

# A MARKETING STRATEGY ANALYSIS OF XIAOLONGKAN HOTPOT IN THAILAND\*

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## Abstract

This study focuses on Xiaolongkan Hotpot in the Thai market and applies the 4Ps marketing mix theory (product, price, place, and promotion). It aims to examine how Xiaolongkan adapts its marketing strategies to the local market and to analyze the influence of these strategies on consumer purchase intention, while identifying current strengths and limitations. This research used a quantitative method. Data were collected through questionnaires from consumers who had dined at Xiaolongkan Hotpot in Thailand. Descriptive analysis, reliability and validity tests, correlation analysis, and regression analysis were conducted.

The results show that product strategy has the strongest influence, followed by price, place, and promotion strategies, with several areas needing improvement.

**Keywords:** Xiaolongkan Hotpot, marketing strategy, 4Ps Theory.

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## Introduction

With the advancement of economic globalization, the international expansion of Chinese catering brands has become an important part of China's "going global" strategy. Chinese hotpot brands have grown rapidly overseas due to their distinctive dining experience and strong social dining culture. Xiaolongkan Hotpot, as a representative Sichuan-style brand, has actively expanded into Southeast Asia, especially Thailand, where it faces both development opportunities and strong competition. Thailand is an open and dynamic catering market with diverse food cultures and a young consumer base, but also intense market competition (Kotler & Keller, 2016).

The 4Ps marketing theory proposed by McCarthy (1964) provides a structured framework to analyze product, price, place, and promotion strategies, which are important in international foodservice markets (Kotler et al., 2017). Based on this framework, this study examines Xiaolongkan's marketing strategies in Thailand, identifies strengths and limitations, and provides practical references for Chinese catering brands' overseas development.

## Objectives

1) To examine Xiaolongkan Hotpot's product strategy in Thailand, focusing on menu localization, product quality, and dining experience design.

2) To examine the pricing strategy of Xiaolongkan Hotpot in the Thai market, and evaluate its alignment with consumer expectations and competitive positioning.

3) To assess the effectiveness of Xiaolongkan Hotpot's place strategy, including store location, distribution channels, and service accessibility in Thailand.

4) To assess the effectiveness of Xiaolongkan Hotpot's promotional strategies in influencing consumers' purchase intentions in Thailand.

## Theoretical framework

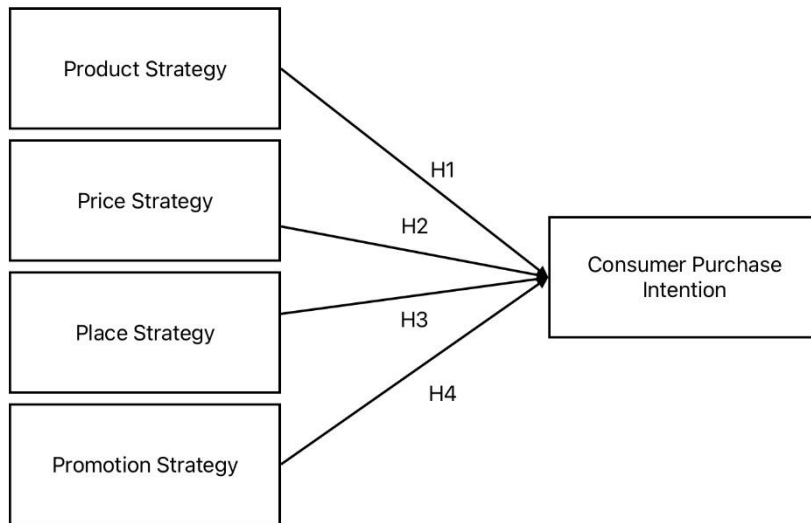


Figure 1 Conceptual Framework

## Hypotheses

H1: Xiaolongkan Hot Pot's product strategy has a significant positive impact on consumer purchase intention.

H2: Xiaolongkan Hot Pot's price strategy has a significant positive impact on consumer purchase intention.

H3: Xiaolongkan Hot Pot's channel strategy has a significant positive impact on consumer purchase intention.

H4: Xiaolongkan Hot Pot's promotional strategy has a significant positive impact on consumer purchase intention.

