

How to Make Jollibee Popular in China Mainland Market by Taking the Advantages of Four Principles of Contagiousness?

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Abstract. Jollibee is the No.1 Filipino fast food brand which was founded in 1975. In recent years, the brand has embarked on an aggressive international expansion, with more than 270 international branches in 17 countries such as United States, Canada, Brunei, Vietnam, Singapore, Malaysia, Saudi Arabia, United Arab Emirates, Italy, Spain, etc. In this report, I think Mainland China is also a good choice for Jollibee to choose to flourish. And the research question of my analysis is How to make Jolliebee popular in Chinese market by taking the advantage of four principles of contagiousness. I analyzed Jollibee's brand backgrounds and did SWOT analysis for the brand. In order to help Jollibee to go viral in Mainland China, I recommend Jollibee to adopt 4 out of 6 Principles of contagious by Jonah Berger, which are Social currency, Triggers, Public, and Practical Value.

1. Introduction

1.1. Brand History in China

Jollibee entered the Hong Kong market in 1996 and now having 10 branches. In 2021, Jollibee also entered Macau market, and having a stable phase there now. In 2008, Jollibee bought many Chinese fast food brands in China Mainland, such as Hongzhuangyuan and acquired 85% share of Yonghe Dawang which are all the most famous Chinese fast food brands. In March 2008, Jollibee opened the first store in China Mainland in Shenzhen, but was closed in March 2009 (the first anniversary of Shenzhen Jollibee) due to factors of the large financial burden of operating so many owned brands and the limited brand influence of Jollibee among consumers in China Mainland.

1.2. Why we recommend Jollibee to re-enter the China Mainland market now?

First, Jollibee has optimized the number of brands in mainland China over the past decade by closing unprofitable stores and the whole group has a very good profit in 2022 (In the first quarter of 2022, the whole group sales volume was 7.3 billion RMB, about 1.86 billion U.S. dollar, up 25.5% year on year; The net profit attributable to Jollibee was RMB 280 million, about 41.6 million U.S. dollar which has a year on year growth of 1412.3%. so, we think Jollibee has a better financial risk resistance capacity now than it was 10 years ago. Secondly, compared to 10 years ago, promotion channels become diverse nowadays in China. There are plenty of approaches to make Jollibee's brand go viral. I will go inside the topic of how to make Jollibee catch on in China Mainland in the third part.

1.3. Location Suggestion

In our plan, Jollibee will establish the first store this time in one of the tier 1 cities after entering into Mainland China. Apart from the past location standards in 2008 in Shenzhen, besides the central business district, we recommend Jollibee to locate to the residential community this time. Because of Jollibee's food products are all live-made, it will take slightly longer time than its main competitors such as KFC and McDonald's to make the food ready. As a result, we think it is not appropriate to open the restaurant in the business district where the costumers there having a strict requirement on dining speed. In addition, Jollibee's brand culture emphasizes on sharing happiness with family and cost-effective pricing strategy, therefore, locate in the community will be more in line with Jollibee's brand image.

2. SWOT Analysis for Jollibee

2.1. Issues Identified

Using the SWOT analysis, Jollibee may need to reconsider entering the Chinese market and focus more on marketing. Even though Jollibee has already entered the Chinese market once, Jollibee still has negligence in marketing input. Money input is only part of the reason, and the main issue is that Jollibee could focus more on marketing strategies.

2.2. Analysis of Issues

2.2.1. Strengths.

- **Brand value**

Although Jollibee is not an enterprise of Mainland China, its brand values are very much in line with the mainstream values of the consumers of Mainland China.

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Jollibee's logo is a hard-working bee, emphasizing the process from hard-working to happiness; Jollibee also emphasizes that happiness needs to be shared, which is in line with the habit of Chinese consumers who like to dine with family and friends.

● Pricing Strategy

According to data from iMedia Research, among the acceptable price of Chinese fast food for Chinese white-collar group in 2021, 45.1% consumers will choose RMB20-30 (including RMB30), 38.2% consumers will choose RMB10-20 (including RMB 20), 11.8% of consumers will choose RMB 30-40 (including 40), 2.5% will choose RMB40-50, 1.5% will choose RMB10 or below. So, Jollibee's price (around RMB30) is right in the comfort zone of most Chinese consumers consumption behavior when it comes to eating fast food.

2.2.2. Weaknesses

Jollibee is not a well-known brand in Mainland China, most people have never heard of this brand, and mainland China's fast food market has gathered most of the world's famous fast food and fried chicken brands, so Jollibee may be facing the challenge of establishing a strong brand endorsement.

Lack of Technology also is an issue for Jollibee. Jollibee's food preparation and cooking style is conventional and does not utilize automated cooking technology to improve efficiency and reduce time. As a fast-food brand, Jollibee tends to be defined as Unhealthy by people and may generate obesity and other health issues. So, customers' changing preferences may have affected the company's revenue.

