

## Hot Pot Dining (Incl Impact of COVID-19) - China - April 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“The hotpot market in China has seen some significant developments pre-COVID-19. Among the most notable include leading brands expanding their offerings into lower-tier cities, consumers showing interest in premium options, and hotpot formats starting to diversify with popularity increasing in solo, fusion and ‘signature dish’ formats.”

**Zhenni Wu, Research Analyst, April 30, 2020**

This report looks at the following areas:

- How the market has responded to the outbreak of COVID-19
- Market factors that influence the development of the hotpot dining market
- The performance of leading brands in 2019
- Consumers’ attitudes towards hotpot dining and hotpot delivery services

The hotpot market (includes only restaurant dining) has maintained robust growth of RMB533.6 billion in 2019, with a CAGR of 11.0% from 2014-19. Disruption caused by lockdown has hit the sector in an unprecedented manner, and business’ recovery is hindered by lots of challenges (such as social distancing and consumers’ reduced discretionary spending on non-essentials). Mintel forecasts an 11.6% drop in terms of market size in 2020, and the market is predicted to take 1-2 year(s) returning back to pre-COVID levels.

The market is dominated by several category leaders, with the leading position held by Haidilao. The outbreak means only the fittest will survive, and contributes to accelerating consolidation in the hotpot sector. Also, COVID-19 opens up opportunities for hotpot brands to expand revenue streams by diversifying retail formats.

The epidemic brings healthy eating to the front of consumers’ minds, which encourages hotpot businesses to go beyond just looking at differentiators of flavour, and to provide more nutritive offerings in their menus in future.

**BUY THIS  
REPORT NOW**

**VISIT:**  
[store.mintel.com](https://store.mintel.com)

**CALL:**  
EMEA  
+44 (0) 20 7606 4533

Brazil  
0800 095 9094

Americas  
+1 (312) 943 5250

China  
+86 (21) 6032 7300

APAC  
+61 (0) 2 8284 8100

**EMAIL:**  
[reports@mintel.com](mailto:reports@mintel.com)

### DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

# Hot Pot Dining (Incl Impact of COVID-19) - China - April 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Table of Contents

### Overview

What you need to know

Key issues covered in this Report

Report scope

Figure 1: Example of takeaway hotpot and self-heating hotpot

Definition

### Executive Summary

The market

Market experiences disruption caused by COVID-19, and will recover slower than expected

Figure 2: Forecast of market size of hotpot dining (adjusted for COVID-19), China, 2014-24

Market development breaks geographic boundaries

Market was moving upward

Mature supply chain guarantees stable supply

Impact of COVID-19 on Hotpot Dining

The outbreak puts companies under pressure, but sparks new opportunity

Figure 3: Short, medium and long term impact of COVID-19 on hotpot dining, April 2020

The outbreak of COVID-19 has stimulated hotpot condiments and self-heating business

Companies and brands

Haidilao and Xiabuxiabu secure their leading positions

O2O retailers march into the hotpot business

Hotpot brands are going to retail

Brands find ways to survive from COVID-19

The consumer

Hotpot experience is no longer limited to restaurant dining, even before COVID-19

Figure 4: hotpot consumption frequency in each occasion and hotpot Maocai consumption frequency, December 2019

Perception towards hotpot delivery suggests it has a room for further improvement

Figure 5: Attitudes towards hotpot delivery, December 2019

Regional hotpots have markedly different appeal

Figure 6: Perception towards different types of hotpot, December 2019

Healthy nutrition offers route to premiumisation

Figure 7: Interest in innovations in hotpot, December 2019

Hotpot condiments from Haidilao and Little Sheep are market leaders

Figure 8: Purchase habits of hotpot restaurant own-label products, December 2019

What we think

### The Impact of COVID-19 on Hotpot Dining

Figure 9: Short, medium and long term impact of COVID-19 on hotpot dining

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Hot Pot Dining (Incl Impact of COVID-19) - China - April 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Opportunities and threats

Foodservice industry under high pressure

Retailing formats move towards diversification

Supportive practices demonstrate social responsibilities

Impact on the market

What we've seen so far...

