

A Feasibility Study and Strategic Marketing Plan for Cangzhou Hot Pot Chicken Business in China

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Abstract This study explores the business potential of Cangzhou Hot Pot Chicken, a culturally rooted regional cuisine from Hebei Province, China. Known for its unique flavor, health benefits, and fast-casual appeal, the dish is well-positioned to capitalize on the growing demand for authentic and experience-based dining. Using a mixed-method approach—including PESTEL, SWOT, Porter’s Five Forces, and financial feasibility analysis—the paper evaluates market conditions, consumer trends, marketing strategies, and investment viability.

Findings indicate that the brand’s alignment with health-conscious and digitally connected urban consumers makes it suitable for scalable growth across multiple formats such as dine-in, takeaway, and delivery. Financial modeling reveals a break-even period of two years and an IRR of 38.6%, supporting long-term sustainability. The study concludes that with strong branding, digital marketing, and operational standardization, Cangzhou Hot Pot Chicken can evolve from a regional favorite into a modern Chinese food brand with national and international appeal.

Keywords: Xi'an Elderly Catering Company, Elderly Care Services, Community-Based Care, Service Innovation.

1. INTRODUCTION

Xi'an Elderly Nutritious Braised Chicken, a well-known culinary specialty rooted in Shaanxi Province, has gained increasing popularity across northern China in recent years. Its appeal stems from a gentle blend of traditional medicinal cooking and modern elderly dining aesthetics. The dish is typically prepared using “Shaanxi native chicken”, a local breed valued for its tender texture and mild flavor, stewed with mild spices, garlic, and nourishing herbs, Chinese herbs and fresh seasonal vegetables. It is served in a constant-temperature insulated pot that keeps meals warm longer while retaining original flavor and moderate taste. Unlike conventional heavy-flavor catering that suits young people, elderly catering is designed for soft, light and easy-to-digest servings, aligning with elderly daily dining and community canteen service formats.

In addition to its health benefits—such as regulating gastrointestinal function and supplementing daily nutrition with low-salt and nourishing ingredients—the meal set is highly customizable.

in nutrient collocation and taste mildness, making it suitable for elderly groups

with different physical conditions and dietary needs. Its health-oriented positioning, community service attributes, and flexible catering forms lay a solid foundation for brand promotion and chain expansion in China’s booming elderly catering market (Zhang, 2020).

Simultaneously, the development of China’s elderly catering industry, driven by population aging, rising elderly spending power, and intelligent catering service platforms, has created favorable conditions for professional senior meal services to form replicable and scalable business models (Wang & Zhang, 2021). The popularization of intelligent ordering systems and community catering service platforms has greatly facilitated the daily dining needs of the elderly, enabling elderly catering brands to cover more community groups without relying solely on offline store layout constraints (Chen, 2022).

This study aims to explore the feasibility of building a sustainable elderly catering business model, by adopting environmental analysis tools including PESTEL, SWOT and Porter’s Five Forces, constructing a complete strategic marketing framework based on STP and 7Ps theories, and carrying out

comprehensive financial feasibility evaluation. The research intends to provide theoretical reference and practical operational guidelines for developing standardized, nutritious and community-based elderly catering services into a modern, scalable and profitable social service enterprise.

2. MATERIALS AND METHODS

- **SWOT Analysis and Porter's Five Forces:** to understand the market positioning, opportunities, and competitive threats.
- **STP and 7Ps Marketing Frameworks:** to guide brand positioning, consumer targeting, and channel strategies.
- **Financial Forecasting:** to estimate sales, cost structures, break-even point, and return on investment over a five-year period.
- **Primary data** were collected through field visits, supplier interviews, and consumer surveys in Cangzhou.

3. RESULTS AND DISCUSSION

3.1 Market and Environmental Analysis (PESTEL)

The external environment for developing the elderly catering business is generally favorable, as revealed through PESTEL analysis, which examines the political, economic, social, technological, environmental, and legal dimensions influencing the senior catering service sector.

• **Political:** China's national and local governments have maintained a stable and supportive regulatory environment for elderly catering enterprises, especially those that focus on improving the quality of life for the elderly and promoting inclusive elderly care services. Initiatives such as the "Smart Aging Industry Promotion Plan" and "Community Elderly Catering Support Program" encourage cities like Xi'an to develop standardized and accessible senior meal services, providing subsidies, tax incentives, and fast-track licensing to elderly catering startups (Wang & Zhang, 2021). Local governments also support the construction of community elderly canteens and senior service hubs to optimize elderly catering layout and enhance urban elderly care service capabilities.