2.2.3. Opportunity

Regarding opportunity, most people in China appear to have broad or omnivorous cultural tastes across the conventional highbrow-lowbrow boundaries, embracing a diverse range of cuisines across the boundaries between highbrow and popular culture [1]. Such a breadth of exposure to diverse restaurant cuisine styles significantly marks a tolerance and openness of tastes for foreign cuisines in China. The allure of variety in China provides Jollibee with an opportunity to launch some fast food with local Filipino tastes or bring its native fast food with Filipino flavors to add to China, already heady culinary stew. Additionally, Lintott [2] points out that people in China is paying more and more attention to healthy eating. Accordingly, due to the rising health consciousness of Chinese customers, Jollibee could possibly launch a vegetarian-friendly menu or plant-based alternatives to meat products in China. For instance, Jollibee could probably present a hamburger patty that is made entirely of plant-based meat as the preselected meat choice in China.

2.2.4. Threats

Due to the outbreak of covid-19, a large number of layoffs have been caused in most of the catering industry. There will be a shortage of employees in the catering industry

when the catering industry recovers. According to data from the U.S. Bureau of Labor Statistics, restaurant employment has dropped significantly [3]. 83% of the restaurants were unable to meet the requirements of employees, and 33% of the restaurants had operational problems due to labor shortages [3].

Jollibee is known as the McDonald's of the Philippines. Jollibee's popularity and market share in the Philippines are higher than that of McDonald's and Burger King [4]. In the Philippines, Jollibee is the dominant fast food chain market with more than 750 stores. The president of Jollibee North America Group mentioned that the most popular food in the Jollibee fast food chain is fried chicken [4]. In the mainland Chinese market, there are a large number of big and small fried chicken fast food chains. China's fast food industry is highly competitive. Jollibee is less well-known than Burger King, McDonald's, and KFC.

3. Four Principles We Recommend Jollibee to Make its Brand Go Viral in China Mainland

3.1. Principle 1 Social Currency

Promoting Donation Activities to Build Positive Corporate Image

The number of the students in China Mainland which took the graduate entrance examination reached 4.57 million in 2022, and according to the growth trend of last five years, more than 5 million students will take the graduate entrance examination after 2022. The annual postgraduate entrance exam has become an important event for young people in China Mainland. I suggest Jollibee to create a donation activity in all their stores which leading people to buy certain products and Jollibee will give some financial support to the students who attempt to take the exam in poor areas. For example, for every Jollibee combo that costs more than RMB 30-yuan, Jollibee's parent company will donate RMB 1 yuan to the scholarship pool and also give the customer an education promoting medal.

Quick Question Bonus

Jollibee could conduct some quick question and answer activity when it is in the Newly opened period. Everyone can only participate once a month. There are six questions in total, and each question is different. The content of the questions belongs to relatively professional knowledge, such as answering the six decimal places of the circular constant, Pi. People who answer all six questions correctly can get a small card and exchange it for free fried chicken. In this way, the people who win the games will mention their success when talking with friends, emphasizing their deep understanding of knowledge. With this card, people can exchange three fried chickens at once. They cannot exchange fried chickens three times separately. The purpose is to let people who win the game can come with their friends, which has highlighted the social currency [5].

"Not Delicious? Get a New One" campaign

I suggest launching a "Not Delicious? Get a New One" campaign for a certain period, such as, a quarter, to leverage the Social Currency Principle. Any customer who buys a Jollibee meal can exchange it for a new one of equal value if they find it unsatisfactory, no more questions would be asked, just get one more combo. This campaign would not only entertain and intrigue customers but also motivate them to share the experience with their friends, potentially generating word-of-mouth buzz and virality for the Jollibee brand.

3.2. Principle 2 Triggers

Jollibee can use reusable bags made from environmentally friendly materials. In mainland China, consumers mostly like to reuse durable bags to carry things in their daily lives. Because Jollibee packaging bags have obvious brand logo, so when a large number of consumers use Jollibee packaging bags in various scenes of daily life, the brand will be repeatedly seen, they can think of Jollibee^[5]. Analogously, producing items such as mugs, umbrellas, hats, and hoodies that feature the Jollibee logo in conjunction with the names of the regions in which offline stores are situated, could effectively cultivate awareness of the Jollibee brand across diverse scenarios.

In addition, Jollibee could capitalize on Burger's six principles of viral marketing by launching its own branded kitchenware and related products, such as fryers, tongs, chopsticks, gloves, and kitchen paper. As Burger recommends in his book, *Contagious*, effective triggers require repeated exposure in daily life. According to the data survey from iiMedia Research, 40.7% of China's "Z generation" (those born between 1995 and 2009) report cooking at home on a weekly basis, with almost half of them (49.4%) cooking 4-10 times a week, and over 13.8% cooking more than 10 times a week^[9]. Given the high frequency of home cooking, the kitchen and kitchen appliances have emerged as the new focal point of young adults' domestic lifestyles. By expanding into the kitchenware and appliance market, Jollibee could not only reinforce its relevance to its core business, but also effectively communicate its brand identity of fostering happy families.