No quick bounce back for Hotpot dining, with impact continuing throughout the year

Figure 10: Forecast of market size of hotpot dining (adjusted for COVID-19), China, 2014-24

Figure 11: Forecast of market size of hotpot dining, China, 2014-24

Shifts in consumer behaviour

Discretionary spending on eating out shrinks

Figure 12: Spending changes on eating out\*, March to May 2020

The outbreak bolsters takeaway ordering behaviour

Figure 13: Frequency of ordering takeaway foods, March to May, 2020

Figure 14: Places concerned the most to be exposed to COVID-19, May, 2020

Figure 15: Frequency of using contactless delivery services, March to May, 2020

How COVID-19 will reshape the industry

Diversification in retail products' portfolios

Embrace the trend for 'going online' or for live streaming

Assurance of food safety is paramount

Evolving delivery services

Newly emerged business models to connect suppliers with consumers

Figure 16: An example from Shuhai Supply Chain, China

Expansion to home kitchen with more retail products

Figure 17: Examples of ready-to-cook products/meals, China

COVID-19: China context

Figure 18: Accumulative confirmed cases of COVID-19 in China, January to April 2020

Figure 19: Status of returning to work, China, March and April 2020

## Issues and Insights

Nutrition paves the way for premium hotpot

The facts

The implications

Improving restaurants dining experience for those eating alone

The facts

The implications

Figure 20: In Xiabuxiabu, China

Differentiate with more own brand products or distinctive services

The facts

The implications

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Hot Pot Dining (Incl Impact of COVID-19) - China - April 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## The Market – What You Need to Know

- Market contraction in 2020 but recover growth in the longer term
- Market development breaks geographic boundaries
- Upgraded dining consumption pushes hotpot restaurants to go upmarket
- Mature supply chains reduce raw material costs and make daily supply stable

## Market Size and Forecast

- Despite being an important pillar of foodservice, hotpot dining has experienced disruption in 2020
- Figure 21: Forecast of market size of hotpot dining (adjusted for COVID-19), China, 2014-24

## Market Factors

- The hotpot market has broken through geographic limitations
- Consumption upgrade accelerates the growth speed of mid-to-high level hotpot restaurants
- Mature supply chain guarantees products quality and facilitates standardisation
- COVID-19 pushes the sales of hotpot condiments and self-heating businesses

## Key Players – What You Need to Know

- Haidilao and Xiabuxiabu maintain their leading positions in share
- More O2O retailers have joined the competition
- Hotpot brands expand their businesses by stepping into retailing

## Market Leaders

- Highly fragmented market
- Figure 22: Restaurant numbers of top 10 hotpot brands, 2019
- Haidilao secures its position by expansion and upgraded offerings
- Figure 23: Key company information of Haidilao over 2017-19
- Xiabuxiabu gains marginal share
- Figure 24: Key company information of Xiabuxiabu over 2017-19

## Market Highlights

- O2O retailers' involvement in hotpot business
- Figure 25: Hotpot pages on O2O retailers' apps, China
- Hotpot sector "going to retail" in latest trend
- Figure 26: Dalongyi's self-heating fried rice and claypot rice, China
- Figure 27: Hotpot brands' tea drink businesses, China
- Grow food delivery business and engage consumers through live streaming
- Figure 28: Search engine index of hotpot, China,
- Figure 29: Hotpot live streaming on Taobao, China
- Haidilao's expansion to Chinese cuisine and household kitchen

## The Consumer – What You Need to Know

- The hotpot delivery experience doesn't fully match restaurant dining
- Different styles of hotpot tagged with distinctive labels

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://store.mintel.com)  
**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094  
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300  
 APAC +61 (0) 2 8284 8100 |  
**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