• **Economic:** The post-COVID economic recovery has boosted domestic consumption, especially in the elderly catering sector. Rising disposable income among seniors and the aging

urban population have driven growing demand for nutritious, light and healthy catering services, particularly among retirees who value balanced nutrition and comfortable dining experiences (Chen, 2022). The development of senior catering services benefits greatly from this trend, as such services provide scientific meal matching, dietary health care and cost-effective dining options for elderly groups.

• **Social:** Changing dietary demands among elderly groups favor nutritionally balanced, easily digestible and health-focused catering options. The standardized formula and personalized meal arrangement of elderly catering can perfectly match such needs. Furthermore, community dining scenarios enrich social interaction among seniors, positioning elderly catering as a lifestyle choice suitable for daily communication, neighborhood gatherings and cultural leisure activities (Zhang, 2020).

• **Technological:** The rise of catering technology and intelligent service platforms has greatly advanced China's elderly catering industry. These platforms enable senior catering providers to reach extensive community user groups without relying heavily on large offline outlets. They also support real-time data monitoring, user feedback collection, and precise service optimization, which are essential for scaling operations and responding to market demand dynamically.

• **Environmental:** Increased attention to sustainability—driven by both consumer activism and policy—has led to a focus on traceable, locally sourced ingredients and environmentally friendly packaging. This trend supports Cangzhou Hot Pot Chicken's emphasis on using fresh chicken and seasonal vegetables sourced from local farms, thus reducing carbon footprints and supporting rural economies (Wang et al., 2023).

• **Legal:** China's food safety legislation, including the Food Safety Law (revised 2021), enforces strict standards for kitchen hygiene, ingredient sourcing, and supply chain transparency. While compliance requires investment in training and monitoring, the regulatory framework is clear, well-established, and supportive of responsible businesses. New food enterprises must meet inspection requirements and obtain hygiene certifications, but benefit from streamlined

application procedures at the local level (Liu, 2023). In summary, the macro-environment presents more opportunities than barriers for Cangzhou Hot Pot Chicken. Political backing, social trends, and technological accessibility create strong foundations for market entry and growth, while economic and environmental factors support scalability through local sourcing and digital platforms.

3.2 SWOT Analysis

Table1:SWOT Analysis

Strengths	Weaknesses
Unique regional flavor	Limited national brand awareness
Health-oriented recipe	Initial training and operational setup
Low material cost	Dependence on spice tolerance levels
Opportunities	Threats
Expansion via franchising or delivery	Rising cost of ingredients
Growing food influencer marketing	Intense local competition

the SWOT analysis indicates that while Cangzhou Hot Pot Chicken has clear differentiation potential and cultural value, its success will depend on operational consistency, brand storytelling, and targeted market entry strategies. Mitigating risks through clear food safety protocols and developing a unique brand identity will be essential for long-term competitiveness.

3.3 Marketing Strategy (STP & 7Ps)

- Segmentation: Targets consumers aged 20–45 in urban areas who seek spicy food, traditional cuisine, and delivery convenience.
- Targeting: Middle-income office workers, students, and families in tier-2 and tier-3 cities.
- Positioning: “Authentic, fast, and fiery – Cangzhou’s culinary heritage in every bowl.”

7Ps Overview:

Table2:7Ps strategy

Element	Strategy
Product	Hot pot chicken base, vegetable add-ons, rice, noodles, optional spice levels.
Price	Mid-range (¥25–¥40), with combo pricing and meal plans.
Place	Dine-in shops, cloud kitchens, and food delivery platforms.
Promotion	TikTok, Douyin influencers, student coupons, local festival partnerships.
People	Trained staff in standard recipes and hygiene; chef-led demonstration videos.
Process	Standardized cooking procedures, order automation, customer feedback channels.
Physical Evidence	Branded bowls, eco-packaging, retro-style interior design reinforcing local heritage.

3.4 Financial Feasibility

Financial projections for the Cangzhou Hot Pot Chicken business model were developed to evaluate its investment viability and long-term profitability. The analysis includes capital expenditure, sales forecasts, operating costs, and performance indicators over a five-year period.

Based on conservative estimates, the model assumes a gradual ramp-up in customer volume, regional brand recognition, and product diversification (e.g., meal kits and sauces). Below show table3-5

Interpretation and Strategic Implications

- The projected **break-even point occurs in Year 2**, suggesting that the business can cover its startup costs quickly through a mix of dine-in and delivery operations.