3.3. Principle 3: Public

As Berger^[5] points out, virality is not born but is created. Although Jollibee is not naturally contagious, it is engineered to be popular by taking advantage of principles of contagiousness. In light of the fourth principle of contagiousness, public, making things more publicly visible or observable and making them much easier to imitate largely contribute to making them more likely to go viral^[5]. For this reason, Jollibee could possibly launch a campaign, "one free for a limited time", which is concerned with offering free fast food to customers who post or share a photo of Jollibee's fast food on any social media platform, such as Weibo, WeChat Moments, and Small Red Book. Such a picture of Jollibee's fast food that is posted or shared by customers on social media platform is likely

to be a social proof, providing other people with signal information about how good the food is. Since people in China tend to be addicted to Internet and social networking sites, they are more likely to spend more time chatting on the Internet than communicating with people face to face. Hence, this campaign is designed to make Jollibee's more observable or visible online. When someone who is surfing the Internet and sees others trying Jollibee's new arrivals and sharing them online, he or she may be eager to have a try.

In addition, Jollibee could further enhance its brand exposure by publishing cooking tutorial videos on popular social media platforms. These videos could teach viewers how to prepare a variety of common dishes, including key ingredients, preparation techniques, and nutritional value. This strategy would not only provide practical value to current consumers, but also help to attract new customers to the brand.

3.4. Principle 4 Practical Value

As the textbook has a concept, "When most people think about practical value, saving money is one of the first things that come to mind—getting something for less than its original price"^[6]. Jollibee's vision is known as one of the world's top 5 catering companies^[7]. So, for the practical value part, Jollibee can create a membership system. Who becomes a member of Jollibee can have a special price menu every day. Members can get a free order when they purchase Jollibee products for the first time. For example, crispy chicken is half price on Mondays. By joining Jollibee's membership system, consumers can get free shipping twice daily. Jollibee can also use **Personalized Coupons**, Currently, fast food brands typically offer coupons based on discounts for their products^[8]. However, I suggest that Jollibee could leverage data analysis to gain insights into users' consumption habits, preferences, and order history, and use this information to create user profiles and provide personalized coupons. By offering coupons tailored to users' individual needs based on their consumption habits and order history, each person's discount will likely differ. This approach truly benefits consumers, allowing them to receive discounts on the food they actually want to eat, rather than feeling compelled to purchase food they don't truly desire just to take advantage of the discount.

Moreover, Jollibee wants to enter the Chinese mainland market, so it needs to improve the company's food types. For example, Chinese people like to drink porridge in the morning. Jollibee can choose to develop some new menus and also carry out some discounts at the same time. Jollibee needs to be cheaper than competitors if Jollibee wants to open the Chinese mainland market easily.

Finally, as the economy in mainland China continues to develop, people's incomes are increasing, and they are starting to pay more attention to the health issues surrounding food. Therefore, whether or not a food is good for one's health has become an extremely important value that consumers are concerned with. As a result, Jollibee should focus on emphasizing the health benefits of their products. I suggest doing so from two angles. First, they

should use endorsers who are younger, in better shape, and appear to be healthier, rather than just relying on good looks. Second, they should introduce a Jollibee weight-loss combo that emphasizes controlling the calorie intake of the meal while ensuring adequate protein intake. This would create a fried chicken product that won't cause people to gain weight.

4. Conclusion

According to the six principles of contagiousness by Jonah Berger ^[6] in this report, we recommend Jollibee to create donation activities to support the students who has difficulties on preparing important academic selective exam or paying his or her tuitions, and this policy may attract attention by stimulating people's inner remarkability. And by setting quick questions bonus, a campaign which also be a leverage game mechanics, provide the people who answer the questions not only some real bonus, also be visible symbols which can be shared among social medias. Reusable packing bags enable consumers to take them home and using it in varies situations in daily life. As a result, the icon of Jollibee will frequently be seen in everywhere, this will trigger people to realize Jollibee with an environmentally friendly brand. People like what others like. We design digital campaign "one free for a limited time" to let costumers share their dining experience in Jollibee through their social media platforms. People can see others story with Jollibee, Jollibee may increase its recognition. Finally, the economical membership system and local recipes we suggest Jollibee to adopt in Mainland China market could lead people really see the incredible value that Jollibee offed them. All in all, Jollibee could conduct Social currency, Triggers, Public, and Practical Value to earn more popularity in China Mainland fast food industry.

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