## Hot Pot Dining (Incl Impact of COVID-19) - China - April 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Innovations in nutrition and side dishes are more valued

### Consumption Frequency and Channel

The occasion for enjoying hotpot is not limited to restaurant dining

Figure 30: hotpot consumption frequency in each occasion and hotpot Maocai consumption frequency, December 2019

Figure 31: Hotpot consumption, by occasion, December 2019

Affluent consumers and those with multiple children are heavy hotpot users

Figure 32: Having hotpot once or more timer per week within last 6 month, by monthly personal income and family structure, December 2019

Excite the interests of 40-somethings towards delivery service by providing upgraded offerings

Figure 33: Haven't ordered hotpot delivery, by age group, December 2019

Females aged 25-29 are heavy users of hotpot Maocai

Figure 34: Maocai consumption frequency (once or more times per week only), by gender & age, December 2019

### Attitudes towards Hotpot Delivery

Inconsistency of freshness and flavour may help explain the limited appeal

Figure 35: Attitudes towards hotpot delivery, December 2019

Ordering hotpot delivery is uncommon among those dining together...

Figure 36: Ordering hotpot delivery under different occasions, December 2019

...while it is a welcome choice for heavy Maocai hotpot users

Figure 37: Ordering hotpot delivery under different occasions, December 2019

The overall perception towards hotpot Maocai delivery is not positive

Figure 38: Attitudes towards hotpot Maocai delivery, December 2019

### Perception of Different Types of Hotpot

Sichuan/Chongqing hotpot could deliver a sense of pleasure

Figure 39: Perception towards different types of hotpot, December 2019

Cantonese style hotpot gets popular for its nourishing image

Distinctive flavour and ingredients make Yunnan/Guizhou hotpot special

Foreign cuisine-inspired hotpot is perceived as special especially among females

Figure 40: % of consumers who associate exotic styles of hotpot with the attribute of being special, by gender, December 2019

### Interest in Hotpot Innovation

Craving for nutrition enhanced innovations

Figure 41: Interest in innovations in hotpot, December 2019

Opportunities to watch: luwei hotpot

Figure 42: Xian He Zhuang, an example of luwei hotpot, China

Females are more adventurous in trying things out of the ordinary

Figure 43: Interest in innovations in hotpot, by gender, December 2019

Figure 44: Hotpot seasoning with unconventional shapes, China

Figure 45: Hotpot with durian coconut milk flavour base soup, China

### Purchasing Habits of Hotpot Restaurant Own Label Products

Haidilao and Little Sheep do better in own-brand products

BUY THIS  
REPORT NOW

**VISIT:** [store.mintel.com](https://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Hot Pot Dining (Incl Impact of COVID-19) - China - April 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 46: Purchasing habits of hotpot restaurant own-label products, December 2019

The low penetration of hotpot branded products in Guangzhou reflects regional dining habits

Figure 47: Haven't purchased hotpot base seasoning and dipping sauce in the last 6 months, by city, December 2019

## Potential for Hotpot Crossovers

Combining with leisure activities may help enhance dining experience

Figure 48: Interest in innovative combinations, December 2019

Figure 49: Tianfu hotpot restaurant in Luoyang, China

Females aged 25-29 show special enthusiasm towards tea drink services

Interest in services reveals gender preferences

Figure 50: Interested in innovative combinations, by gender, December 2019

Married respondents with more than two kids are fond of interactive activities

Figure 51: Interest in innovative combinations, by children in household, December 2019

## Meet the Mintropolitans

Increase female MinTs' willingness to pay for hotpot with nutrients fortification

Figure 52: Interest in innovations in hotpot, by consumer classification & gender, December 2019

Diverse types of services attract MinTs

Figure 53: Interest in innovative combinations, by consumer classification, December 2019

## Appendix – Methodology and Abbreviations

Methodology

Fan chart forecast

Abbreviations

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)