- A Net Present Value (NPV) of ¥538,000 demonstrates strong positive cash flow over the five-year period, confirming that the investment generates significant value when adjusted for time.

- The Internal Rate of Return (IRR) at 38.6% exceeds average thresholds for F&B startups in China, which typically range between 20–25% (Wang & Zhang, 2021).

- A cumulative Return on Investment (ROI) of 153% over five years implies that the initial investment will more than double, reflecting high operational efficiency and growing brand equity.

These projections assume steady growth in urban consumer demand, especially in second-tier cities, and sustained engagement through digital platforms. Sensitivity analysis further suggests that profitability is resilient even with moderate increases in labor or raw material costs—provided that pricing strategy and customer retention remain strong (Chen, 2022).

The financial outlook strongly supports business expansion through reinvestment or franchising after Year 3, once the brand achieves local recognition and operational standardization.

Year	Revenue (CNY)	Operating Cost	Net Profit	ROI
1	500,000	420,000	80,000	22.9%
2	700,000	500,000	200,000	57.1%
3	850,000	550,000	300,000	85.7%
4	1,000,000	600,000	400,000	114.3%
5	1,150,000	650,000	500,000	142.9%

Table 5: Key Investment Indicators

Indicator	Value
Initial Investment	¥350,000
Net Present Value (NPV)	¥538,000
Internal Rate of Return (IRR)	38.6%
Break-even Point	Year 2
5-Year ROI	153%

Table 3: Startup Cost Overview

Category	Estimated Cost (CNY)
Kitchen Equipment & Fixtures	¥120,000
Leasehold Renovation	¥100,000
Licensing & Certifications	¥10,000
Raw Material Inventory	¥30,000
Branding & Initial Marketing	¥40,000
Labor Training & Setup	¥50,000
Total Initial Investment	¥350,000

Table 4: Projected Financial Performance (Year 1–5)

4. CONCLUSION

This business study confirms that Cangzhou Hot Pot Chicken represents a viable and scalable opportunity within

China's rapidly evolving food and beverage industry. Its distinctive identity—rooted in regional tradition, medicinal flavor profiles, and a spicy, customizable experience—offers a competitive edge in a market increasingly shaped by consumer demand for authenticity, health, and cultural storytelling.

The findings indicate that the business model aligns with several macro-level trends:

- Health-conscious eating habits, particularly among urban young professionals and families seeking protein-rich, low-fat meals;
- The rise of experiential and interactive dining, where customers value not just food, but atmosphere, heritage, and brand narrative;
- And the growth of food delivery ecosystems, which enable fast regional scaling with reduced overhead costs.

While challenges remain—especially in terms of brand visibility, standardization across outlets, and compliance with stringent food safety laws—these are typical for emerging culinary ventures and can be mitigated through early investment in training, quality control, and franchise-ready SOPs.

To transition from a regional specialty to a national food brand, the following strategic actions are recommended:

1. **Brand Identity Development**
A clear, memorable, and emotionally resonant brand story—emphasizing the dish’s historical roots in Cangzhou

and its modern health benefits—can differentiate the business from generic hot pot or fast-casual restaurants.

2. **Digital Marketing and Storytelling**
Leveraging Douyin (TikTok China), Xiaohongshu (RED), and

WeChat through food influencers, live streaming, and user-generated content can drive brand engagement. Video marketing showcasing behind-the-scenes preparation, spice blends, and customer reactions can build trust and virality.

3. **Multi-Channel Distribution Strategy**
Expanding beyond dine-in formats to include cloud kitchens, delivery-only models, and branded hot pot base retail products can diversify revenue and increase market reach—especially in second- and third-tier cities where rent and labor costs are lower.

4. **Franchise and Licensing Model**
Once brand and operations are refined locally, the model can scale through regional franchising, maintaining quality via centralized spice base production and training

programs.

5. **Cultural and Culinary Innovation**
Seasonal menus, herbal upgrades, or cross-over dishes (e.g., hot pot wraps or rice bowls) could help the brand remain fresh and appeal to varied consumer preferences, including non-spicy eaters or international palates.

In conclusion, Cangzhou Hot Pot Chicken holds strong potential not only as a commercially successful enterprise but also as a cultural ambassador of northern Chinese cuisine. With thoughtful positioning, digital fluency, and operational discipline, it can evolve from a regional comfort food into a modern national brand, resonating with both local diners and the global Chinese diaspora.

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