



The New York Times

Offering Manicures With Your Hot Pot, China's Haidilao Plans a Global Push

The popular Chinese restaurant chain — which woos its customers with shoe-shining services, board games and other distractions — plans to raise \$1 billion.

Hot pot, in which diners cook their own meat and vegetables in a boiling broth, is a favorite meal in China. And Haidilao is China's most popular hot pot chain, mostly because of how employees go all out to greet, serve and entertain. Gilles Sabrié for The New York Times

By Elsie Chen and Sui-Lee Wee

Sept. 25, 2018

Sometimes, Shang Feifei goes to a restaurant just for the manicures.

On a recent Wednesday night, Ms. Shang, 40, sat patiently at a downtown Beijing branch of Haidilao, a restaurant chain that defies China's well-earned reputation for lousy customer service. A Haidilao employee buffed and painted her nails, free. The aroma from bubbling broth-filled pots lingered in the air.

Ms. Shang wasn't planning to stay to eat after she got her pink, glittery nails done. For her, the food was secondary to the experience.

"I find Haidilao's special services so entertaining," said Ms. Shang, who comes to Haidilao every week to get her manicures. "Like the free pedicures, the photo printing machine, Chinese checkers and origami."



A customer receiving a manicure while waiting for a table. Gilles Sabrié for The New York Times

Hot pot, in which diners cook their own meat and vegetables in a boiling broth, is a favorite meal in China. And Haidilao is China's most popular hot pot chain, mostly because of how employees go all out to greet, serve and entertain.

Haidilao hopes people outside China will be as captivated. It is set to raise nearly \$1 billion on Wednesday in an initial public offering in Hong Kong, a semiautonomous Chinese city where foreign investors are free to buy up shares. It wants to use the money to expand, including beyond its overseas locations in California and New York as well as other countries.

But outside China, it could be a harder sell.

"It was disgusting that people were waiting and having their nails clipped," Joel Silverstein, chief executive of the East West Hospitality Group, a restaurant consultancy based in Hong Kong, said of a Haidilao outlet he visited in mainland China.

"In the U.S., it would be a total violation of health codes to be doing that stuff," he added. "But the thing I've learned about China is, Chinese people love over-the-top service as long as they don't have to pay for it."

A different chain made global headlines when a diner found a dead rat in her hot pot. The Chinese company vowed to get to the bottom of the matter.

In a country where service without a smile is still the norm in many places, Haidilao earns its loyalty. Customers are offered free shoe-shining services and board games while they wait. Diners can watch a traditional Sichuan opera show. Eating with toddlers? “A “playground sister” will keep them entertained.



An employee of Haidilao in Beijing performing the “noodle dance,” a trademark of the chain. Gilles Sabrié for The New York Times

Patrons in China sometimes line up for hours to get into one of Haidilao’s nearly 300 domestic restaurants. A 2016 survey of 2,600 people conducted by OC&C, a consulting firm, ranked Haidilao as China’s favorite restaurant. Its dining experience was cited in a Harvard Business School case study in 2011.

“The staff here gives you the feeling that you are a family member,” said Liu Lu, 42, a stay-at-home mother who said that the chain’s employees would arrange a crib for her baby so she could indulge in the hot pot without a care.

Hot pot — known in China as *huo guo*, or fire pot — was originally consumed to ward off the cold of winter. It is now a year-round cuisine. Chinese diners love the participatory nature of the cooking process: People gather around a pot of boiling broth, dunk their meats in it, fish them out and dip them into sauces. The time spent cooking gives people time to socialize.



The family-friendly restaurant chain has staff members dedicated to child care. Gilles Sabrié for The New York Times

Haidilao’s name originates from a Sichuanese mah-jongg term that connotes winning. While the chain offers a wide variety of broths, it is known mainly for its Sichuan-style spicy hot pot.

Zhang Yong, a former tractor-factory worker, founded Haidilao originally with just four tables in his hometown, Jianyang, a city in Sichuan Province in China’s southwest.

“I didn’t know how to make soup or cook any ingredients,” Mr. Zhang told Huang Tieying, a Peking University professor who wrote a 2011 book called “You Can’t Copy Haidilao.”

“In order to satisfy people, I gave away more than I sold,” he said. “As a result, customers were still willing to come back, even though my food wasn’t that good.”

Even a string of food safety scandals has not dented confidence in the brand.

Last year, a viral video taken in two Beijing outlets by an undercover Chinese journalist showed rat-infested kitchens, dishwashers covered with grease and staff members cleaning sewers with a soup ladle. In June, the Chinese news media reported that a customer in one of the previous offending outlets found a fly in the dipping sesame sauce.

In both instances, Haidilao apologized and promised to overhaul food safety in all its restaurants.

Now, customers can watch a live-stream video of the kitchen from a flat-screen television hung on the wall or through tablets on their tables. They are also welcome to personally observe the food being prepared.



Customers waiting for tables at a Haidilao restaurant in Beijing were treated to a traditional Chinese show. Gilles Sabrié for The New York Times

“The food is very clean; other hot pot restaurants have food that isn’t that fresh,” said Liu Yali, a teacher who eats at the chain every two to three days. “Whenever my friends want to gather, we always choose Haidilao.”

Hot pot, including at Haidilao, has made inroads near Chinese communities in the United States and elsewhere. The question for Haidilao is whether hot pot — and the chain’s over-the-top customer service — will draw a broader group of foreigners the same way.

“If they want to be popular overseas, they’ll have to adjust their services and menu,” said Darcy Zhang, a Shanghai-based food blogger who is a fan of Haidilao. “In other countries, some of their services might feel too exaggerated.”

“For example, a customer will go and wash their hands and the staff will be waiting outside with tissue paper and a huge smile,” she added. “Perhaps foreigners might find that quite creepy.”

Sui-Lee Wee is a business correspondent in the Beijing bureau covering Chinese consumers and health care. A native of Singapore, she was previously a political and general news correspondent with Reuters in Beijing, Hong Kong and Singapore. @suilee

A version of this article appears in print on Sept. 25, 2018, on Page B1 of the New York edition with the headline: Manicure? It Comes With the Soup.