## Literatures Review

### **The 4Ps Marketing Mix in International Catering Markets**

The 4Ps marketing theory proposed by McCarthy (1964) explains marketing strategy through four elements: product, price, place, and promotion, which jointly influence customer value and organizational performance. The framework emphasizes the coordinated interaction of multiple marketing decisions rather than single factors. Kotler and Keller (2016) noted that firms need to align product features, pricing, distribution, and communication to maintain consistent brand value in competitive markets. In international contexts, Cateora et al. (2020) argued that companies must balance standardization and adaptation according to local culture, consumer preferences, and market conditions. In the catering industry, the 4Ps are closely related to dining experience, perceived value, service accessibility, and promotional communication. Based on this theoretical foundation, the present study applied the 4Ps framework to analyze Xiaolongkan Hotpot's marketing strategies in Thailand and to examine how product strategy, price strategy, place strategy, and promotion strategy influence Thai consumers' purchase intention.

### **Product Strategy in the International Catering Industry**

Product strategy is a key element of the marketing mix in the international catering industry, where food consumption is experiential and culturally influenced. It includes not only taste and menu design but also service quality, dining environment, and cultural meaning (Grönroos, 2007). In overseas markets, product localization is essential because dietary habits and flavor preferences affect consumer acceptance (Yap & Kew, 2007). Research suggests that ethnic restaurant brands often combine standardized core products with localized adaptations to balance authenticity and market fit (Levitt, 1983). Consistent product quality is also important for maintaining trust

in foreign markets. In this study, Xiaolongkan Hotpot's product strategy in Thailand focuses on menu adaptation, ingredient selection, portion design, and dining experience, which are expected to influence Thai consumers' purchase intention and brand evaluation.

### **Pricing Strategy in Overseas Foodservice Markets**

Pricing strategy is important for shaping consumer perception and market positioning in international catering markets. Price acts not only as a cost but also as a signal of quality and brand value (Monroe, 2003). In emerging markets such as Thailand, consumer price sensitivity differs across income groups, requiring brands to balance premium positioning with affordability (Hwang & Ok, 2013). Common approaches include value-based pricing, competitive pricing, and psychological pricing to enhance perceived value. For Xiaolongkan Hotpot in Thailand, pricing decisions should consider local income levels, dining habits, and competitive conditions. An appropriate pricing strategy can strengthen purchase intention and brand positioning, while unsuitable pricing may reduce accessibility and competitiveness in the local catering market.

### **Place Strategy and Distribution in the Catering Industry**

Place strategy concerns distribution channels and physical accessibility, which are important in catering because consumption is on-site. Store location affects customer flow, visibility, and brand exposure (Berman & Evans, 2018). In international markets, place strategy also requires adaptation to local urban structure, regulations, and consumer mobility patterns. Restaurants in commercial areas, shopping malls, and tourist zones often gain higher traffic and brand recognition. Foreign catering brands may use local partnerships or franchise models to reduce entry risks, while food delivery platforms extend place strategy into online-offline hybrid channels. In Thailand, Xiaolongkan Hotpot's place strategy influences accessibility, market presence, purchase intention, and brand competitiveness in the local catering market.

## **Promotion Strategy and Brand Communication**

Promotion strategy refers to communication activities used to inform, persuade, and remind consumers about a brand, with increasing emphasis on emotional engagement and experiential storytelling in the catering industry. Social media enables interactive dialogue and enhances brand awareness through digital marketing and influencer cooperation (Kaplan & Haenlein, 2010). In international markets, culturally aligned promotional content improves brand acceptance and consumer connection (Mangold & Faulds, 2009). Visual content, word-of-mouth, and user-generated content help build authenticity and trust. For Xiaolongkan Hotpot in Thailand, promotion strategy includes advertising, social media marketing, influencer collaboration, and brand storytelling, which influence brand visibility, customer engagement, and consumer purchase intention.

## **Consumer Purchase Intention**

Consumer purchase intention is a core concept in consumer behavior research and is widely used to predict future purchasing behavior (Fishbein & Ajzen, 1975; Ajzen, 1991). It is commonly applied as an outcome variable to evaluate marketing effectiveness, reflecting how marketing activities influence consumer cognition, attitudes, and behavioral responses (Kotler & Keller, 2016). Perceived value also plays an important role in shaping purchase intention (Zeithaml, 1988). In the catering and service industries, experiential factors such as service quality, dining experience, and brand image significantly affect consumer intention (Han & Kim, 2010; Ryu et al., 2012). In international markets, cultural adaptation and localization influence brand trust and purchase intention (Steenkamp & de Jong, 2010). Therefore, this study uses purchase intention as the core dependent variable within the 4Ps framework.

