially during lockdown. It is remarkable to observe that reviews on SM are used by some of the sampled restaurant operators to incentivize their employees financially.

Governments around the world should consider using popular SM platforms to integrate their health and tracking software. While many western governments have struggled to promote the installment of their own corona-tracking solutions as stand-alone platforms, the Chinese government co-developed and integrated their simple solution with the two main Chinese SM and mobile payment providers. It can be argued that consumers resist installing a stand-alone app from the government, and would be more likely to accept the integration of a mini-program into a popular and highly accepted SM platform. Despite obvious privacy issue concerns, this move by the Chinese health authorities has helped its people to regain trust in daily life, like going out to eat in their favorite restaurant.

The scope of this research is limited due to its geographical and thematic scope in the Beijing catering industry. The smoke-free law came into effect in few cities in China, so that it needs to further study to see if the reduced smoking behavior has also a beneficial outcome in other places. However, other businesses in the service sector for whom customer contact is important can learn from the findings of this study. Although data saturation among the sample was reached, this small and geographically limited sample requires confirmation of its findings in other Chinese regions. Further research is therefore required.

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