## Methodology

This study adopted a quantitative research design to examine the impact of the 4Ps marketing strategies (product, price, place, and promotion) on consumer purchase intention toward Xiaolongkan Hotpot in Thailand. Data were collected using a structured Likert-scale questionnaire targeting consumers who had dining experience at Xiaolongkan Hotpot in Thailand. A total of 500 questionnaires were distributed, and 453 valid responses were obtained for analysis. The collected data were analyzed using SPSS, including descriptive statistics, reliability and validity testing, correlation analysis, and multiple regression analysis, in order to examine the relationships between marketing strategy variables and consumer purchase intention.

## Results

### Reliability Analysis

**Table 1** Reliability Test

Variable	Number of Items	Cronbach's $\alpha$ Coefficient
Product Strategy	4	0.816
Price Strategy	3	0.880
Place Strategy	3	0.878
Promotion Strategy	4	0.800
Purchase Intention	2	0.902
Overall Questionnaire Scale	16	0.819

As shown in Table 1 above, to evaluate the internal consistency of the measurement scale, this study conducted Cronbach's  $\alpha$  reliability test on each dimension and the overall questionnaire items. The results showed that the

Cronbach's  $\alpha$  coefficients of the five core dimensions all exceeded the acceptable criterion of 0.7, with the specific results as follows: Product Strategy (4 items):  $\alpha = 0.816$ , Price Strategy (3 items):  $\alpha = 0.880$ , Place Strategy (3 items):  $\alpha = 0.878$ , Promotion Strategy (4 items):  $\alpha = 0.800$ , Purchase Intention (2 items):  $\alpha = 0.902$ . Among them, Purchase Intention had the highest Cronbach's  $\alpha$  coefficient (0.902), reaching an excellent level of internal consistency; Promotion Strategy had the relatively lowest coefficient (0.800), yet it still fell within the favorable range of reliability standards. The Cronbach's  $\alpha$  coefficient of the overall questionnaire scale was 0.819, which indicated that the 16 items of the entire scale possessed a high level of internal consistency as a whole.

### Validity Analysis

**Table 2** Validity test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.788
Bartlett's Test of Sphericity	Approx. Chi-Square	3405.834
	df	120.000
	Sig.	0.000

As shown in Table 2, the KMO and Bartlett's tests were conducted before Exploratory Factor Analysis (EFA). The KMO value was 0.788, exceeding the acceptable threshold of 0.7, indicating good sampling adequacy and suitability for factor analysis. Bartlett's Test of Sphericity showed an approximate chi-square value of 3405.834 (df = 120.000, Sig. = 0.000,  $p < 0.001$ ), confirming significant correlations among variables and supporting the appropriateness of factor extraction.

## Correlation Between Variables

**Table 3** Correlation between Variables

Variable	Product Strategy	Price Strategy	Place Strategy	Promotion Strategy	Purchase Intention
Product Strategy	1				
Price Strategy	.145**	1			
Place Strategy	.178**	.135**	1		
Promotion Strategy	.114*	.206**	.110*	1	
Purchase Intention	.404**	.373**	.291**	.254**	1
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

As shown in Table 3, Pearson correlation analysis was conducted with  $N = 453$  to examine relationships among variables. All five variables showed significant positive correlations, mostly at the 0.01 level. Product Strategy was positively correlated with Price ( $r = 0.145$ ,  $p < 0.01$ ), Place ( $r = 0.178$ ,  $p < 0.01$ ), Promotion ( $r = 0.114$ ,  $p < 0.05$ ), and Purchase Intention ( $r = 0.404$ ,  $p < 0.01$ ), with the strongest link to Purchase Intention. Price Strategy correlated with Place ( $r = 0.135$ ,  $p < 0.01$ ), Promotion ( $r = 0.206$ ,  $p < 0.01$ ), and Purchase Intention ( $r = 0.373$ ,  $p < 0.01$ ). Place Strategy correlated with Promotion ( $r = 0.110$ ,  $p < 0.05$ ) and Purchase Intention ( $r = 0.291$ ,  $p < 0.01$ ). Promotion Strategy correlated with Purchase Intention ( $r = 0.254$ ,  $p < 0.01$ ). Purchase Intention showed significant correlations with all four strategies, supporting further regression analysis.

## Correlation Between Variables

**Table 4** Multiple Regression Analysis

Item	Unstd. B	Std. Beta	t	Sig.	VIF	F
(Constant)	0.434		1.762	0.079		52.393***
Product Strategy	0.388	0.316	7.888	0.000	1.055	
Price Strategy	0.304	0.274	6.779	0.000	1.071	
Place Strategy	0.198	0.182	4.563	0.000	1.051	
Promotion Strategy	0.189	0.141	3.520	0.000	1.058	
R Square	0.319					
Adjusted R Square	0.313					
a. Dependent Variable: Purchase Intention						
NOTE:*P<0.05,**P<0.01,***P<0.001						

As shown in Table 4, multiple linear regression was conducted to examine the effects of Product Strategy, Price Strategy, Place Strategy, and Promotion Strategy on Purchase Intention. All four variables showed significant positive effects: Product ( $\beta = 0.316$ ,  $t = 7.888$ ,  $p < 0.001$ ), Price ( $\beta = 0.274$ ,  $t = 6.779$ ,  $p < 0.001$ ), Place ( $\beta = 0.182$ ,  $t = 4.563$ ,  $p < 0.001$ ), and Promotion ( $\beta = 0.141$ ,  $t = 3.520$ ,  $p < 0.001$ ), with Product and Price showing relatively stronger influence. The model reported R Square = 0.319 and Adjusted R Square = 0.313, explaining 31.3% of the variance in Purchase Intention. The overall model was significant ( $F = 52.393$ ,  $p < 0.001$ ). Collinearity diagnostics indicated no multicollinearity issues, with VIF values ranging from 1.051 to 1.071, confirming stable and reliable regression results.

## Discussion

### 1. Reliability Analysis

The reliability analysis demonstrates that all constructs exhibit satisfactory to excellent internal consistency. Cronbach's  $\alpha$  values ranged from 0.800 to 0.902, exceeding the commonly accepted threshold of 0.70 suggested by Nunnally and Bernstein (1994). Specifically, Purchase Intention ( $\alpha = 0.902$ ) reached an excellent reliability level, indicating strong inter-item consistency. Product Strategy ( $\alpha = 0.816$ ), Price Strategy ( $\alpha = 0.880$ ), Place Strategy ( $\alpha = 0.878$ ), and Promotion Strategy ( $\alpha = 0.800$ ) all demonstrated good reliability.

The overall questionnaire reliability ( $\alpha = 0.819$ ) further confirms that the 16-item instrument maintains a high degree of internal consistency as a unified scale. According to George and Mallery (2003),  $\alpha$  values above 0.80 are considered good, reinforcing the robustness of the measurement model. Therefore, the constructs used to represent the marketing mix (4Ps) and purchase intention are statistically reliable and suitable for further inferential analysis.

### 2. Validity Analysis

Before conducting Exploratory Factor Analysis (EFA), sampling adequacy and factorability were assessed using the KMO and Bartlett's tests. The KMO value of 0.788 exceeds the recommended minimum of 0.70, indicating adequate sampling and compact correlation patterns suitable for factor analysis (Kaiser, 1974).

Bartlett's Test of Sphericity was significant ( $\chi^2 = 3405.834$ ,  $df = 120$ ,  $p < 0.001$ ), confirming that correlations among items are sufficiently large for factor extraction. As suggested by Hair et al. (2010), significant Bartlett's results indicate that the correlation matrix is not an identity matrix, supporting the construct validity of the measurement scale.

Overall, both reliability and validity results confirm that the instrument is psychometrically sound and appropriate for hypothesis testing.

### 3. Correlation Analysis

Pearson correlation analysis (N = 453) revealed significant positive relationships among all variables, primarily at the 0.01 level. The strongest correlation was observed between Product Strategy and Purchase Intention ( $r = 0.404$ ,  $p < 0.01$ ), followed by Price Strategy ( $r = 0.373$ ), Place Strategy ( $r = 0.291$ ), and Promotion Strategy ( $r = 0.254$ ).

These findings are consistent with the theoretical framework of the marketing mix proposed by E. Jerome McCarthy (1960), which posits that coordinated marketing strategies significantly influence consumer behavioral responses. Furthermore, the positive associations align with consumer behavior theory suggesting that well-designed product attributes, competitive pricing, convenient distribution, and persuasive promotion enhance customers' purchase intentions (Kotler & Keller, 2016).

The moderate correlation coefficients also indicate that while related, the four marketing strategies remain conceptually distinct constructs, minimizing concerns of redundancy.

### 4. Multiple Regression Analysis

The regression results demonstrate that all four marketing mix dimensions significantly and positively influence Purchase Intention. Product Strategy ( $\beta = 0.316$ ) exerts the strongest effect, followed by Price Strategy ( $\beta = 0.274$ ), Place Strategy ( $\beta = 0.182$ ), and Promotion Strategy ( $\beta = 0.141$ ).

These findings confirm that product-related factors (e.g., quality, features, design) play a dominant role in shaping consumer purchase decisions, consistent with classical marketing theory (Kotler & Keller, 2016). Price sensitivity also remains a critical determinant, supporting prior empirical research that pricing strategies strongly influence perceived value and buying decisions (Zeithaml, 1988).

The model explains 31.3% of the variance in Purchase Intention (Adjusted  $R^2 = 0.313$ ), indicating moderate explanatory power. According to Cohen (1988), this level of variance explanation is considered meaningful in social science research, where consumer behavior is influenced by multiple psychological and contextual factors.

The significant F-value ( $F = 52.393$ ,  $p < 0.001$ ) confirms overall model fitness. Additionally, VIF values between 1.051 and 1.071 indicate no multicollinearity issues, as they are well below the critical threshold of 10 (Hair et al., 2010). This confirms the stability and independence of predictors within the regression model.

### **5. Theoretical and Practical Implications**

The findings reinforce the applicability of the 4Ps marketing mix model in predicting consumer purchase intention. The stronger influence of Product and Price strategies suggests that organizations should prioritize product quality, differentiation, and competitive pricing mechanisms.

From a managerial perspective, integrated marketing strategies remain essential, as all four components significantly contribute to purchase intention. However, allocating more strategic resources toward product development and value-based pricing may yield higher returns in consumer engagement and conversion.

### **Recommendations**

Empirical results show product strategy has the strongest impact on purchase intention. Consumers recognize ingredient quality and dining experience, but product localization remains relatively lower. Xiaolongkan should strengthen localization while maintaining Sichuan hotpot identity by offering diversified soup bases with adjustable spiciness and selectively adding local flavor elements. Menu diversification with locally familiar ingredients,

lighter options, and seasonal items can improve acceptance and repeat visits. Optimizing service interaction and cultural communication can further strengthen perceived product value.

Pricing strategy significantly influences purchase intention, yet evaluations of price reasonableness and cost performance are relatively lower. Xiaolongkan should enhance price flexibility through diversified pricing formats such as lunch sets, small-group packages, and shared options to reduce perceived financial burden. Membership benefits, loyalty programs, and digital coupons can strengthen repeat visits. Value-oriented communication emphasizing ingredient quality, portion size, and dining experience can improve perceived fairness and reinforce brand positioning while supporting long-term market development.

Place strategy significantly affects purchase intention, but limitations remain in residential coverage and online service performance. Xiaolongkan should adopt an omni-channel approach integrating offline expansion into residential or mixed-use areas with stronger online ordering and delivery cooperation. Improving delivery efficiency, packaging quality, and service processes can maintain product consistency and reduce perceived effort. Optimizing in-store layout, seating arrangements, and peak-hour coordination can enhance operational efficiency, accessibility, and consumer convenience across multiple channels.

Promotion strategy has a significant but relatively weaker effect, mainly relying on sales promotions and social media exposure. Xiaolongkan should strengthen localized communication through collaboration with Thai influencers and lifestyle creators while emphasizing dining experience sharing and brand storytelling. Participation in local events, cultural festivals, and social responsibility initiatives can enhance emotional connections. Interactive activities, user-generated content, and loyalty engagement programs can

increase participation, strengthen word-of-mouth marketing, and complement other marketing strategies.

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